



Creating The Places People Love



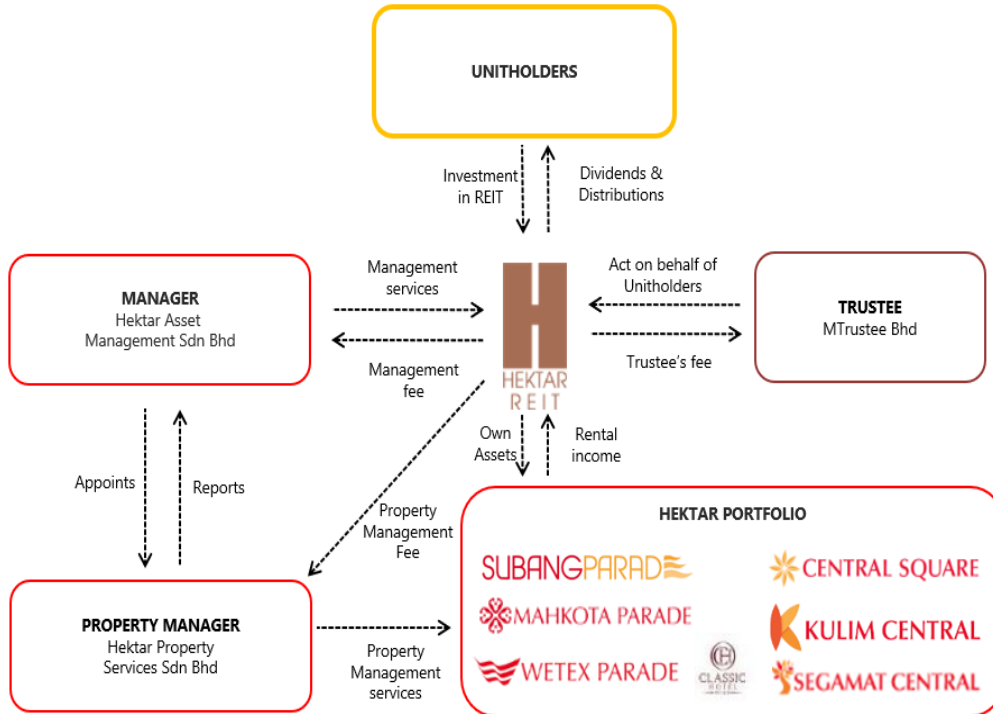
HEKTAR REAL ESTATE INVESTMENT TRUST

2Q24 Results Presentation

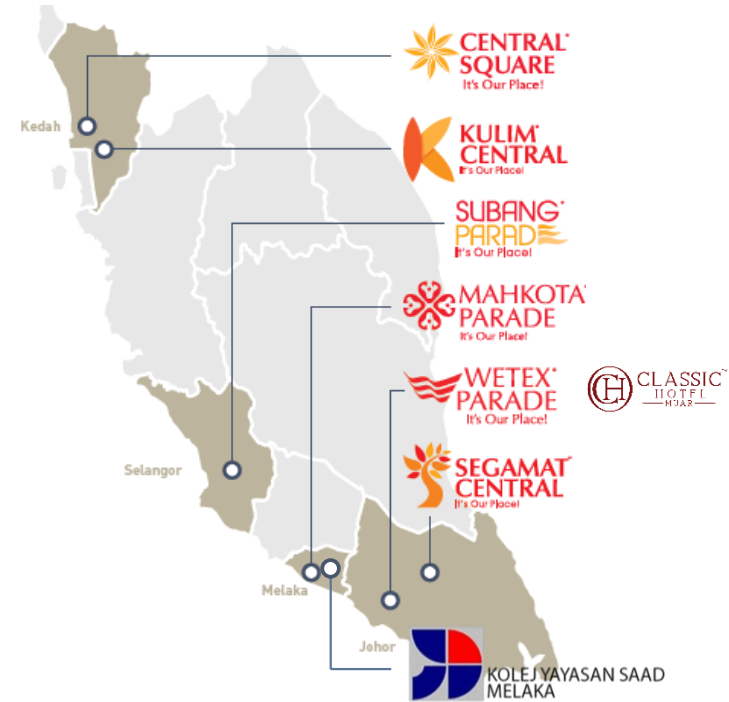
22 August 2024

Diversifying while maintaining our retail-centered niche

ORGANISATION



GEOGRAPHICALLY WELL-DIVERSIFIED



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Financial Highlights



Financial Performance (2Q24) vs Previous Year (2Q23)

Gross Revenue	RM36.6 million (+34.4% Y-o-Y)
Net Property Income	RM20.7 million (+33.7% Y-o-Y)
Realised Net Income	RM9.9 million (+42.8% Y-o-Y)
Debt Maturity Profile	84.4% of Debt maturing from 2027 onwards
Cost of Debt	4.95% (FY2023: 4.66%)
Gearing	41.2% (FY2023: 42.8%)

Operational Performance as at 30 June 2024

Portfolio Occupancy:	87.2% (FY2023: 86.7%)
Visitor Traffic:	5.9 million (-4.5% Y-o-Y)
Rent Reversions:	+6.4% (FY2023: +0.2%)
Expiry Profile:	39% of NLA expiring in 2024

