
HEKTAR REIT 3Q/FY2022 RESULTS

HEKTAR REIT'S PORTFOLIO BENEFITS FROM RETAIL RECOVERY

NPI GOES UP BY 77% & REALISED NET INCOME INCREASED BY 862% IN 3Q 2022

- For 3Q 2022, Revenue recorded a substantial increase of 62%
- For YTD September 2022, NPI goes up by 40% and Realised Net Income by 256%
- Earnings supported by a continued recovery in the retail sector

Kuala Lumpur, 15 November 2022 – Hektar Asset Management Sdn. Bhd., the Manager of Hektar Real Estate Investment Trust (“Hektar REIT”), today announced the third quarter results ended 30 September 2022 (“3Q 2022”). Hektar REIT recorded revenue of RM31.06 million, a substantial increase of 62.4% compared with RM19.12 million in the same quarter of the previous year. The higher revenue is attributed to the increased rental income, including higher turnover rent, increased car park income and higher hotel occupancy. Hektar REIT registered a net property income of RM18.31 million, an increase of 77.2% compared with RM10.33 million in 3Q 2021, while the realised net income was RM13.50 million, a notable increase of 861.8% compared with RM1.40 million for the same quarter in the preceding year.

Hektar REIT’s performance for the nine months ended 30 September 2022 (“9M 2022”) showed an increase in revenue by 25% to RM89.55 million compared with RM71.62 million in the corresponding period of 2021. The net property income rose 40.4% to RM48.64 million in 9M 2022 compared with RM34.63 million in the same period for last year, while the realised net income grew by 256% to RM33.82 million compared with RM9.50 million.

The Malaysian retail landscape showed steady recovery as it inches back to the pre-pandemic levels, and it is evident across Hektar REIT’s portfolio. The shopping malls recorded a higher footfall of 269% year-on-year (“y-o-y”), along with a 152% higher vehicle count y-o-y. This is in tandem with the continuous improvement in tenants’ sales performance at our malls, providing headroom for rental growth.



Johari Shukri bin Jamil, CEO
Hektar Asset Management ([Link](#))

En. Johari Shukri bin Jamil, Chief Executive Officer of Hektar Asset Management Sdn. Bhd. said: “Retail activities remained strong in the quarter under review. Recovery in consumer-related subsectors, including leisure, international tourism and hospitality, continued to aid in the overall performance of the retail industry. Hektar REIT’s malls are well-positioned as neighbourhood malls and leverage the proximity to the community, catering to all their basic needs as well as an increased desire for F&B and social offerings such as entertainment options to be enjoyed together with their family & friends.”

“Despite the Malaysian economy’s strong performance, we remain cautious of the outlook for the coming quarters given the volatile economic landscape driven by hawkish monetary policy in response to inflationary pressure, uncertain consumer sentiments as well as lingering supply-chain and logistics issues stemming from geopolitical concerns. We will continue adopting prudent financial management, cost optimisation and enhancing our asset efficiencies to help cushion the impact.”

“We are also actively exploring avenues for growth by ensuring a strong portfolio of retail brands in our malls that can optimise sustainable returns and defensible income through active tenancy remixing and rejuvenation of the centres. We will continue to look for ways to enhance and improve the look and condition of our malls as part of longer-term strategies to improve our dividend yields. To improve on revenue and debt recovery post-pandemic, our team has been consistently tracking tenants’ ongoing performance to carefully structure our new tenancies and renewals, apart from aggressively looking at strategies to manage rental collection. We also remain committed to reducing our environmental footprint and increasing our responsibility towards our stakeholders by continuously undertaking several ESG initiatives because it is the right thing to do for ourselves and our communities.”

Hektar REIT Summary of Financial Results for 3Q22 (unaudited)	3Q 2022 (3 months) (RM 'million)	3Q 2021 (3 months) (RM 'million)	Variance (%)
Gross Revenue	31.06	19.12	62.4
Direct Cost & Property Expenses	12.75	8.79	45.0
Net Property Income	18.31	10.33	77.2
Net Income – Realised	13.50	1.40	861.8

Earnings Per Unit – Realised (sen)	2.87	0.30	856.6
Income Distribution Per Unit (sen)	NIL	NIL	NIL

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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 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 30 September 2022. 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



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