

HEKTAR REIT 2Q/FY2021 RESULTS

HEKTAR REIT 2Q REVENUE UP 4.5%

- Hektar REIT posts RM25.7 million revenue in 2Q2021
- Government's move to allow reopening of more retail businesses seen positively
- Continued commitment towards ESG results in Greenhouse gas emission (CO₂e) avoided of 14.3 million kg over 5-years

Kuala Lumpur, 26 August 2021 – Hektar Asset Management Sdn. Bhd., the Manager of Hektar Real Estate Investment Trust ("Hektar REIT"), today announced the second quarter results ended 30 June 2021 ("2Q 2021"). Hektar REIT recorded revenue of RM25.71 million, which is 4.5% higher than the RM24.60 million recorded in the same quarter of the preceding year.

Net property income meanwhile was RM10.21 million, a decrease of 14.8% compared to the RM11.97 million recorded in 2Q 2020. The reported decline was in line with other retail and hospitality REITs affected by the pandemic due to the implementation of various Movement Control Orders and mobility restrictions. Realized income for 2Q 2021 was 5.2% higher at RM1.58 million compared to the RM1.50 million recorded in 2Q 2020. Earnings per unit ("EPU") of 0.34 sen was recorded for the second quarter.

While the operating landscape continues to be challenging for the retail industry due to the prolonged COVID-19 pandemic, Hektar REIT is hopeful that the situation will gradually normalize and consumer sentiment will recover as the high vaccination rates among the population continue. The move by the Government to allow certain non-essential businesses to resume operations from 16 August 2021 while adhering to the standard operating procedures ("SOPs") to curb the virus will give some breathing space to these businesses that have been badly affected and not allowed to operate since May 2021.

Hektar REIT remains cautious as daily infection rates continue to be high but view the introduction of vaccination for retail frontliners under the Retail Industry Vaccination Programme (RiVAC) as critical to the eventual full reopening of the industry. RiVAC is important for the safety of retail staff as well as safeguarding public health for those who have daily interactions with the public. The REIT will continue to monitor the situation while adhering to all SOPs and have implemented measures to ensure the business sustainability of the REIT as well as its tenants.

The outlook for Hektar REIT, as with the rest of the retail REITs, depends on the stabilization and recovery of consumer sentiment, which continues to be affected due to prolonged lockdowns along with other mobility restrictions. Retail Group Malaysia has also recently revised sales growth for the industry downwards to 4.0% for the whole year from 4.1% previously, which was also a downward revision from 4.9% released earlier in the year.

The Government should continue to find the right balance to accelerate the reopening of all economic sectors, which would kick-start economic recovery and enable employers to save and create more jobs whilst ensuring that the healthcare system is able to cope. It would also increase the confidence of businesses and consumers to boost the local economy, in line with the new Government's focus on achieving two main objectives, i.e. raising the purchasing power of citizens and to return the private sector to its role as the country's main driver of economic growth.

Hektar REIT remains committed to fulfill its obligation to ensure that all the business activities are performed to high standards of Environmental, Social and Governance (ESG). Various energy utilization and optimization initiatives since 2017 have been put in place for all of its shopping malls, resulting in a significant reduction in greenhouse gas emissions (recorded as CO₂e) and energy usage over the last five years. From 2017 to June 2021, the CO₂E avoided was 14.3 million kg, equivalent to saving 369,368 trees. Overall, the Building Energy Intensity ("BEI") for the portfolio is also on a declining trend. Hektar REIT is a constituent member of the FTSE4Good Bursa Malaysia Index and in its latest June 2021 evaluation, its ESG conduct has been recognized with a 3-star ESG rating by FTSE Russell.

Hektar REIT Summary of Financial Results for 2Q21 (unaudited)	2Q 2021 (3 months) (RM '000)	2Q 2020 (3 months) (RM '000)	Variance (%)
Gross Revenue	25,710	24,601	4.5
Direct Cost & Property Expenses	(15,504)	(12,628)	(22.8)
Net Property Income	10,206	11,973	(14.8)
Net Income – Realised	1,576	1,499	5.2
Net Income Per Unit – Realised (sen)	0.34	0.32	5.2
Dividend Per Unit (sen)	NIL	NIL	NIL

###

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 2020. The REIT's strategic partner is Frasers Centrepoint Trust, part of Frasers Property Ltd, headquartered in Singapore. 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 commercial properties includes Subang Parade in Subang Jaya, Selangor; Mahkota Parade 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



IMPORTANT NOTICE

The past performance of Hektar REIT is not indicative of the future performance of Hektar REIT. This document may contain forward-looking statements that involve risk and uncertainties. Actual future results may vary materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

.....

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