Dividend Per Unit FY2024

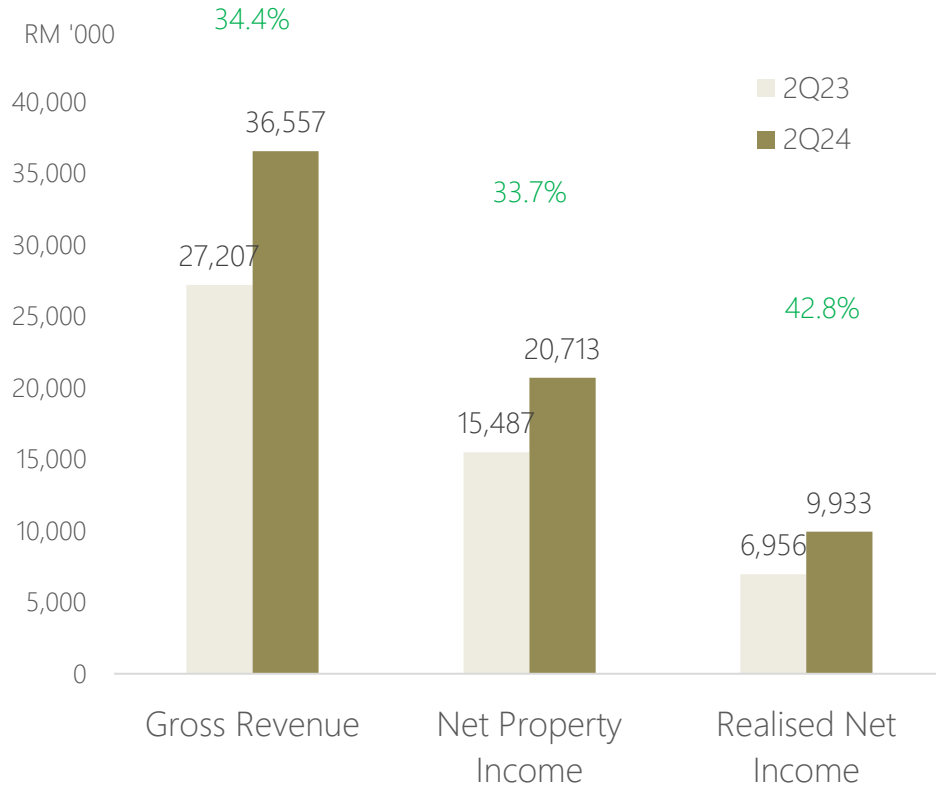
1H 2024: 1.90 sen

Annualised DPU Yield*: 6.4%

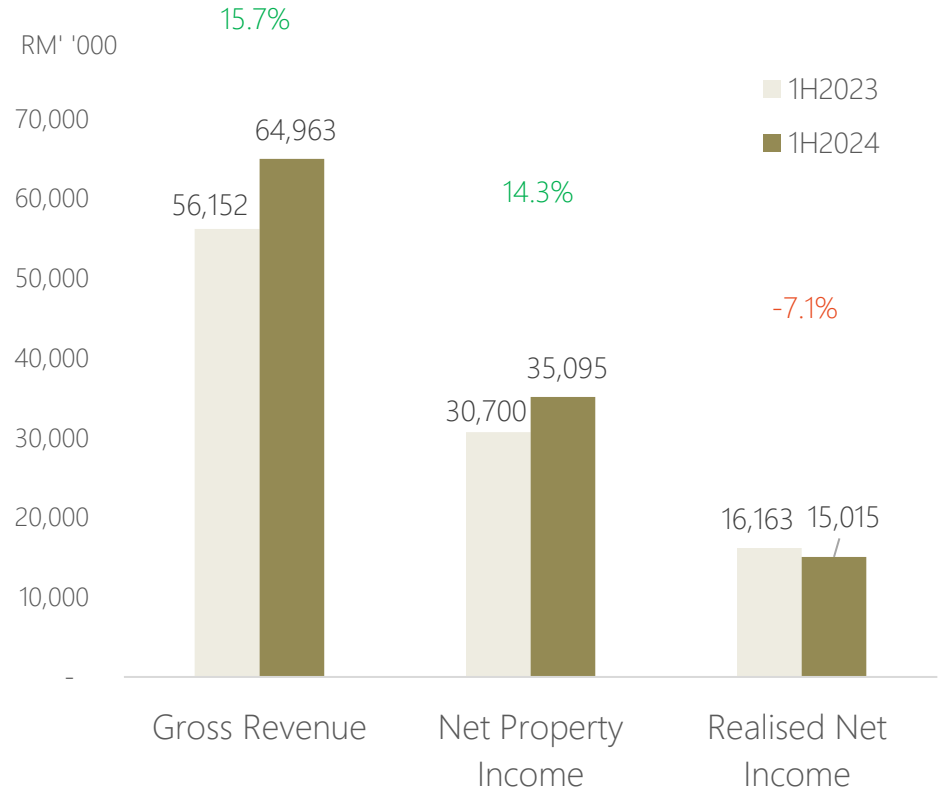
*Based on annualized DPU over closing price of RM0.595 on 30 June 2024.

