

ABOUT *Hektar REIT*

Hektar REIT is Malaysia's first retail-focused REIT with the objectives of providing its unitholders a defensible income distribution and increasing the long term value of the REIT.



CORPORATE *Profile*



*Hektar Real Estate Investment Trust (Hektar REIT) is
Malaysia's first retail focused REIT.*



Hektar REIT's principal objective is to provide its Unitholders with a defensible income distribution and to enhance the long-term value of the fund.

Hektar REIT invests in income-producing real estate primarily used for retail purposes. Hektar REIT's portfolio currently consists of quality properties situated in Subang Jaya, Melaka, Muar, Sungai Petani, Kulim and Segamat with a combined value of RM1.23 billion.

Hektar REIT was listed on the Main Board of Bursa Malaysia on 4 December 2006 and has continuously recorded stable performance since its listing.

Hektar REIT is managed by Hektar Asset Management Sdn Bhd who is responsible to invest and manage real estate assets predominantly involved in retail and/or shopping centres, and acquire and manage future assets which are income producing properties with the objective of extracting synergies and efficiencies from the assets in the portfolio.

Creating The Places People Love, Striving Towards A Sustainable Future

Our vision is to own and manage world-class shopping centres for Malaysian consumers, based on international best practices. We aim to be the mall owner of choice for retailers, developers and shoppers while creating a sustainable future for the communities we operate in as well as for our stakeholders and shoppers.

CORPORATE *Strategy*

The REIT's Strategy is to invest in income producing assets primarily focusing in retail to provide sustainable returns to our Unitholders through our three-pronged strategy by undertaking Portfolio Optimisation, Prudent Capital Management and Yield-Accretive Acquisitions.



GOALS

To form a solid and defensible portfolio to create stable and sustainable value to its Stakeholders

To pay attractive Distribution Per Unit ("DPU") relative to the market



YIELD-ACCRETIVE ACQUISITIONS

Enhancing the Long-Term Value and Growth of Hektar REIT by systematic and diligent efforts in acquisition of:

- ▷ **Stabilised Properties**
Assets with sustainable cash flow, requiring selective optimisation initiatives
- ▷ **Turnaround Properties**
Assets with solid fundamentals which are underserving their current market, requiring intensive value creation initiatives to 'turnaround' the property, increasing yields in the medium to long term



PORTFOLIO OPTIMISATION

Providing Sustainable Returns and Income Defensibility of portfolios by:

- ▷ **Active Leasing**
Aligning the tenancy mix to the needs of target shoppers
- ▷ **Marketing**
Strategic promotion and marketing to attract visitor traffic and improve tenant sales
- ▷ **Value Creation Initiatives**
Asset enhancement and refurbishment designed to improve long-term yields



CAPITAL MANAGEMENT

Optimising the capital structure to fund acquisitions and asset enhancements through a combination of debt and equity within a flexible framework to provide a low cost of capital by:

- ▷ Implementing initiatives to reduce borrowing costs
- ▷ Undertaking initiatives to diversify sources of debt funding
- ▷ Maintaining a reasonable level of debt service capability