
HEKTAR REIT 4Q/FY2021 RESULTS

Hektar REIT 2021 Performance: Weathering the Challenges

- Achieved Revenue of RM96.6 million & Net Property Income of RM47 million
 - DPU of 2.53 sen, up 181%
 - Signs of recovery weighed by Omicron surge
 - Stepping up on sustainability measures & 3-star ESG rating by FTSE Russell
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Kuala Lumpur, February 25, 2022 – Hektar Asset Management Sdn. Bhd., the Manager of Hektar Real Estate Investment Trust (“Hektar REIT”), today announced Hektar REIT’s annual results for the financial year ended 31 December 2021 (“FY2021”) with revenue at RM96.60 million in FY2021, down by 13.1% compared to the same period in the preceding year. Property Operating Expenses reduced by RM8.59 million or savings of 14.8% compared to the previous year. Net Property Income (NPI) was reported at RM47.02 million, a decline of 11.2% compared with 2020. FY21 was a challenging year for the retail sector due to the COVID-19 pandemic and implementation of various Movement Control Orders, National Recovery Plan, mobility restrictions & closure of non-essential businesses for an extended period. Despite these challenges to the malls, the REIT managed to attract new & secured existing tenants covering 39.2% of Hektar REIT’s Net Lettable Area (“NLA”) in FY21.

For the fourth quarter ended 31 December 2021 (“4Q 2021”), Hektar REIT recorded revenue of RM24.98 million, which is 16.2% lower compared to the same quarter of the preceding year. Property Operating Expenses reduced by RM4.86 million or savings of 27.9% compared to the same quarter in the previous year. Hektar REIT registered net property income of RM12.38 million for the quarter under review, which is a slight increase of 0.2% compared to the corresponding quarter of the previous year, while realised income for 4Q 2021 was 185.5% higher at RM3.21 million compared to the RM1.12 million recorded in 4Q 2020.

The Manager noted that there are signs of recovery supported by the gradual reopening of the economy and it can also be seen in the steady rise in visitor footfall since the relaxation of restrictions by the Government. While Hektar REIT is cognisant of the economy’s improved growth trajectory supported by a recovering labour market, continued policy support and expansion in external demand, as well as the

possible opening of international borders as early as the second quarter, the REIT is nevertheless retaining its cautious outlook in the face of the current wave of infections stemming from the Omicron strain.



Photo: One of Hektar REIT's regional malls, Mahkota Parade, Melaka

Income Distribution

As earlier announced, Hektar REIT declared an income distribution of RM11.9 million for 4Q 2021, equivalent to 2.53 sen per unit or a DPU yield of 4.96%, which is 181% higher compared to the income distribution for the corresponding period in 2020. The COVID-19 pandemic has impacted the retail industry significantly and the REIT has also not been spared. However, we remain committed to steering our portfolio into recovery this year, barring any unforeseen circumstances despite future Variants of Concern ("VOC") that might disrupt the overall recovery of the retail & economic sector.

Private Placement

During the quarter under review, Hektar REIT's fund size increased to 471,260,178 units from 461,960,178 units arising from the private placement exercise announced on 15 November 2021. A total of 9.30 million units out of the total proposed private placement of 23.098 million units were subsequently placed out in two tranches in December 2021, raising RM4.23 million. The private placement was undertaken to raise funding for working capital and capital work in progress, facilitating Hektar REIT's day-to-day operations as a whole by providing more flexibility in terms of cash flow management.

Sustainability Efforts

Hektar REIT remains committed to fulfill its obligation to ensure that all 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. Despite the pandemic, reducing the environmental footprint of our assets and operations remain a priority. We managed to reduce the overall amount of CO₂e emissions of our assets by about 11.6% to 18.8 million kgCO₂e in 2021 from almost 21.3 million kgCO₂e in 2020. Emissions intensity of our assets expressed as the amount of CO₂e emitted per gross floor area (kgCO₂e/sq.ft.) also improved to 4.0 kgCO₂e/sq.ft. from 4.50 kgCO₂e/sq.ft. in 2020. Overall, the portfolio's Building Energy Intensity ("BEI") is also on a declining trend. Hektar REIT is a constituent member of the FTSE4Good Bursa Malaysia Index and in its latest December 2021 evaluation, its ESG conduct has been recognised with a 3-star ESG rating by FTSE Russell.

Hektar REIT Summary of Financial Results for 4Q21 (unaudited)	4Q 2021 (3 months) (RM 'million)	4Q 2020 (3 months) (RM 'million)	Variance (%)
Gross Revenue	24.98	29.82	(16.2)
Direct Cost & Property Expenses	12.60	17.46	27.9
Net Property Income	12.38	12.36	0.2
Net Income – Realised	3.21	1.12	185.5
Net Income Per Unit – Realised (sen)	0.69	0.24	187.5
Dividend Per Unit (sen)	2.53	0.90	181.1

Hektar REIT Summary of Financial Results for FY21 (unaudited)	FY2021 (12 months) (RM 'million)	FY2020 (12 months) (RM 'million)	Variance (%)
Gross Revenue	96.60	111.14	(13.1)
Direct Cost & Property Expenses	49.58	58.17	14.8
Net Property Income	47.02	52.97	(11.2)
Net Income – Realised	12.71	14.22	(10.6)
Net Income Per Unit – Realised (sen)	2.75	3.08	(10.7)
Dividend Per Unit (sen)	2.53	0.90	181.1

For further information, please log on to www.bursamalaysia.com.

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 RM1.16 billion as at 31 December 2021. 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.

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