Distribution Policy: Semi-annual basis for each six-month period ending 30 June and 31 December each year.

2Q24: Apr-Jun 2024 | 3 Months



1H24: Jan-Jun 2024 | 6 Months



Significant increase in Revenue derived from the recognition of rental income upon the completion of acquisition of Kolej Yayasan Saad

Debt Expiries well-distributed

EXPIRY PROFILE

2024-2033

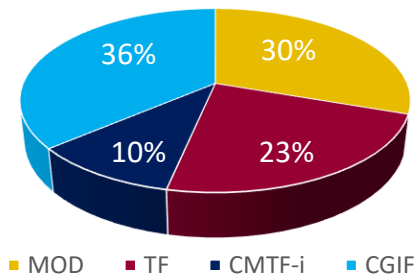
DEBT SUMMARY

As at 30 June 2024



Funding Composition:

MBB	Al-Murabahah Overdraft (MOD)	:	RM179.8 MIL
CIMB	Term Financing (TF)	:	RM136.8 MIL
HLB	Commodity Murabahah Term Financing-i (CMTF-i)	:	RM62.0 MIL
CGIF	Credit Guarantee & Investment Facility	:	RM215.0 MIL



Facilities

- Al-Murabahah Overdraft (MOD)
- Term Financing (TF)
- Commodity Murabahah Term Financing-i (CMTF-i)
- Credit Guarantee & Investment Facility

Financiers

MBB, CIMB, HLB, CGIF

Total Debt

RM593.6 million
[FY2023: RM562.2 million]

Effective Cost

4.95%
[FY2023: 4.66%]

Gearing Ratio

41.19%
[FY2023: 42.76%]

Interest Cover

1.92 times
[FY2023: 1.96 times]

¹ Gearing ratio calculated by financing liabilities over Gross Asset Value (GAV).

Income Statement

Income Statement	2Q24	2Q23	Variance
Second Quarter 2024 (Unaudited)	(RM '000)	(RM '000)	(%)
Revenue	36,557	27,207	34.4%
Direct cost & Property expenses	(15,844)	(11,720)	(35.2%)
Net property income (NPI)	20,713	15,487	33.7%
Interest & Other income	335	799	(58.1%)
Trust fees & Expenses	(5,184)	(3,253)	(59.4%)
Interest expense	(7,431)	(6,077)	(22.3%)
Realised income before taxation	8,433	6,956	21.2%
Fair value adjustment of investment properties	1,500	-	-
Taxation	-	-	-
Net (loss)/income before tax	9,933	6,956	42.8%
Net income per unit (sen)	1.41	1.39	0.8%
- realised	1.19	1.39	(14.4%)
Weighted Number of Units	706.81m	498.79m	

Balance Sheet (Unaudited)	As at 30.06.2024 (RM '000)	As at 31.12.2023 (RM '000)
Non-current Assets		
Investment properties	1,232,700	1,232,700
Plant & Equipment	404	414
Capital work In Progress	4,291	0
Fixed deposit with a licensed bank		
	1,237,395	1,233,114
Current Assets		
Trade receivables	3,980	3,511
Other receivables, deposits and prepayments	157,024	14,917
Cash and bank balances	42,810	63,307
	203,814	81,735
TOTAL ASSETS	1,441,209	1,314,849
Non-Current Liabilities		
Tenancy deposits	25,742	25,477
Deferred tax liability	30,878	30,878
Bank borrowings	589,389	559,228
	646,008	615,583
Current Liabilities		
Trade payables	6,664	7,349
Other payables and accruals	37,534	13,832
Tenancy deposits	2,109	2,356
Bank borrowings	4,200	3,000
	50,507	26,537
TOTAL LIABILITIES	696,516	642,120
NET ASSET VALUE	744,694	672,730
Financed by:		
Unitholders' capital	631,208	560,887
Retained earnings-realised	55,271	53,628
Retained earnings-unrealised	58,215	58,215
TOTAL UNITHOLDERS' FUND	744,694	672,730

