
HEKTAR REIT 3Q/FY2021 RESULTS

HEKTAR REIT POSTS RM19.1 MILLION REVENUE IN 3Q

- Stricter movement restrictions in 3Q adversely impacts mall business
- Business gradually recovering with easing of restrictions and reopening of economy
- Rise in consumer sentiment a good sign for malls and the economy

Kuala Lumpur, 26 November 2021 – Hektar Asset Management Sdn. Bhd., the Manager of Hektar Real Estate Investment Trust (“Hektar REIT”) (“Manager”), today announced that for the third quarter ended 30 September 2021 (“3Q 2021”), Hektar REIT recorded revenue of RM19.1 million, which is a decrease of 26.4% compared to the RM26.0 million recorded in the corresponding quarter of the previous year. Hektar REIT registered net property income of RM10.3 million for the quarter under review, which decreased 20.1% compared to the RM12.9 million recorded in 3Q 2020, while realised income for 3Q 2021 was 69.0% lower at RM1.4 million compared to the RM4.5 million recorded in 3Q 2020. Earnings per unit stood at 0.30 sen as at 3Q 2021 compared to 0.98 sen in the same quarter of the previous year. The dip in Gross Revenue and NPI compared to the previous year is due to the strict containment measures in early 3Q 2021 due to the implementation of the National Recovery Plan (“NRP”), with states being under Phase 1 for a prolonged period until they met certain criteria to transition to other phases.

The prolonged COVID-19 pandemic leading to the imposition of more stringent movement restrictions from May to mid-August 2021 had an adverse impact on the business in the quarter under review. However, Hektar REIT is now seeing more visitors to its malls with the easing of restrictions in tandem with the reopening of the economy. Hektar REIT expects its business to gradually recover as almost all sectors of the economy are now allowed to open while allowing dine-ins and inter-state travel have also been beneficial to the REIT and other mall operators.

Hektar REIT is maintaining a cautious outlook for its business given all that has happened in the past 20 months and in light of the emergence of COVID-19 variants of concern, such as the Delta-plus variant that is highly transmissible. In line with the government’s efforts to transition the country towards endemicity, the REIT will continue to prioritize the adherence to strict standard operating procedures to ensure the continued safety of visitors, tenants, vendors and employees. The operating landscape continues to be

challenging despite the rebound in economic activities, but the REIT is hopeful of stronger momentum in the quarters ahead, given that consumer sentiment tracked by the Malaysian Institute of Economic Research has surged past the 100-point critical threshold to 101.7 in 3Q 2021, the first time since 3Q 2018 the gauge has gone above 100 and the highest since 3Q 2013.

The Manager has also announced on 15 November 2021 that Hektar REIT is proposing a private placement of up to 23.098 million units representing 5% of the 461.96 million total units been issued as at 12 November 2021. The private placement, which may be implemented in either a single tranche or multiple tranches over six months from the date of approval, will be placed out to independent third-party investors. The proceeds from the private placement will be used for working capital and capital work in progress as well as expenses for the private placement exercise.

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 utilisation and optimisation 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 Sept 2021, the CO₂E avoided was 15.8 million kg, equivalent to saving 409,440 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 recognised with a 3-star ESG rating by FTSE Russell.

Hektar REIT Summary of Financial Results for 3Q21 (unaudited)	3Q 2021 (3 months) (RM '000)	3Q 2020 (3 months) (RM '000)	Variance (%)
Gross Revenue	19,129	26,005	(26.4)
Direct Cost & Property Expenses	(8,794)	(13,077)	32.8
Net Property Income	10,336	12,928	(20.1)
Net Income – Realised	1,404	4,524	(69.0)
Net Income Per Unit – Realised (sen)	0.30	0.98	(69.0)
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



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