

HEKTAR REAL ESTATE INVESTMENT TRUST

**Interim Financial Report
for the period ended 31 December 2023**



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	As at 31.12.2023 RM (Unaudited)	As at 31.12.2022 RM (Audited)
<u>NON-CURRENT ASSETS</u>		
Investment properties	1,232,700,000	1,206,080,000
Propoerty, plant & equipment (“PPE”)	414,238	45,538
	1,233,114,238	1,206,125,538
<u>CURRENT ASSETS</u>		
Trade receivables	3,510,934	4,491,594
Other receivables, deposits and prepayments	14,917,200	1,736,666
Cash and bank balances	63,307,084	23,152,897
	81,735,218	29,381,157
TOTAL ASSETS	1,314,849,456	1,235,506,695
<u>NON-CURRENT LIABILITIES</u>		
Tenancy deposits	25,477,419	25,581,891
Deferred tax liability	30,877,532	28,230,834
Bank borrowings	559,228,255	542,443,790
	615,583,206	596,256,515
<u>CURRENT LIABILITIES</u>		
Trade payables	7,348,647	5,652,838
Other payables and accruals	13,832,418	23,156,645
Tenancy deposits	2,355,549	3,479,129
Bank borrowings	3,000,000	9,000,000
	26,536,614	41,288,612
TOTAL LIABILITIES	642,119,820	637,545,127
NET ASSET VALUE	672,729,636	597,961,568
<u>FINANCED BY:</u>		
Unitholders' capital	560,886,684	496,731,949
Undistributed income – realised	53,627,660	66,967,629
– unrealised	58,215,292	34,261,990
TOTAL UNITHOLDERS’ FUND	672,729,636	597,961,568
NET ASSET VALUE PER UNIT (RM)		
-as at the date	1.1571	1.2689
-after distribution for the cumulative quarter	1.1341	1.2159
NUMBER OF UNITS IN CIRCULATION	581,415,073	471,260,178

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached.

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2023 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2023 RM	Preceding Year Corresponding Quarter 31.12.2022 RM	Current YTD 31.12.2023 RM	Preceding YTD 31.12.2022 RM
Revenue	27,534,497	27,892,213	111,497,331	117,446,102
Property operating expenses	(13,580,103)	(17,849,730)	(51,451,086)	(58,759,205)
Net property income	13,954,394	10,042,483	60,046,245	58,686,897
Interest income	1,244,882	1,344,169	1,459,462	1,609,111
Other income	(545,003)	(576,092)	801,329	1,757,983
Reversal/(Impairment loss) on trade receivables	468,350	664,378	2,352,829	4,580,831
Trust expenses	(5,804,638)	(3,025,456)	(13,360,704)	(10,027,014)
Finance expenses	(7,207,550)	(5,876,483)	(26,203,217)	(20,213,005)
Realised income before taxation	2,110,435	2,572,999	25,095,944	36,394,803
Change in fair value of investment property	26,600,000	41,600,000	26,600,000	41,600,000
Income before taxation	28,710,435	44,172,999	51,695,944	77,994,803
Taxation	(2,638,546)	(3,349,150)	(2,638,546)	(3,349,150)
Net income	26,071,889	40,823,849	49,057,398	74,645,653
Other comprehensive income after tax	-	-	-	-
Total comprehensive income	26,071,889	40,823,849	49,057,398	74,645,653
Earnings per unit (sen)	5.22	8.66	9.81	15.84
- realised (sen)	0.42	0.54	5.02	7.72
- unrealised (sen)	4.80	8.12	4.79	8.12
Weighted average number of units	499,887,866	471,260,178	499,887,866	471,260,178

The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached.