Unit Statistics

As at 30 June 2024

No. of Unit 706,812,657

Net Asset Value
Per Unit RM1.0346

Unit Price RM0.595

Market
Capitalisation RM420.55 million

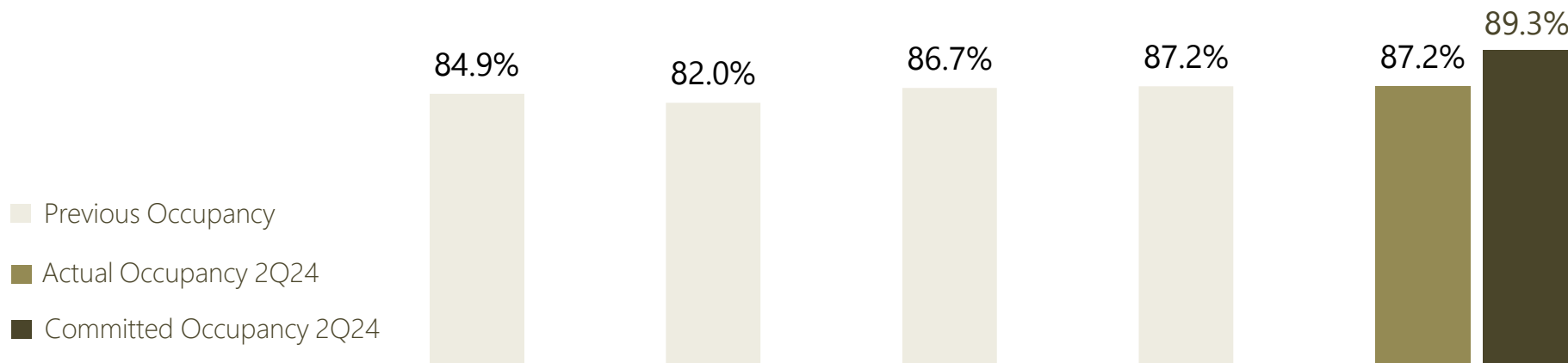
Discount to NAV 43.53%

Portfolio Performance

Improved Occupancy at 87.2% ▶
Positive Rental Reversion of 6.4% ▶



Average Portfolio Occupancy improved to **87.2%**



Occupancy	FY21	FY22	FY23	1Q24	2Q24
Subang Parade	82.5%	70.3%	74.3%	75.0%	75.5%
Mahkota Parade	87.1%	86.9%	93.8%	94.8%	95.0%
Wetex Parade	89.9%	88.1%	97.6%	97.1%	96.7%
Central Square	85.9%	82.3%	87.1%	87.1%	87.6%
Kulim Central	94.0%	96.4%	96.9%	97.2%	96.2%
Segamat Central	67.3%	73.7%	76.6%	76.0%	75.9%
Portfolio Average	84.9%	82.0%	86.7%	87.2%	87.2%

Note: Portfolio Average weighted by NLA



2Q24 rental reversions at 6.4%

- 28 new/renewed tenancies comprising 3.2% of total NLA for the quarter ended 30 June 2024.
- Positive reversions recorded at all malls except Subang Parade & Central Square (*Less than -0.5% reversion*)

Quarter Ended 30 June 2024	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent Rates
Subang Parade	8	20,072	3.8%	(0.1)%
Mahkota Parade	7	23,376	4.5%	10.6%
Wetex Parade	6	5,125	3.0%	5.8%
Central Square	1	1,521	0.5%	(0.3)%
Kulim Central	2	2,076	0.7%	7.9%
Segamat Central	4	13,780	6.5%	10.0%
TOTAL / AVERAGE	28	65,950	3.2%	6.4%

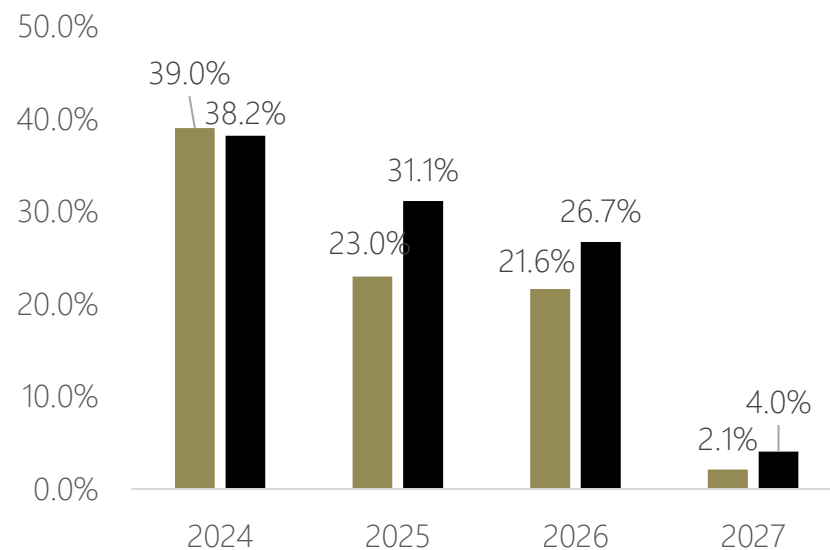
Tenancies expiry well distributed

- 794,500 sq. ft. or about 39% of total NLA expiring in 2024, of which **259,676 sq. ft.** representing **24.6%** of this year's expiry has been renewed as of 30 June 2024. Most of the remaining expiring NLA consists of anchor tenants which are under advanced stage of negotiations.
- In 2Q24, a total of **28** tenancies this year covering **65,950 sq. ft.** have been renewed / added representing 3.2% of total NLA
- For FY24, a total of **62** tenancies covering **259,676 sq. ft** have been renewed / added representing **12.7%** of total NLA.

PORTFOLIO TENANCY EXPIRY PROFILE 2024-2027

Period End Jun 2024	Number of Tenancies Expiring	Expiring NLA (Sq. Ft.)
2024	149	794,500
2025	134	467,557
2026	103	440,258
2027	17	43,201
Total	403	1,745,516

Portfolio Lease Expiry Profile.



