



Creating The Places People Love



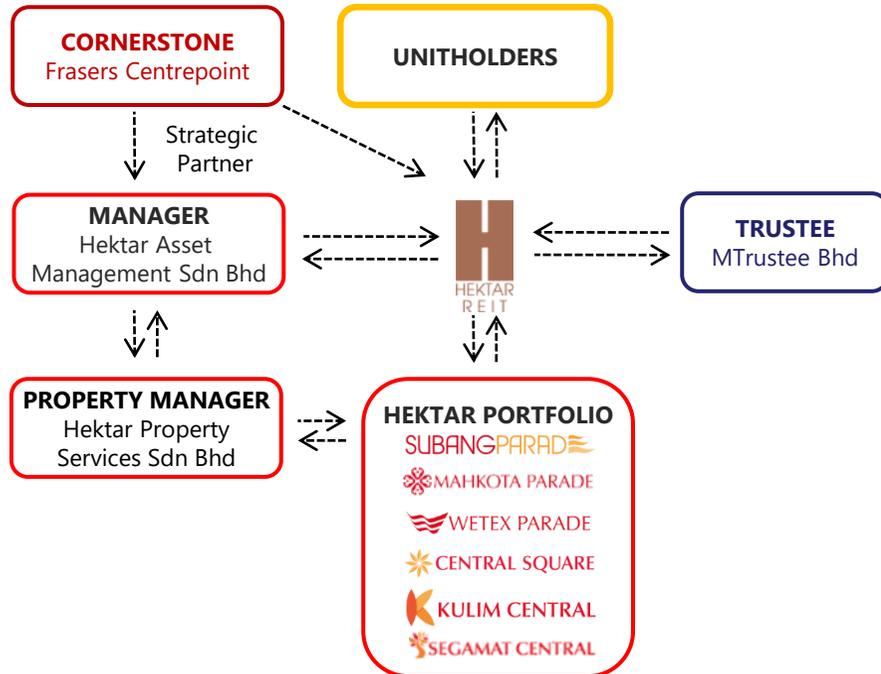
**HEKTAR REAL ESTATE INVESTMENT TRUST**  
**4Q/FY 2018 RESULTS PRESENTATION**  
28 February 2019



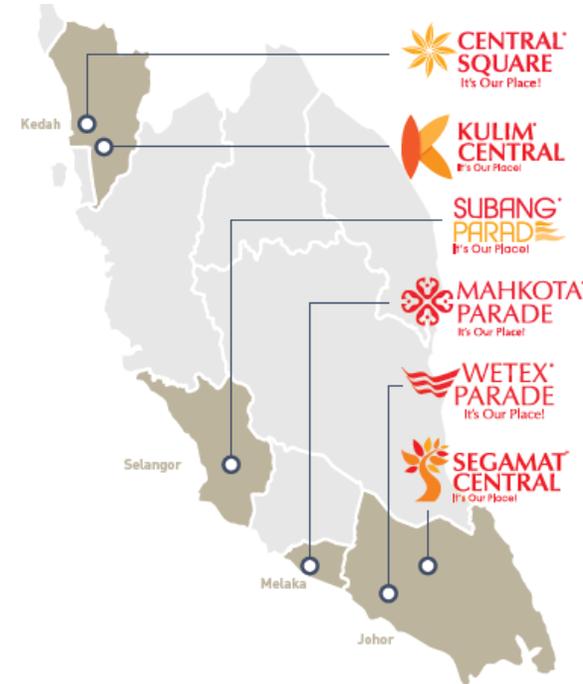
## Creating The Places People Love

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, shoppers and developers.