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE QUARTER ENDED 31 DECEMBER 2023 (UNAUDITED)**

	Unitholders' Capital RM	<u>Undistributed income</u> Realised Unrealised RM RM		Unitholders' Fund RM
<u>Balance at 1 January 2023</u> As previously reported	496,731,949	66,967,629	34,261,990	597,961,568
<u>Operation for quarter ended 31 December 2023</u>				
Total comprehensive income for The financial period	-	25,104,096	23,953,302	49,057,398
<u>Unitholders' transactions</u>				
Unitholders' capital	64,154,735	-	-	64,154,735
Distribution to unitholders	-	(38,444,065)	-	(38,444,065)
Balance at 31 December 2023	560,886,684	53,627,660	58,215,292	672,729,636

CUMULATIVE YEAR ENDED 31 DECEMBER 2022 (AUDITED)

	Unitholders' Capital RM	<u>Undistributed income</u> Realised Unrealised RM RM		Unitholders' Fund RM
<u>Balance at 1 January 2022</u> As previously reported	496,731,949	55,225,682	(3,994,810)	547,962,821
<u>Operation for year ended 31 December 2022</u>				
Total comprehensive income for the financial year	-	36,388,853	38,256,800	74,645,653
<u>Unitholders' transaction</u>				
Distribution to unitholders	-	(24,646,906)	-	(24,646,906)
Balance at 31 December 2022	496,731,949	66,967,629	34,261,990	597,961,568

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached.

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2023 (UNAUDITED)**

	Current YTD 30.09.2023 RM	Preceding YTD 31.12.2022 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	51,695,944	77,994,803
Adjustments for :-		
Bad debts written off	499,877	-
Depreciation of PPE	56,468	22,521
Income from Fund Placement	(1,459,462)	(1,609,111)
Finance Expenses	26,203,217	20,213,005
Reversal of impairment loss in trade receivables	(2,352,829)	(8,779,287)
Fair value adjustment in Investment Properties	(26,600,000)	(41,600,000)
Operating profit before working capital changes	48,043,215	46,241,931
Change in working capital :-		
Receivables	(10,346,922)	7,959,130
Payables	(8,868,318)	(18,818,912)
Net cash from operating activities	28,827,975	35,382,149
CASH FLOW FROM INVESTING ACTIVITIES		
Income from Fund Placement	1,459,462	1,609,111
Fixed deposit	-	1,583,933
Purchase of PPE	(425,168)	-
Withdrawal / (Placement) deposits with licensed Islamic banks more than three months	9,460,000	(10,760,000)
Net cash generated from investing activities	10,494,294	(7,566,956)
CASH FLOW FROM FINANCING ACTIVITIES		
Finance expense paid	(26,203,217)	(20,213,005)
Distribution to Unitholders	(38,444,065)	(24,646,906)
Proceed from Issuance of new units	64,154,735	-
Net drawdown/(repayment) of borrowings	10,784,465	(29,647,073)
Net cash generated from/(used in) financing activities	10,291,918	(74,506,984)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	49,614,187	(46,691,791)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12,392,897	59,084,688
CASH AND CASH EQUIVALENTS AT END OF PERIOD	62,007,084	12,392,897
Cash and cash equivalents at end of the year	62,007,084	12,392,897
Placement deposits with licensed Islamic banks more than 3 months	1,300,000	10,760,000
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	63,307,084	23,152,897

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached.

A. EXPLANATORY NOTES FOR THE QUARTER ENDED 31 DECEMBER 2023 PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134

A1 BASIS OF PREPARATION

The quarterly financial report is unaudited and has been prepared in compliance with MFRS 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board and Securities Commission's Guidelines on the Listed Real Estate Investment Trusts ("REIT Guidelines").

A2 AUDIT REPORT OF PRECEDING FINANCIAL YEAR

The auditors' report for the financial year ended 31 December 2022 was not subjected to any audit qualification.

A3 SEASONALITY OR CYCLICALITY OF OPERATIONS

Hektar REIT's operations were not significantly affected by material seasonal or cyclical factors.

A4 SIGNIFICANT UNUSUAL ITEMS

There were no significant unusual items that affect the assets, liabilities, equity, net property income or cash flows during the current quarter.

A5 CHANGES IN ESTIMATES

There were no changes in estimates that have had material effect in the current quarter.

