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## Hektar REIT 3Q18 Results

**Healthy rental reversions propel Net Property Income up by 14%**  
**Rental Reversions of 7.9% underscore strong leasing performance**

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**Kuala Lumpur, November 27, 2018** – Hektar Asset Management Sdn. Bhd., the Manager of Hektar Real Estate Investment Trust (“Hektar REIT”) announced that Hektar REIT recorded a higher revenue of RM33.4 million for the third quarter ended September 30, 2018 (“3Q18”), up 10% from the corresponding period (“3Q17”). Its Net Property Income (“NPI”) reached RM19.5 million, an increase of 14% for 3Q18 from the preceding year quarter, 3Q17.

“Hektar REIT’s fundamentals remain strong with solid track record for occupancy, y-o-y increase in revenues and also higher net property income. Our performance this quarter is driven by stronger leasing performance as represented by positive rental reversions of 7.9% year-to-date. We are committed to continue to bring in tenants with proven business model and track record to ensure that we remain relevant to the communities they serve,” said Chief Executive Officer, Dato’ Hisham bin Othman.

Hektar REIT declared a third interim distribution per unit (“DPU”) of 2.10 sen. Based on the closing price of RM1.24 on September 28, 2018, the annualised DPU for the year represented a distribution yield of approximately 7.2%. 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. The Book Closing Date is on December 14, 2018 and payment of the distribution will be made on January 3, 2019.

During the three months period under review, there were 38 new and renewed tenancies on over 180,000 square feet, representing 8.9% of Hektar REIT’s Net Lettable Area (NLA) within its overall portfolio. This quarter saw a positive reversion of 7.9% for the portfolio. “Year-to-date, the overall portfolio has managed to achieve a healthy rental reversion of 7.6%, through 113 new and renewed tenancies on over 426,000 square feet of NLA. We look forward to the improved results in Segamat Central after the introduction of new anchor and mini anchor tenants, TF Value Mart and MR DIY”, said Dato’ Hisham.

The portfolio demonstrated stability, with approximately 10.8% increase in Realised Income compared to the preceding year quarter. Comparing the 9 months period ending September 30, 2018 set against the same period in 2017, the results showed consistency as year-to-date Realised Income for Hektar REIT is 6.8% higher and its NPI is 10.6% higher than the previous year.

Hektar REIT's portfolio consists of mostly neighbourhood shopping centres, which in general are more resilient and defensible during economic downturns. Hektar REIT's total portfolio has a combined net lettable area of 2.0 million square feet and has a healthy 91.6% overall occupancy. Hektar REIT's portfolio of six shopping malls include Subang Parade in Subang Jaya, (Selangor); Mahkota Parade in Melaka; Wetex Parade in Muar (Johor); Central Square in Sungai Petani (Kedah); Kulim Central in Kulim (Kedah) and Segamat Central in Segamat (Johor). The portfolio's catchment serves a market size of 3.0 million shoppers.

<b>Overview of Hektar REIT Financial Results</b>	<b>FY 2018 Q3 (3 months) (RM '000)</b>	<b>FY 2017 Q3 (3 months) (RM '000)</b>	<b>Variance (%)</b>
Gross Revenue	33,419	30,458	9.7
Direct Cost & Property Expenses	(13,909)	(13,362)	(4.1)
Net Property Income (NPI)	19,510	17,096	14.1
Net Income – Realised	9,550	8,622	10.8
Net Income	9,550	495	>100.0
Net Income Per Unit – Realised (sen)	2.07	2.11	-1.9
Distribution Per Unit (DPU) (sen)	2.10	n/a	n/a

*\* In 2Q17, an interim distribution per unit of 4.00 sen including advance distribution for July to August 2017 was declared; and in 4Q17 a final distribution per unit of 3.30 sen together with income distribution for September 2017 was declared.*

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

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## **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 2 million square feet of retail space in Selangor, Melaka, Johor and Kedah with assets valued at RM1.2 billion as at 30 September 2017. The primary objectives of Hektar REIT are to provide unitholders with sustainable distribution income and to achieve long-term capital appreciation of the REIT.

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

*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.

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