## Organisation



## Diverse Portfolio



**DISCLAIMER:** The material that follows is a presentation of general background information about the activities of Hektar REIT (including Hektar REIT’s any other affiliates) as at the date of this Presentation. The information contained herein is given in summary form solely to provide an understanding of the business of Hektar REIT and does not purport to be complete. You should conduct your own investigation and analysis of Hektar REIT and other data contained in this Presentation. It is not intended to be relied upon as advice for investment or invitation to invest in Hektar REIT or an evaluation of Hektar REIT. No representation, warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information contained herein. This presentation may contain forward-looking statements that involves risks and uncertainties. Actual future results may vary materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which are based on Hektar REIT’s current view of future events. Whilst we have used our best endeavour and exercised reasonable diligence in collating information from public domain, we have not independently verified the accuracy of such information. Hektar REIT and its affiliates or any of its directors, officers and employees shall not accept any responsibility for any errors or omission in this Presentation and shall not be liable for any loss or other consequence of any reliance upon the whole or any part of the contents of this Presentation thereon. The past performance of Hektar REIT is not necessarily indicative of the future performance of Hektar REIT.

## Fourth Quarter 2018 (4Q18) / Financial Year 2018 (FY18)

October – December 2018 / 12 Months 2018

### Financial Performance vs. Previous Period

FY18 Revenue RM135.1 million, up +7.6%

FY18 Net Property Income RM78.7 million, up +6.8%

4Q18 Gross Revenue RM33.9 million, up +1.3%

4Q18 Realised Income higher RM12 million, up +1.8%

Higher Trust Expenses; Net Income Before Tax +1.3%

Financing Renewed: 92% of Debt expires in 2024

Cost of Debt: 4.61%

### Operational Performance as at December 31, 2018

Portfolio Occupancy: 92.1%

Visitor Traffic: 32.1 million

Rent Reversions: +5.4%

Expiry Profile: 38% of NLA expires in 2019

Classic Hotel Refurbished and reopened in December 2018

Kulim Central Asset Enhancement: traffic up 81.8%, occupancy at 93.5%, rental reversions +16.4%

### Dividend Per Unit FY18

1Q 2018 : 2.30 sen

2Q 2018 : 2.30 sen

3Q 2018 : 2.10 sen

4Q 2018 : 2.31 sen

**Total DPU : 9.01 sen**

**DPU Yield\* : 8.1%**

\* Based on DPU of 9.01 sen on closing price of RM1.11 on 31 December 2018

## Distribution Details Fourth Quarter 2018

Distribution Period:	1 October 2018 – 31 December 2018
Quarterly DPU:	2.31 sen
Notice of Entitlement:	28 February 2019
Ex-Dividend Date:	13 March 2019
Book Closure Date:	15 March 2019
Payment Date:	10 April 2019

## Dividend Track Record 2007-2018



\* FY 07 represented a 13 month period from December 2006 to 31 December 2007

Hektar REIT offered a competitive **8.1%** dividend yield in FY2018

- FY 2018 DPU: **9.01 sen**
- Dividend Yield based on DPU and FY2018 closing price of RM1.11

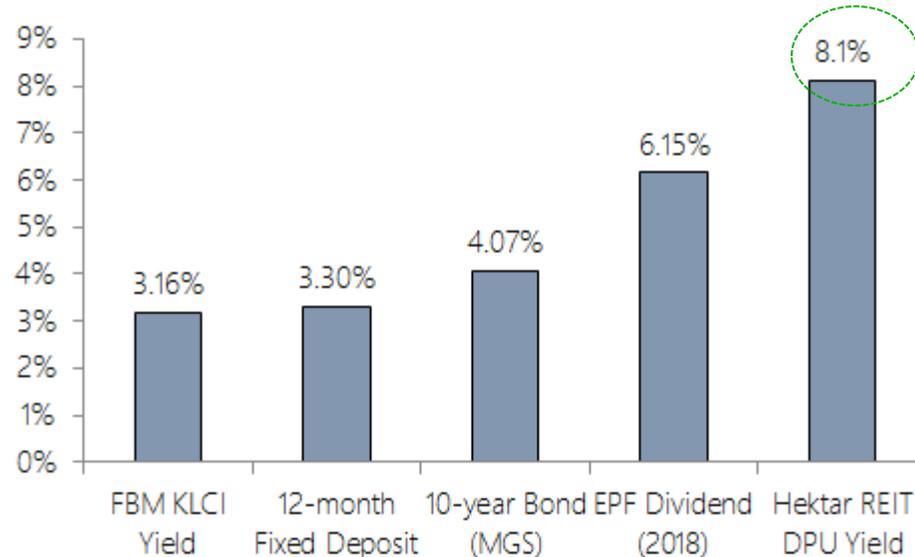
## Dividend Per Unit FY18

1Q 2018 : 2.30 sen  
 2Q 2018 : 2.30 sen  
 3Q 2018 : 2.10 sen  
 4Q 2018 : 2.31 sen  
**Total DPU : 9.01 sen**