A6 DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter, other than those disclosed below:-

- a) On 28 June 2023, Hektar REIT had completed the drawdown of a ten (10) years term loan facility, Commodity Murabahah Term Financing-i Facility of RM65 million offered by Hong Leong Islamic Bank and redeemed Maybank Islamic Berhad CL-i 5 amounted to RM65.0 million.
- b) On 15 December 2022, the Unitholders had approved for Hektar REIT to establish an Income Distribution Reinvestment Plan ("IDRP") that provides unitholders of Hektar REIT with an option to elect to reinvest, in whole or in part, their cash distribution declared by Hektar REIT (whether interim, final, special or any other types of cash distribution) in new units of Hektar REIT.

As of 31 December 2023, a total of 34,318,895 of new units were allotted and issued pursuant to the IDRP.

- c) On 7 November 2023, the Manager proposed a Private Placement of up to 15% of the total number of issued unit of Hektar REIT to third party investor(s).

On 14 December 2023, Hektar REIT allotted and issued 75,836,000 new units pursuant to the Private Placement. The New Units have been listed and quoted on the Main Market of

Bursa Malaysia Securities on 15 December 2023 with the gross proceeds of RM42.47 million.

The status of the utilisation of the said gross proceeds as at 31 December 2023 is set out below:

Details of utilisation	Expected timeframe for utilisation from receipt of fund	Amount allocated	Actual Utilisation	Balance Utilisation
		RM'000	RM'000	RM'000
Working capital requirements	Within 12 months	26,470	(7,057)	19,413
Repayment of bank borrowings	Within 12 months	15,000	(15,000)	-
Placement related Expenses	Upon Completion	1,000	(1,000)	-
	Total	42,470	(23,057)	19,413

A7 INCOME DISTRIBUTION

Distribution of 2.3 sen (gross) per unit for the fourth quarter ended 31 December 2023 ("2023 Final Income Distribution") was announced on 23 January 2023, taking our total distribution for the Financial Year 2023 to 5.0 sen per unit.

An interim distribution of 2.70 sen per unit, amounting to RM13,467,276 for half year ended 30 June 2023 has been declared and paid on 16 October 2023.

A8 SEGMENT INFORMATION

The segmental financial information by operating segments is not presented as Hektar REIT is a retail focused REIT and the operations of its properties are located in Malaysia.

A9 VALUATION OF INVESTMENT PROPERTIES

The Investment Properties for Subang Parade, Mahkota Parade, Wetex Parade, Central Square, Kulim Central and Segamat Central were last valued on 31 December 2023.

A10 MATERIAL SUBSEQUENT EVENTS TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the current quarter under review up to the date of this Interim Financial Report, other than those disclosed below:-

- (a) On 29 September 2023, the Manager had given the approval on the acceptance of five (5) years Term Financing-i Facility of RM92.1 million from CIMB Islamic Bank Berhad. The drawdown of the facility and the redemption to refinance Maybank CL-i 3 & 4 amounted to RM87.1 million was completed on 31 January 2024.
- (b) Hektar Real Estate Investment Trust ("HEKTAR REIT"), proposes to establish a medium term notes ("MTNs") programme of up to RM500.0 million in nominal value (the "MTN Programme") via a wholly-owned subsidiary, Hektar MTN Satu Sdn Bhd established on 15 September 2023 solely set up for the purpose of the Proposed MTN Programme by MTrustee Berhad (acting as trustee for Hektar REIT), to be partially guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank ("CGIF"), and to issue the MTNs from time to time, and to do all other actions necessary for the

implementation and establishment of the MTN Programme and the issuance of the MTNs. The MTN Programme shall comprise of:

- issuance of guaranteed tranche(s) of up to an aggregate amount of RM230 million irrevocably guaranteed by CGIF; and
- issuance of rated/ unrated tranches.

The lodgement with the Securities Commission Malaysia pursuant to the guidelines on unlisted capital market products under the lodge and launch framework in relation to the MTN Programme, was lodged on 17 November 2023.

On 13 December 2023, the Board of the Manager approved the acceptance of the guarantee offer letter dated 6 December 2023 from the Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank (“CGIF”) for up to 5 years Proposed Guarantee for MYR230.0 million medium term notes, and further authorised the Manager to effect the Guaranteed Tranche of MTNS.

