

PRESS RELEASE
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HEKTAR REIT Acquires First High-Value Light Industrial Asset to Bolster diversified portfolio

- Diversification into industrial assets to balance portfolio and reduce risk exposure.
 - Acquiring at RM30,000,000 with an attractive yield of 7.5% on triple net lease.
 - Strategic location within the Bayan Lepas Free Industrial Zone, Penang with high capital appreciation potential.
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Kuala Lumpur, 19 February 2025 – [Hektar Real Estate Investment Trust](#) ("Hektar REIT"), a leading real estate investment trust specializing in retail and educational properties, is pleased to announce the acquisition of a strategically located light industrial asset catering to the burgeoning semiconductor industry. The property, well situated within the Bayan Lepas Free Industrial Zone Penang, underscores the REIT's commitment to investing in high-growth sectors and supporting critical supply chain operations.

The property being transacted at RM30,000,000, showcases an attractive discount rate of 9.1% from the property's market value which is derived based on income method approach has boosted the initial yield to 7.5% on triple net lease. This acquisition is a pivotal addition to Hektar REIT's portfolio in diversifying towards the industrial sector, enhancing its footprint in the advanced manufacturing and technology supply chain while balancing the REIT's portfolio to reduce reliance on the retail sector. The facility features cutting-edge specifications designed to meet the rigorous demands of semiconductor manufacturing and logistics. This transaction aligns with Hektar REIT's strategic focus on acquiring mission-critical assets in high-demand markets. This acquisition brings Hektar portfolio to a total number of eight (8) properties including shopping malls and a private school, providing value creation with portfolio diversification and reduced exposure in the retail market. In addition, the transaction triple net lease arrangement shifts the property related expenses (e.g taxes, insurance and maintenance) into the tenant, providing Hektar REIT direct passive income over the lease term.

Bayan Lepas Free Industrial Zone (FIZ) has become a cornerstone of Asia's digital and electronic transformation. Bayan Lepas FIZ positions itself at the forefront of smart manufacturing, automation, and artificial intelligence. The continued expansion of semiconductor and electronic manufacturing capacities underscores the zone's significance in the global supply chain, especially amid increasing demand for microchips and high-performance computing, cementing its legacy as the undisputed "Silicon Valley of the East."

As global demand for semiconductors continues to rise, fuelled by technological innovation and supply chain diversification, this acquisition positions Hektar REIT as a key enabler within this transformative sector. Semiconductors

are the backbone of modern technology, and this facility's strategic location and advanced capabilities align seamlessly with Hektar REIT's investment strategy. By acquiring this asset, Hektar REIT is strengthening its presence in a high-growth market that is critical to the global economy.

The light industrial property boasts a range of features tailored to the unique needs of semiconductor production and distribution, including:

- **Advanced Infrastructure:** Designed to accommodate clean rooms, precision manufacturing, and high-power requirements essential for semiconductor operations.
- **Strategic Location:** Proximity to key transportation networks (Penang Bridge and Port), supply chain hubs, and an established ecosystem of semiconductor manufacturers and suppliers.
- **Flexibility:** Modular spaces that allow for future adaptability, ensuring the facility remains relevant amid evolving technological needs.

The 15-year long-term lease agreement provides a stable income stream for Hektar REIT with fixed rental escalation that reflects the strong demand for specialized industrial space.

This acquisition marks Hektar REIT's entry into the industrial real estate market of Penang, with a particular focus on supporting high-tech industries. The property's location within the Bayan Lepas Free Industrial Zone, Penang provides strategic access to:

- A skilled workforce with expertise in semiconductor manufacturing and engineering.
- Robust infrastructure, including ports, airports, and major highways, ensuring efficient logistics and supply chain operations.
- A thriving business ecosystem that includes leading semiconductor companies, research institutions, and innovation hubs.

"The acquisition underscores our ability to identify and capitalize on opportunities in key growth markets," added **Hektar REIT's CEO, Zainal Iskandar bin Ismail**. "By focusing on properties that support advanced industries, we are positioning Hektar REIT for long-term success and delivering value to our shareholders."

Looking ahead, Hektar REIT continues to explore opportunities to expand its portfolio with assets that align with its strategic priorities. By focusing on non-retail assets towards high-growth industries and critical learning facilities, the REIT is well-positioned to navigate dynamic market conditions and deliver consistent returns. This acquisition marks an exciting chapter of Hektar REIT's diversification towards industrial assets. Hektar REIT remains steadfast in the commitment to delivering value for its stakeholders by investing in properties that support innovation and economic growth.

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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 in 4 states with assets valued at RM1.38 billion. On July 12, 2024 The Manager has announced the completion of the acquisition of Kolej Yayasan Saad Melaka (KYSM) for RM148.5 million, marking a pivotal moment in Hektar REIT’s strategic expansion and diversification efforts, being the first educational 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 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 Relations
Tel: +6 03 6205 5570
Fax: +6 03 6205 5571
Email: ir@HektarREIT.com
Web: www.HektarREIT.com

Published by: Swan Consultancy Sdn. Bhd on behalf of Hektar Asset Management

For more information, please contact:

Jazzmin Wan

Tel: +60 17-289 4110

Emel: j.wan@swanconsultancy.biz

Mandy Tan

Tel: +60 16-4772257

Email: m.tan@swanconsultancy.biz