

PRESS RELEASE
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Hektar REIT Posts Stable Q2 FY2025 Performance and Showcasing Continued Portfolio Resilience through diversification strategy

- Revenue increased by 3.4% to RM32.0 million in Q2 FY2025, with NPI rising to RM15.9 million, up 5.6% compared against the preceding quarter (Q1 FY2025) by improved tenant mix and cost optimisation.
- Declares interim income distribution of 1.05 sen per unit, reflecting commitment to unitholder returns.
- Maintains strong retail portfolio fundamentals with continued improvements in total committed occupancy of 85.6%
- Progressing with diversification strategy through upcoming acquisition of a master-leased industrial asset and strategic land parcels
- Progress are on track for asset enhancement works for Subang Parade and rooftop solar initiatives across retail assets.

Kuala Lumpur, 21 August 2025 – Hektar Asset Management Sdn Bhd, the Manager of [Hektar Real Estate Investment Trust](#) ("Hektar REIT"), today announced its financial results for the second quarter ended 30 June 2025 ("Q2 FY2025"), reflecting the portfolio's continued growth and focus on long-term value creation.

Hektar REIT recorded total revenue of RM32.0 million for Q2 FY2025, representing a 3.4% increase from the previous quarter. Net Property Income ("NPI") grew by 5.6% to RM15.9 million, supported by stronger rental income generation and effective cost management. The NPI margin improved to 49.6% from 48.5% in the preceding quarter.

In relation to 2Q25 YTD results, the REIT posted revenue of RM62.9 million and NPI of RM30.9 million. While these figures represent a 3.1% and 12.1% decline respectively year-on-year, it is due to preceding year's one-off income of RM4.0 million from the recognition of backdated education lease upon completion of the acquisition. According to the manager, the underlying performance is healthy, and the management is laying the groundwork for sustainable, long-term growth.

The Board has declared an interim income distribution of 1.05 sen per unit for Q2 FY2025, amounting to RM7.45 million.

In terms of asset composition, retail assets contributed RM58.8 million or 93.4% of total YTD revenue and RM26.7 million or 86.6% of NPI. Meanwhile, the education asset segment, contributed RM4.1 million in revenue and the full 13.4% of NPI, underscoring its growing strategic role in the portfolio.

Historically a retail-focused REIT, Hektar is currently executing a disciplined, phased plan to diversify into education, industrial, and renewable energy sectors, while continuing to optimise its retail assets. This transition positions the REIT for more resilient, long-term income streams. Key initiatives include the acquisition of:-

- **Education assets** consisting of Kolej Yayasan Saad (KYS), Melaka , provides stable, inflation-hedged income under triple net lease structures, contributing 13.4% of NPI year-to-date.
- **Industrial assets**, including the ongoing acquisition of a 15-year triple net master-leased industrial property in Penang, designed to generate secure recurring income without operational exposure.
- **Strategic land parcels** supported by triple-net lease arrangements, adding fixed-yield, low-risk revenue via a ground lease model.

This approach reduces reliance on the cyclical retail sector, minimises operational risks, and is expected to generate *clean net income*, free from one-off or volatile components, thereby enhancing distributable profits in the near term.

Despite a cautious retail sentiment and macroeconomic uncertainties, the Manager remains optimistic on the long-term prospects of the REIT. Several ongoing tenancy remixing and asset enhancement initiatives (“AEIs”), including the repositioning of Subang Parade, which is on track for phase 1 to be completed by 1H26. This is expected to further enhance footfall, occupancy and rental income. Additionally, installation of solar panels across Hektar’s portfolio is ongoing and expected to be completed by 4Q25 with the expected RM2 million savings in 2026.



Zainal Iskandar, ED & CEO ([Link](#))

Zainal Iskandar, Executive Director and Chief Executive Officer of Hektar Asset Management, said, “We are encouraged by the continued momentum achieved in the second quarter of 2025. Our proactive approach in leasing strategy, alongside diversification into education, industrial assets and strategic ground leases provide a resilient foundation for sustainable returns and long term growth. We remain focused on optimising our core retail portfolio while enhancing value creation through disciplined capital management and ESG-led initiatives.”

As of 30 June 2025, Hektar REIT’s total assets stood at RM1.45 billion with a net asset value per unit of RM1.0462.

Looking ahead, Hektar REIT remains committed to delivering stable and sustainable distributions to its unitholders, supported by active asset management, prudent cost control, and a diversified income strategy.

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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 and an education property across 4 states with total assets valued at RM1.39 billion. On 19 February 2025, The Manager has announced the proposed acquisition of an industrial property located in Bayan Lepas, Penang for RM30 million, marking Hektar REIT's dedication to diversification for yield-accretive non-retail assets, being the first industrial asset in its portfolio. On 24 June 2025, The Manager also announced the proposed acquisition of 90% equity stake of Terramark Sdn Bhd, a real estate backed vehicle with strategic land parcel in Chuping, Perlis earmarked for solar farm development. Hektar REIT is managed by Hektar Asset Management Sdn Bhd. Hektar REIT's portfolio of diversified properties includes Subang Parade in Subang Jaya, Selangor; Mahkota Parade in Melaka; Kolej Yayasan Saad in Ayer Keroh, 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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