Notes:-

Based on the total Net Lettable Area (NLA) of 2,036,322 sq. ft. as at 30 June 2024.

Based on monthly rental income for June 2024. Figures may not round to 100% due to misc. items.

Kolej Yayasan Saad, Melaka has been excluded in the calculation above. For reference, it has a remaining 29-year lease period.



■ % of Total NLA ■ % of Total Monthly Rental Income

Refreshed retail offerings at Hektar Malls



The Green Party, Central Square



Mansor Nasi Ayam, Mahkota Parade



Fly Project, Subang Parade



Dessert Crush, Mahkota Parade



LT Manicure, Mahkota Parade



Game-On (Soon), Subang Parade

Marketing initiatives



Gamelan Musical Performance, Central Square



Traditional Raya Musical Performance, Mahkota Parade



Martial Arts Competition, Segamat Central



Raya Outfit Competition, Kulim Central



Treasure Hunt, Central Square



Hari Raya Performance, Subang Parade



Hari Raya Open House with Underprivileged Kids, Kulim Central



Majlis Berbuka Puasa, Subang Parade



Blood Donation Drive, Wetex Parade



Mini Karnival Kerjaya, Central Square



Program Kesedaran Sumber Air KESSA, Mahkota Parade

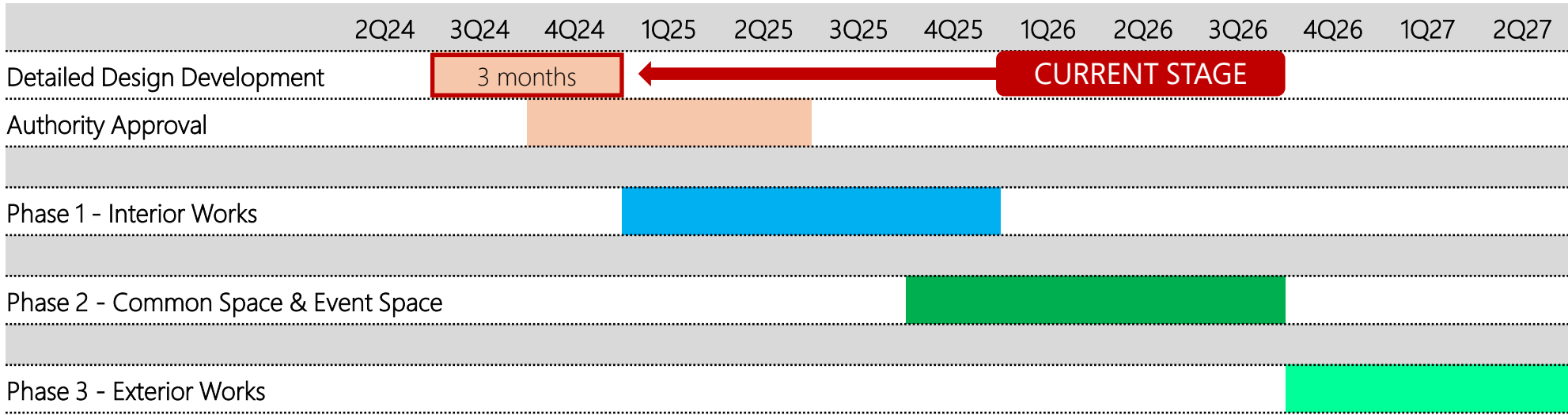


Program Advokasi Kepenggunaan Kelab Pengguna Sekolah, Segamat Central

2024 Key Initiatives



AEIs targeted to be completed by 1H2027



