

## **Hektar REIT 2Q16 Results**

### **Emphasis on External Growth**

#### **Stable Dividend per Unit announced at 2.60 sen**

**Kuala Lumpur, 1 August, 2016** – Hektar Asset Management Sdn Bhd (“Hektar”) announced that Hektar Real Estate Investment Trust (“Hektar REIT”) recorded stable revenue of RM30.9 million for the quarter ended 30 June 2016 (“2Q16”). Net Property Income (“NPI”) reached RM 18.9 million, down by 3.9% over the corresponding period due to higher marketing and promotion expenses. Realised net income has further reduced by 12.1% to RM 10.4 million due to higher borrowing cost.

For the cumulative period ended 30 June 2016, realised net income was recorded at RM 21.1 million, 7.9% lower than the preceding year period. The six months gross revenue was RM 62.5 million, up slightly from RM 62.2 million over the six months ended 30 June 2015. NPI has reduced by 1.9% to RM 37.6 million.

“Despite the challenging retail outlook, we were able to maintain high occupancy rates at all of our assets, where our portfolio average was recorded at 96.5% during the closing of 2Q2016. To weather through the gloomy retail condition, our team has worked closely with retailers to maintain the high occupancy rates that we currently enjoy. Initiatives in terms of marketing and promotional activities, improved tenancy mix and new retail experiences have been stepped up to spruce the retail activity at our malls,” said Chief Executive Officer, Dato’ Hisham bin Othman.

“We would also like to take the opportunity of the depressed economic outlook to capitalise on external growth. Our proposed acquisition of 1Segamat Shopping Centre and asset enhancement initiatives (“AEI”) in Landmark Central are part of our growth plans. Both the proposed acquisition and the AEI will add value to the REIT, bringing an additional net lettable area of approximately 240,000 square feet to the portfolio,” he added.

Hektar REIT declared an interim distribution per unit (“DPU”) of 2.60 sen, maintained as per the distribution declared in the previous year’s corresponding quarter. The Book Closing Date is August 17, 2016 and payment of the distribution will be made on September 2, 2016. Based on the closing price of RM1.51 on June 30, 2016, the annualised DPU for the year represented a distribution yield of approximately 6.9%.

Hektar REIT maintains a distribution policy of at least 90% of distributable net income, which typically excludes items such as capital allowances and revenue arising from Financial Reporting Standards 117, an accounting standard adopted in FY2010.

Overview of Hektar REIT Financial Results (unaudited)	2Q 2016 (3 months) (RM '000)	2Q 2015 (3 months) (RM '000)	Variance (%)
Gross Revenue	30,941	30,980	-0.1%
Direct Cost & Property Expenses	(12,051)	(11,327)	+4.4%
Net Property Income (NPI)	18,890	19,653	-3.9%
Net Income – Realised	10,429	11,864	-12.1%
Net Income	10,429	11,864	-12.1%
Net Income Per Unit – Realised (sen)	2.60	2.96	-12.1%
Distribution Per Unit (DPU) (sen)	2.60	2.60	-

For further information, please log on to [www.bursamalaysia.com](http://www.bursamalaysia.com)

## ABOUT HEKTAR REIT

Hektar Real Estate Investment Trust (“Hektar REIT”) is a retail-focused REIT in Malaysia, focused on investing and managing commercial retail properties. Hektar REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 4 December 2006 and currently owns 1.8 million square feet of retail space with assets valued at RM1.09 billion in December 2015. The primary objectives of Hektar REIT are to provide unitholders with sustainable dividend income and to achieve long-term capital appreciation of the REIT.

Hektar REIT is managed by Hektar Asset Management Sdn Bhd (“Manager”), which is focused on the management of retail shopping centres.

Hektar REIT’s portfolio of shopping malls include Subang Parade in Subang Jaya, Selangor, Mahkota Parade in Melaka, Wetex Parade in Muar, Johor, Central Square in Sungai Petani, Kedah and Landmark Central in Kulim, Kedah. The portfolio’s catchment serves a market size of 3.0 million shoppers. As at 31 December 2015, the portfolio had an average occupancy of 96.6% and recorded over 30.6 million shopper visits.

For more information, please visit [www.HektarREIT.com](http://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, please contact:

Investor Relations and Corporate Communications

Hektar Asset Management Sdn Bhd  
D1-U3-10, Block D1, Solaris Dutamas  
No 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
Malaysia

Tel: +6 03 6205 5570

Fax: +6 03 6205 5571

Web: [www.HektarREIT.com](http://www.HektarREIT.com)