Proceeds from the Guaranteed Tranche, rated AAA(fg) by RAM Rating Services Berhad, shall be utilised towards redeeming the existing facility, Cash Line-i 1 (CL-i 1), a cash line facility from Malayan Banking Berhad amounting to RM184.0 million which is currently secured by legal charge over the title of Subang Parade and the balance will be utilised towards asset enhancement initiatives, capital expenditure and refurbishment requirements of Subang Parade.

On 15 February 2024, the first issuance of the Guaranteed Tranche of RM215 million irrevocably guaranteed by CGIF, together with the redemption to refinance CL-i 1 was completed.

A11 CHANGES IN THE COMPOSITION OF THE TRUST

On 15 September 2023, Hektar REIT incorporated Hektar MTN Satu Sdn. Bhd., a company incorporated in Malaysia. Hektar REIT subscribed for 2 ordinary shares for a total cash consideration of RM2, representing 100% of the issued share capital of Hektar MTN Satu Sdn. Bhd.

A12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 31 December 2023.

A13 RENTAL INCOME FROM TENANCIES (MFRS 16)

Rental income receivable under tenancy agreements is recognised on a straight-line basis over the term of the lease.

A14 CAPITAL COMMITMENT (MFRS 134)

There were no major capital commitments as at 31 December 2023, other than an approved commitment of:-

- RM15.8 million for the replacement and modernisation of lifts and escalators at Subang Parade; and
- RM142.5 million for the Proposed Acquisition and Lease of KYS College.

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

B1 REVIEW OF PERFORMANCE

	Quarter		
	31.12.2023 RM'000	31.12.2022 RM'000	Variance %
Total Revenue	27,534	27,892	-1.3
Net Property Income ("NPI")	13,954	10,042	39.0
Net Realised Income	2,110	2,573	-18.0
Change in fair value (net of tax)	23,953	38,257	-37.4
Profit after taxation	26,072	40,824	-36.1
NPI Margin	50.7%	36.0%	14.7%

Hektar REIT recorded a total revenue of RM27.53 million and RM27.89 million for Q4'2023 and Q4'2022 respectively. For the current quarter, NPI margin improved by 14.7% or RM3.91 million compared with the Q4'2022 due to commitment of the Manager to the group-wide cost optimisation program initiated in mitigating the impact of rising utilities cost since the second half of 2022.

The performance of net realised income for the current quarter has been impacted by the increase in finance costs totaling RM1.33 million. This increase is primarily due to the rise in the Overnight Policy Rate ("OPR").

Profit after taxation was RM26.1 million was mainly resulted from the net fair valuation gain of Hektar REIT's investment properties. The carrying value of the Investment Properties as of 31 December 2023 of RM1,232,700,000 (2022: RM1,206,080,000) is based on the market value as per the valuation reports carried out by independent professional valuers registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.

	Year-To-Date ("YTD") Cumulative Quarter ended		
	31.12.2023 RM'000	31.12.2022 RM'000	Variance %
Total revenue	111,497	117,446	-5.1
NPI	60,046	58,687	2.3
NPI margin	53.9%	50.0%	3.9
Change in fair value (net of tax)	23,953	38,257	-37.4
Profit after taxation	49,057	74,646	-34.3

For the current year financial year, Hektar REIT recorded a total revenue of RM111.5 million. Net property income was RM60.0 million, an increase of 2.3% compared with the preceding of RM58.7 million, contributed by the group-wide cost optimisation program initiated in mitigating the impact of rising utilities cost since the second half of 2022.

One off net fair valuation gain of Hektar REIT's investment properties of RM24.0 million (2022: RM38.3million) attributable to the improving domestic demands as economic activities normalized and the improved performance of our portfolio assets.

B2 MATERIAL CHANGES IN QUARTERLY RESULTS

	Q4'2023 RM'000	Q3'2023 RM'000	Variance %
Total Revenue	27,534	27,811	-1.0
Net Property Income ("NPI")	13,954	15,392	-9.3
Net Realised Income	2,110	6,823	-69.1
NPI Margin	50.7%	55.3%	-4.6

The reduction in net realised income in current quarter was driven by:

- higher administrative expenses of RM3.81 million, mainly incurred for professional services related to the issuance of new placement units, refinancing of existing borrowings and the proposed acquisition of KYS, and
- Higher finance expense of RM0.57 million.