ENTRANCES

BEFORE



AFTER

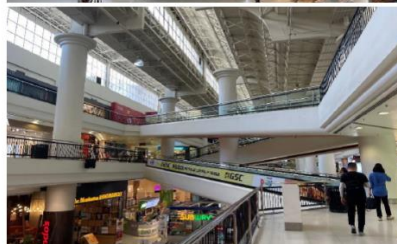


INTERIOR

BEFORE



AFTER



LIFT LOBBY

BEFORE



AFTER



TOILET

BEFORE

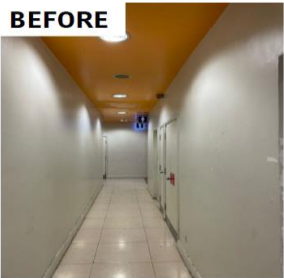


AFTER



TOILET CORRIDOR

BEFORE



AFTER



SUNKEN PLAZA

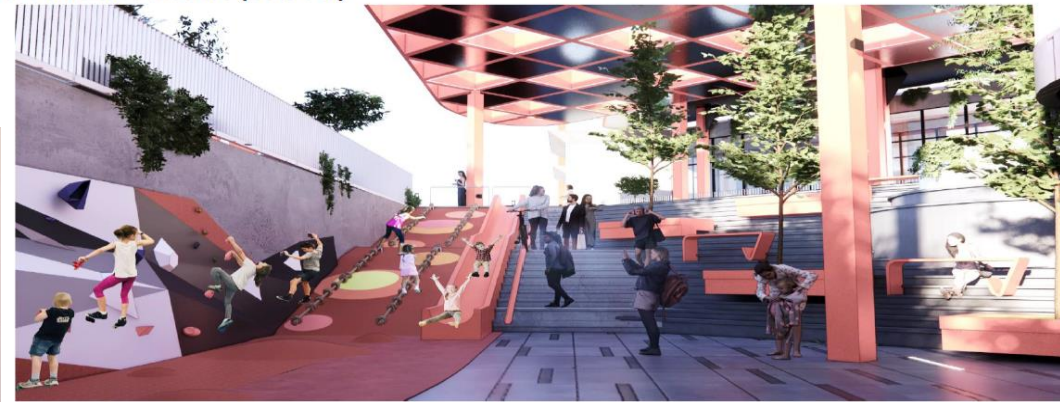
BEFORE



AFTER



SUNKEN PLAZA (cont'd)



CONTENT CREATION

KIDS VILLAGE



ARTISANAL MARKETPLACE



ENHANCED AMENITIES

UPGRADED PARENTS' ROOM



UPCOMING TENANTS



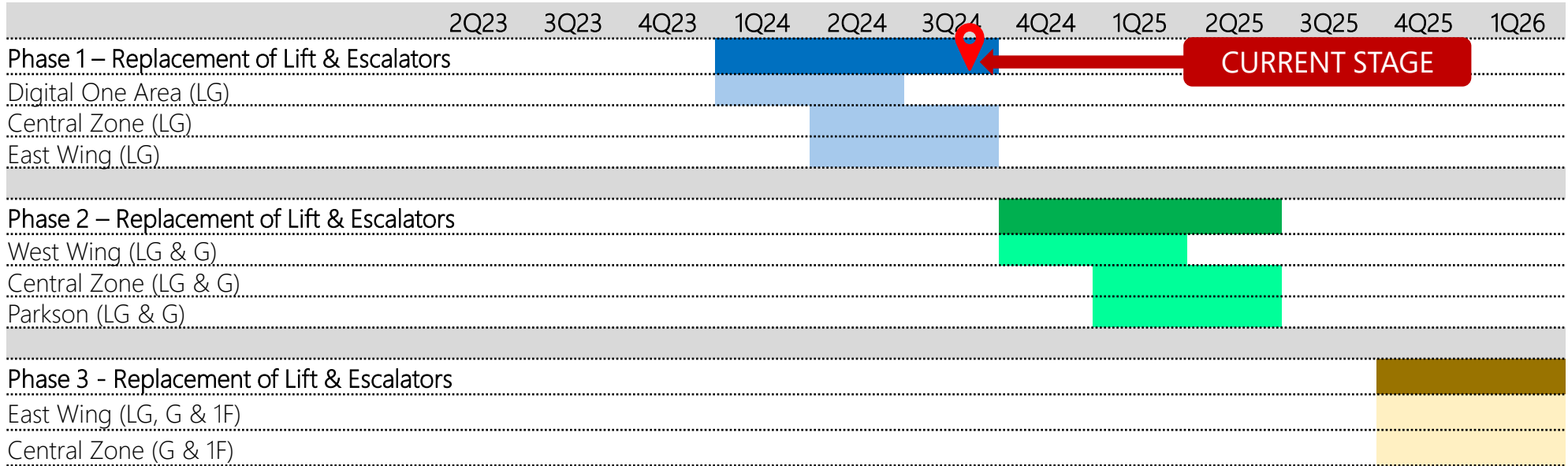
Oriental Parade,
Game On & Padi House



Enhanced F&B
offerings



- Modernisation of Lift & Escalators in progress with targeted full completion by 1Q26

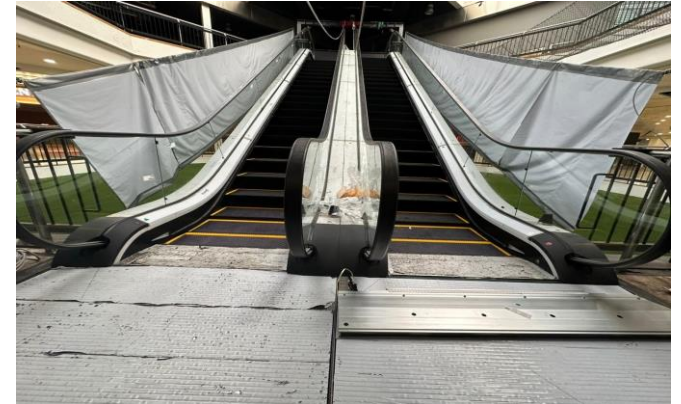


Replacement of Lift & Escalators is conducted in phases across different floors to minimize disruption to our shoppers

- Replacement of lifts and escalators are being done in phases, with Phase 1 nearing completion.



Refreshed Bubble Lift



Installation of new lift landing doors, lift systems and structures



Installation of modernized escalators

Project Update (Segamat Central)

- Segamat Central is located at transportation hub with direct link bridge access to a bus station and directly adjacent to the newly renovated KTMB Station nearby with ETS link which will operate at the near future.



