

PRESS RELEASE
FOR IMMEDIATE RELEASE

Hektar REIT's Q2 Realised Net Income Up 42.8% Backed by Enlarged and Diversified Asset Portfolio

- Gross Revenue surged by 34.4% year-on-year to RM36.6 million.
- Net Property Income increased by 33.7% to RM20.7 million, bolstered by new revenue stream from its recently acquired non-retail asset - Kolej Yayasan Saad.
- Strong performance across Hektar Malls with 6.4% Positive Rental Reversion and close to 90% overall committed occupancy.
- Announces first interim income distribution of 1.9 sen per unit together with Income Distribution Reinvestment Plan.

Kuala Lumpur, 22 August 2024 – Hektar Asset Management Sdn. Bhd., the Manager of [Hektar Real Estate Investment Trust](#) ("Hektar REIT") is pleased to announce the second quarter results for the financial year ending 30 June 2024 ("Q2 FY2024"), highlighting a significant improvement in financial performance driven by new revenue contribution from Kolej Yayasan Saad and effective operational management.

In Q2 FY2024, Hektar REIT reported revenue of RM36.6 million, an increase of 34.4% compared to RM27.2 million in the preceding year's corresponding quarter ("Q2 FY2023") largely attributed to the rental income recognised from its newly acquired education asset, Kolej Yayasan Saad ("KYS"). Net Property Income ("NPI") increased by 33.7% from RM15.5 million to RM20.7 million, and Net Realised Income surged by 42.8% to RM9.9 million in Q2 FY2024.

Hektar REIT	Q2' 2024	Q2' 2023	Variance
Summary of Financial Results for 2Q24	RM'000	RM'000	%
Total Revenue	36,557	27,207	34.4
Net Property Income ("NPI")	20,713	15,427	33.7
Net Realised Income	9,933	6,956	42.8

The quarter under review saw an encouraging rental reversion rate across all Hektar Malls with overall rental reversion recorded at **6.4%**. On its tenancy expiry profile, a total of **28** renewals and new tenancies were secured which make up to **3.2%** of the portfolio's net lettable area. Cumulatively, a total of 62 renewals and new tenancies representing 259,676 sf of 12.7% of its retail portfolio's net lettable area have been completed to-date with other expiring tenancies are currently in advanced negotiations stage, on track for conclusion by year-end.

Supported by the strong financial performance, the Manager of Hektar REIT has declared an interim income distribution of 1.9 sen per unit for Q2 FY2024, totalling RM13.4 million. This translates to an annualised dividend yield of 6.4% based on the closing price of RM0.595 on 28 June 2024. The Income Distribution Reinvestment Plan (“IDRP”) will be applied, allowing unitholders to reinvest their dividends into new units. Unitholders are presented with this option to enhance their investments in Hektar REIT, in alignment to Hektar REIT’s capital growth and preservation objectives.

As at Q2 FY2024, the overall occupancy rate at Hektar Malls was recorded at **87.2%**. On the other hand, secured occupancy rate has further improved to **89.3%** with tenants committed to open their doors to customers in the coming quarters. The encouraging numbers resulted from Hektar REIT’s enhance leasing strategies, continuous Asset Enhancement Initiatives (“AEI”) together with the strong retail industry outlook for the remaining half of 2024.

To further extract values from its portfolio of retail assets, the Manager’s focus remains to be on Subang Parade’s overall repositioning. Urban Agenda Design Sdn Bhd was recently appointed as the lead architect for the rejuvenation project which covers Subang Parade’s interior and exterior facelifts to be implemented over three (3) years. Urban Agenda Design Sdn Bhd is an experienced party with extensive redevelopment portfolio ranging from REX KL, Semua House, The Five and Maximin Office (PJ). The management foresees improved occupancy levels, positive rental reversions, property valuation and increase in visitor traffic post-renovation works. The project is currently at the detailed design stage with the actual works on-site targeted to commence by Q1 2025.



Sabrina Halim, Chief Operating Officer of Hektar Asset Management ([Link](#))

Sabrina Halim, Chief Operating Officer of Hektar Asset Management Sdn. Bhd. commented, “The positive results derived from the successful acquisition of our first non-retail asset marks a significant milestone in our diversification strategy. This strategic move not only broadens our portfolio but also enhances our resilience against market fluctuations. We believe that diversifying our asset base with high-quality, income-generating properties will provide a more stable revenue stream and reduce our dependency on retail assets alone.”

She further added, “As we move forward, we are actively exploring further accretive opportunities that align with our long-term growth objectives, ensuring that we continue to deliver sustainable and attractive returns to our unitholders. Our commitment to optimising our asset portfolio and implementing prudent capital management practices will drive Hektar REIT’s growth and position us strongly in an increasingly competitive market environment.”

The Manager recently announced the intention to double Hektar REIT’s portfolio size to RM3 billion by 2027. Presented by various opportunities, the Manager is carefully appraising the prospects for their financial feasibility, strength of income stream, growth potential and contribution to the portfolio’s blended returns. With a target of having a well-balanced portfolio, the Manager is focusing on its core which is underserved retail assets with value creation potential, while also eyeing for resilient assets such as education properties within the K-12 segment and

light industrial properties. Meanwhile, the Manager is continuously enhancing the leasing and marketing initiatives at Hektar Malls, with pockets of minor AELs implemented on-site to further enhance the value propositions of the shopping centres.

###

ABOUT HEKTAR REAL ESTATE INVESTMENT TRUST

Hektar Real Estate Investment Trust (“Hektar REIT”) is Malaysia’s first listed retail-focused REIT. The primary objectives of Hektar REIT are to provide unitholders with sustainable dividend income and to achieve a long-term capital appreciation of the REIT. Hektar REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 4 December 2006 and currently owns 2 million square feet of retail space in 4 states with assets valued at RM1.2 billion as at 31 December 2023. Hektar REIT is managed by Hektar Asset Management Sdn Bhd and the property manager is Hektar Property Services Sdn Bhd. Hektar REIT’s portfolio of diversified properties includes Subang Parade in Subang Jaya, Selangor; Mahkota Parade and Kolej Yayasan Saad in Melaka; Wetex Parade & Classic Hotel in Muar, Johor; Central Square in Sungai Petani, Kedah; Kulim Central in Kulim, Kedah and Segamat Central in Segamat, Johor. For more information, please visit www.HektarREIT.com



For more information or inquiries, please contact:

Hektar Asset Management Sdn Bhd
D1-U3-10, Solaris Dutamas
No 1, Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia



Investor Relations
Tel: +6 03 6205 5570
Fax: +6 03 6205 5571
Email: ir@HektarREIT.com
Web: www.HektarREIT.com