B3 PROSPECTS

Hektar REIT continues to demonstrate optimism and resilience in its pursuit of growth, anchored by a vigorous and strategic leasing strategy. This is designed to augment occupancy rates and achieve favourable rental reversions, even in the face of a challenging retail climate.

Despite strong recovery of country's economy, we remain cautious of the outlook for 2024 given the volatile economic landscape driven by hawkish monetary policy in response to 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.

Despite the concerns, Hektar REIT remains positive & resilient in achieving growth backed by increased occupancy rates for properties under the portfolio.

B4 VARIANCE OF PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as there was no profit forecast or profit guarantee issued.

B5 TAX EXPENSE

Pursuant to Section 61A(1) of the Income Tax Act 1967, effective from the year of assessment 2017, a REIT is fully exempt from tax for a year of assessment if it distributes 90% or more of its total income to its Unitholders in the basis period for that year of assessment.

Barring unforeseen circumstances, there will be no tax payable as Hektar REIT intends to distribute at least 90% of the distributable income to unitholders for the year ending 31 December 2023. A deferred tax expense of RM2.65 million (2022 : RM3.34 million) was provided for the deferred real property gains tax on investment property.

B6 SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments or properties during the quarter.

B7 QUOTED INVESTMENTS

There was no purchases or disposal of quoted investments during the quarter.

B8 CORPORATE PROPOSAL AND DEVELOPMENTS

There were no corporate proposals announced and pending completion as at the date of this report, other than those disclosed below:-

On 11 September 2023, MTrustee Berhad (in its capacity as the Trustee of Hektar REIT) had entered into a conditional sale and purchase agreement with KYS College Sdn Bhd for the proposed acquisition of land and single, 1 ½, 2 and 3- storey buildings that are categorised into administration, academic, residential and student facilities which form the fully residential and co-educational private school known as 'Kolej Yayasan Saad' located at Ayer Keroh, Melaka and erected on part of the leasehold land held under PN 62892, Lot 9808, Mukim of Durian Tunggal, District of Alor Gajah, State of Melaka ("KYS College") at the purchase consideration of RM150 million, together with the novation of the lease agreement to the Trustee on the completion of the Acquisition ("Proposed Acquisition and Lease").

Pursuant to the Proposed Acquisition and Lease, the Board of the Manager also proposed the following resolutions: -

- Proposed Placement of up to 145,353,768 new units in Hektar REIT, representing up to 25% of the issued units to thirty party investors ("Proposed Placement"); and
- Proposed amendment to the investment objectives of Hektar REIT to facilitate the Proposed Acquisition and Lease ("Proposed Amendment").

The Unitholders had granted their approval on the above Proposed Acquisition and Lease, Proposed Placement and Proposed Amendment during the Extraordinary General Meeting held on 15 January 2024.

B9 BORROWINGS AND DEBT SECURITIES

Hektar REIT's total borrowings of RM562,228,255 are secured and comprise the following:

- Current borrowings of RM3,000,000; and
- Non-current borrowings of RM559,228,255

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off-balance sheet financial instruments as at the date of reporting.

B11 MATERIAL LITIGATION

The Board is not aware of any pending material litigation as at the date of this quarterly Financial Report other than that disclosed below:

- i) Writ of summons against 3 tenants & Tashima Development Sdn. Bhd (Civil Suit No. JD-B52NCVC-01-01/2019; JD-B52NCVC-02-01/2019 and JD-B52NCVC-03-01/2019) (Civil Appeal No. JB-12BNCVC-10-07/2020; JB-12BNCVC-11-7/2020; and JB-12BNCVC-12-7/2020)

Following our earlier announcements, Hektar REIT had filed a judgment debtor summons application against Tashima Development Sdn Bhd to enforce the High Court's appeal order and the application is fixed for hearing on 22 February 2024.

The Management will provide further updates on the matter in due course.