Segamat Central

(Minor Asset Enhancement Initiatives – new exterior paint and minor AELs for interior)



Segamat KTMB Station

(newly renovated and operating since May 2024; ETS will begin operation in Oct 2024, 100m from SC)



Segamat Bus Station

(50m, connected by link bridge)



Project Update (Segamat Central)

- Minor asset enhancement initiatives completed in 1H2024, ranging from repainting of building façade, toilet uplift and replacement of outdoor pylon signages to improve customers' experience and overall mall aesthetics.

Repainted Building Facade



Refreshed Toilets (Male, Female, OKU)



Refreshed Outdoor Unit Pylon Signages (3)



Segamat Central June Marketing Event Highlights

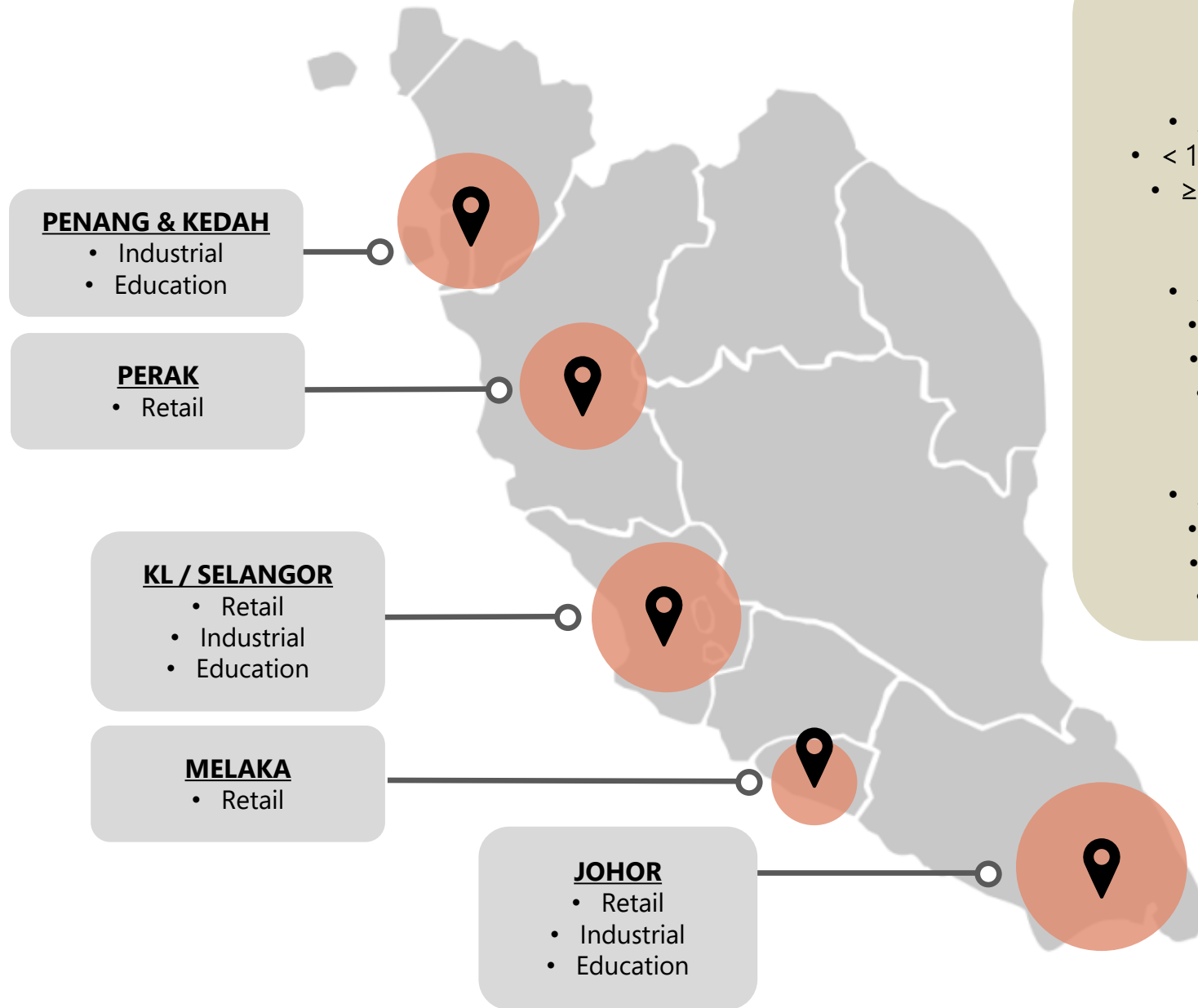
- Curation of suitable marketing events to serve the community better.
- Significant improvement in footfall recorded with enhanced marketing.

