

PRESS RELEASE

FOR IMMEDIATE RELEASE

Hektar REIT Continues Growth Trajectory with 11.9% Increase in Revenue for FYE2024, Driven by Portfolio Diversification and Strategic Asset Management

- Total Revenue increased by 11.9% year-on-year to RM124.8 million for FYE2024.
 - Net Property Income (NPI) rose by 4.7% to RM62.9 million for FYE2024.
 - Final income distribution of 1.25 sen per unit, bringing total distribution for FYE2024 to 3.15 sen per unit.
 - Achieved with positive rental reversion of 5.7%.
 - Strengthen focus on reducing operating expenses with solar panel installation and replacement of aging facilities to drive long term efficiency.
 - Strategic shift towards reducing exposure to retail asset with increased focus on non-retail assets on triple-net basis for stable long-term income.
 - Major Repositioning of Subang Parade featuring upgraded facilities and improved tenant mix
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Kuala Lumpur, 26 February 2025 – Hektar Asset Management Sdn. Bhd., the Manager of [Hektar Real Estate Investment Trust](#) (“Hektar REIT”), is pleased to announce the financial results for the fourth quarter and full financial year ended 31 December 2024 (“FY2024”), showcasing steady revenue growth and resilience amid a dynamic economic environment.

For FY2024, Hektar REIT recorded a total revenue of RM124.8 million, reflecting an 11.9% year-on-year increase compared to RM111.5 million in FYE2023. This growth was primarily driven by the income contribution from Kolej Yayasan Saad (“KYS”) Melaka, following the completion of the acquisition, as well as consistent rental income from its retail portfolio. Net Property Income rose 4.7% to RM62.9 million, further strengthening Hektar REIT’s income-generating capabilities. Notwithstanding the topline achievements, Net Realised Income recorded a temporary decline Y-o-Y due to increased financing costs, gain on reversal of trade receivables recognised in prior year and one-off acquisition cost in relation to KYS acquisition. According to Hektar, this is a timing related impact rather than structural issue, and with the continued solid performance of our core assets, we anticipate a normalisation moving forward.

In line with its commitment to delivering stable returns, Hektar REIT declared a final income distribution of 1.25 sen per unit, bringing the total FY2024 distribution to 3.15 sen per unit which translates to a 5.7% dividend yield based on the year-end closing price. This reflects Hektar REIT’s commitment to maintain sustainable distributions despite cost challenges. The REIT expects the DPU in the incoming years to be further enhanced upon the realisation of full-year income from its new yield-accretive acquisitions.

Hektar REIT has ventured into portfolio diversification to enhance its resilience and reduce exposure to retail with the addition of KYS Melaka as its first education asset in its portfolio which has successfully provided a stable and recurring income stream to the REIT. Continuing from that Hektar has recently announced its maiden venture into industrial sector through the proposed acquisition in Bayan Lepas, Penang solidifying its diversified asset and income base. As part of its growth strategy, Hektar REIT is actively rebalancing its portfolio to reduce reliance on retail assets by refocusing on acquiring triple-net lease assets in the non-retail sectors aligned with our yield-accretive strategy, ensuring consistent income streams with minimal operational costs that will further enhance the REIT's DPU.



Zainal Iskandar, CEO of Hektar Asset Management Sdn Bhd

Zainal Iskandar, Chief Executive Officer of Hektar Asset Management Sdn Bhd. commented, "The year 2024 has been transformative and was the most eventful yet for Hektar REIT, marked by significant achievements and strategic advancements. We kicked-off the year with a new mandate from Unitholders to venture into non-retail assets, a monumental milestone that substantially redefines the future direction of Hektar REIT towards aligning and meeting our goal of defensible growth and long-term sustainability. Looking ahead, we remain committed to delivering value to our unitholders by maintaining high occupancy rates, driving rental reversions, and executing accretive non-retail acquisitions to fortify our portfolio."

Moving forward, Hektar REIT is **accelerating its key initiatives**, including:

- **Expanding into yield-accretive non-retail asset acquisitions on a triple-net lease basis** to secure stable, long-term rental income with minimal operational risk and intervention
- **Strategic Repositioning of Subang Parade** as the preferred neighborhood mall focusing on tenant remixing, effective space curation and infrastructure upgrade to enhance visitor experience and reinforcing its status as a vibrant community destination
- **Implementation of solar panels** across its portfolio to **reduce energy costs** and enhance environmental sustainability.
- **Replacement of aging air conditioning systems** to improve operational efficiency, reduce maintenance costs, and enhance the shopping experience.
- **Securing of new tenancies** – For FY2024, the management has secured renewed / secured 144 tenants ranging from Chagee, Oriental Parade, Game On, Padi House, Mokky's Pizza, The Farm & Chan Rak BBQ, The Store (Segamat Central)

With an ongoing focus on operational efficiency, tenant mix improvement, and cost optimisation, Hektar REIT is well-positioned to navigate the evolving market landscape and sustain its growth trajectory in the coming year.

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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 December 4, 2006 and currently owns 2 million square feet of retail space and an education property across 4 states with total assets valued at RM1.39 billion. On 19 February 2025, The Manager has announced the proposed acquisition of an industrial property located in Bayan Lepas, Penang for RM30 million, marking Hektar REIT's dedication to diversification for yield-accretive non-retail assets, being the first industrial asset in its portfolio. 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 in Melaka; Kolej Yayasan Saad in Ayer Keroh, 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



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