- ii) Writ of Summons by Eng Hiap Seng (Rengit) Sdn Bhd against Hektar REIT & Hektar Property Services Sdn Bhd (Civil Suit No. JB-22NCvC-15-03/2019)

As per our earlier announcements on this case, the trial proceedings proceeded on 16 and 17 January 2024 and was subsequently adjourned for continuation on 20 and 21 May 2024.

The Management will continue to take all necessary action to fully defend Hektar REIT's rights and interest in this matter and will provide further updates on the matter in due course.

B12 SOFT COMMISSION

For the quarter ended 31 December 2023, there was no soft commission received by the Manager, or its delegates, from its broker from any transactions conducted by the Trust.

B13 INCOME DISTRIBUTION

- i) Pursuant to Section 109D(2) of the Malaysian Income Tax Act 1967, where 90% or more of the REIT's total taxable income is distributed by the REIT, distributions to the unitholders will be subject to tax based on a withholding tax mechanism at the following rates:

Non-corporate investor	Withholding tax at 10%
Foreign institutional investors	Withholding tax at 10%
Resident companies	Subject to tax at the prevailing tax rate applicable to companies
Non-resident companies	Withholding tax at the prevailing tax rate of 24%

Subject to the financial performance of the REIT, the Manager intends to make distributions to the unitholders of Hektar REIT on a semi-annual basis for each six-month period ending 30 June and 31 December each year, unless otherwise determined and/or varied by the Manager at its sole discretion. The Manager intends to distribute at least 90% of Hektar REIT's distributable income for the financial year ending 31 December 2023.

- ii) Distribution of 2.3 sen (gross) per unit for the fourth quarter ended 31 December 2023 ("2023 Final Income Distribution") was announced on 23 January 2023, taking our total distribution for the Financial Year 2023 to 5.0 sen per unit. The 2023 Final Income Distribution is payable on 27 February 2024.

An interim distribution of 2.70 sen per unit, amounting to RM13,467,276 for half year ended 30 June 2023 has been declared and paid on 16 October 2023.

B14 DISTRIBUTABLE INCOME AND EARNINGS PER UNIT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current YTD	Preceding YTD
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Net property income	13,954,394	10,042,483	60,046,245	58,686,897
Interest income	1,244,882	1,344,169	1,459,462	1,609,111
Other income	(545,003)	(576,092)	801,329	1,757,983
Reversal of impairment loss	468,350	664,378	2,352,829	4,580,831
Trust expenses	(5,804,638)	(3,025,456)	(13,360,704)	(10,027,014)
Finance Expenses	(7,207,550)	(5,876,483)	(26,203,217)	(20,213,005)
Realised income before taxation	2,110,435	2,572,999	25,095,944	36,394,803
Less : Loss / (profit) not subject to distribution	-	-	-	20,440
Balance undistributed realised income	2,110,435	2,572,999	25,095,944	36,415,243
Gross Provision for distribution				
- Interim *	-	-	(13,467,275)	(12,724,025)
- Final **	-	-	(13,372,547)	(24,976,789)
Weighted Average number of units	499,887,866	471,260,178	499,887,866	471,260,178
Earnings per unit (sen)				
- realised (sen)	0.42	0.54	5.02	7.72

* Distribution of 2.3 sen (gross) per unit for the fourth quarter ended 31 December 2023 ("2023 Final Income Distribution") payable on 27 February 2024.

** An interim distribution of 2.70 sen per unit, amounting to RM13,467,276 for half year ended 30 June 2023 has been declared and paid on 16 October 2023.

B15 RESPONSIBILITY STATEMENT

In the opinion of the Directors of the Manager, this Interim Financial Report has been prepared in accordance with MFRS 134: Interim Financial Reporting, the MMLR and the REIT Guidelines so as to give a true and fair view of the financial position of Hektar REIT as at 31 December 2023 and of its financial performance and cash flows for the financial period ended on that date and duly authorised for release by the Board of the Manager on 22 February 2024.

By Order of the Board

HEKTAR ASSET MANAGEMENT SDN BHD

(as the Manager of Hektar Real Estate Investment Trust)

Dato' Muhammad Hafidz Nuruddin (MAICSA 7005820)

Lim Seck Wah (MAICSA 0799845)

Joint Company Secretaries

Kuala Lumpur

22 February 2024