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HEKTAR REIT 3Q 2019 RESULTS

## Hektar REIT: Positive Rental Reversion for Third Quarter

- 3Q 2019 Revenue reported at RM34.1million, up 2.1%
- Net Income per Unit increased 28% compared to last year
- Double-digit Rent Reversions again for three of six malls
- Portfolio Average Occupancy Improves at 91.9%

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**Kuala Lumpur, November 27, 2019** – Hektar Asset Management Sdn. Bhd, the Manager of Hektar Real Estate Investment Trust (“Hektar REIT”) announced that Hektar REIT has achieved RM34.1 million in Gross Revenue for the third quarter ended September 30, 2019, up 2.1% from the corresponding period in the previous year. The Net Property Income (NPI) for the quarter reached RM18.9 million, which is however 3.1% lower than the preceding quarter. The dip in NPI compared to the previous year is due to the increase in property operating expenses and continuation of tenancy remixing. The Net Income per unit (sen) is reported 28% higher from last year, due to the fair value adjustment of investment properties.

Hektar REIT’s performance this quarter is driven by stronger leasing performance as represented by positive rental reversions of 5.4% this quarter as the portfolio occupancy inches up to 91.9%.

Hektar REIT declared an income distribution per unit (“DPU”) of 1.84 sen for the third quarter ended September 30, 2019. The Book Closing Date is December 12, 2019 and the final distribution will be made on January 9, 2020. Based on the closing price of RM0.985 on September 30, 2019, the annualised DPU for the year represented a DPU yield of approximately of 7.8%.

### Subang Parade Welcomes New Brands in its Mall

“We are pleased to announce that the tenancy remixing in Subang Parade is in full swing, ”said Hektar Asset Management Chief Executive Officer, Dato’ Hisham bin Othman. Our main tenant, Parkson Corporation is planning to refurbish its department store in Subang Parade in 2020. MBO Cinemas has never looked better with its vibrant retrofitting and the new MBO Kecil Cinema which has strengthened Subang Parade’s position as the preferred destination for families with young children. We have

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welcomed new F&B eateries such as Super Saigon, Oochid Bistro, Teppanyaki, Thai Tomyam, Teh Tarik Place, Hayaki, Joybean, Krispy Kreme, KRR Express, Mohd Chan Abdullah Dim Sum and Mams Corner to name a few. Recently, SSF Home Furnishing store, a new mini anchor, has just launched its latest outlet in Subang Parade which is over 13,000sq ft. We have also signed up one of the most popular grocers in Klang Valley. The brand positioning is very suitable for our catchment. We strongly believe that this is in line with our anchor review and revitalization plans for Subang Parade and that our customers will be pleased,” continued Hisham.

### **Portfolio Performance – Double Digit Rental Reversions for Three Malls for the third time in a row**

Hektar REIT’s portfolio occupancy improved from last quarter and has inched up to 91.9%. Going by rental reversions, Segamat Central recorded the highest positive rental reversions with 16.4%, followed by Kulim Central with 15.7% and Wetex Parade with 14.7% reversion. The results were weighed slightly down by Subang Parade and Central Square. Overall, portfolio rental reversion was recorded as encouraging at 5.4% for the quarter. For this quarter, 43 new and renewed tenancies were completed successfully which represented 121,711 square feet or 6.0% of the total Net Lettable Area.

### **Hektar Honoured at Three Different Award Ceremonies**

During the third quarter, Hektar was honoured with awards at the ASEAN Energy Awards 2019, the Asia Corporate Excellence and Sustainability 2019 Awards and The Edge Centurion Club 2019 Awards.

Hektar REIT’s flagship property, Subang Parade was recognized internationally when it was named the first runner-up under the Energy Efficiency Building - Retrofitted Building sub-category at the ASEAN Energy Awards & Gala Dinner held in Bangkok, Thailand on September 4, 2019. This is following up from the National Energy Awards (NEA) in August 2019 in which Subang Parade won an award in the same category.

On September 26, 2019, Hektar Asset Management Sdn Bhd was honoured at the Asia Corporate Excellence and Sustainability (ACES) 2019 Awards and was declared sole recipient for the esteemed title of “Green Initiative Award”. The ACES Awards is presented to selected companies and individuals in Asia who have shown outstanding leadership and successfully led sustainability initiatives.

## The Edge Centurion Club - Highest Return on Equity for REITs

On November 12, 2019, Hektar REIT took home an exceptional award for the “Highest Return on Equity over Three Years” under the REIT category at the Edge Malaysia Centurion Club Corporate Awards. The objective of The Edge Malaysia Centurion Club Corporate Awards is to discover, celebrate and give recognition to the country’s best mid-cap companies that matched the multibillion-ringgit conglomerates in terms of performance.

Hektar REIT Summary of Financial Results (Unaudited)	3Q 2019 (3 months) (RM '000)	3Q 2018 (3 months) (RM '000)	Variance (%)
Gross Revenue	34,137	33,419	2.1%
Direct Cost & Property Expenses	(15,237)	(13,909)	(9.5%)
Net Property Income	18,900	19,510	(3.1%)
Fair Value Adjustment	3,739	-	-
Net Income Before Tax	12,239	9,550	28.2%
Net Income – Realised	8,500	9,550	(11.0)%
Net Income Per Unit – Realised (sen)	1.84	2.07	(11.1)%
Dividend Per Unit (sen)	1.84	2.07	(11.1)%

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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 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 2018. The REIT’s cornerstone investor 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](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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