Ohsem Food Festival



Footfall Calendar			
	Usual Footfall	Enhanced Marketing	Variance
Daily Weekday Footfall	3,000 – 6,000	16,000 – 20,000	300% - 500%
Daily Weekend Footfall	4,000 – 8,000	22,000 – 24,000	275% - 600%





REQUIREMENTS FOR ACQUISITION

Retail

- Average 7.0% yield
- < 15 years of building age
- ≥ 90% occupancy rate

Industrial

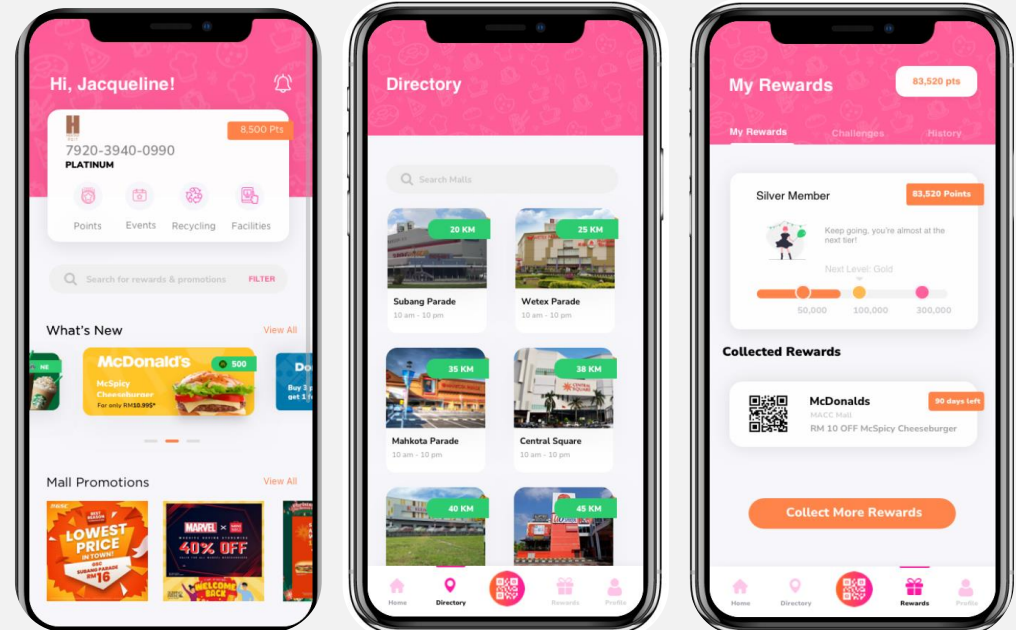
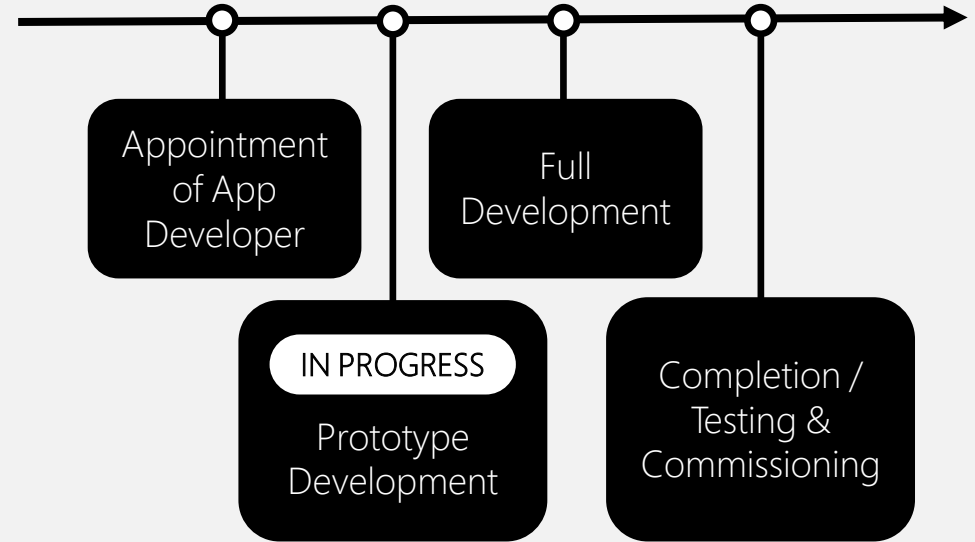
- Average 7.0% yield
- Triple Net Lease
- ≥ 15 years lease
- Step-up rental

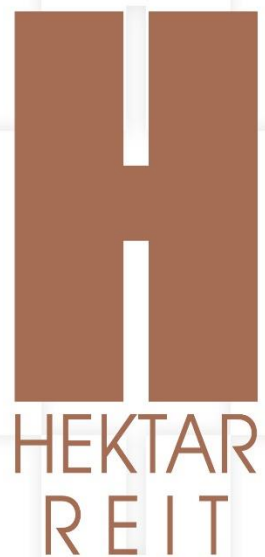
Education

- Average 7.0% yield
- Triple Net Lease
- ≥ 15 years lease
- Step-up rental

Hektar's Branding Initiatives (Loyalty Program)

- Curation of Loyalty app to reward customers with various discounts and promotions throughout our six (6) retail malls
- Points can be redeemed between different malls
- Brand loyalty and Customer retention
- Data collection & analysis
- Personalized marketing at lower cost
- Increased engagement
- Enhance shopping experience





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