**DPU Yield\* : 8.1%**

\* Based on DPU of 9.01 sen on closing price of RM1.11 on 31 December 2018

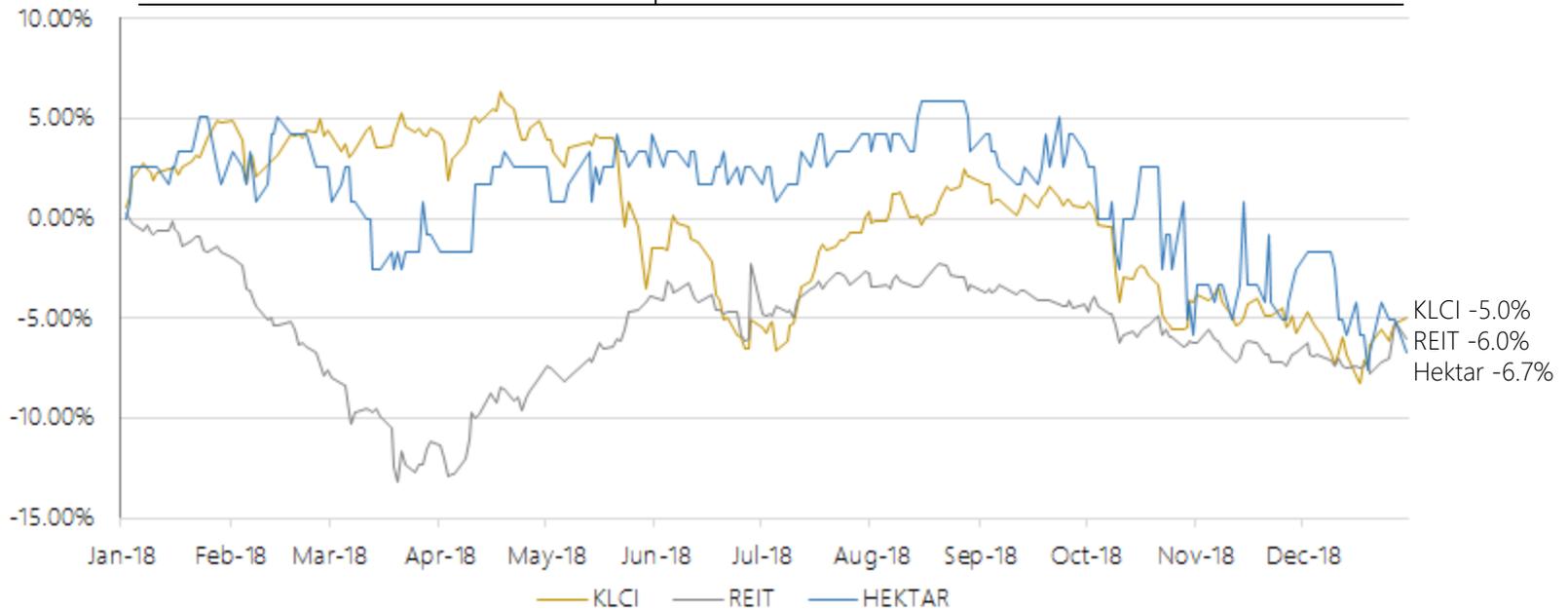
## Comparative Yields



Sources: EPF, Bank Negara (31 December 2018, Maybank, FTSE Russell)

## Trading Summary

Trading Summary	2014	2015	2016	2017	2018
Opening Unit Price (RM)	1.50	1.49	1.52	1.58	1.19
Closing Unit Price (RM)	1.49	1.52	1.56	1.30	1.11
52-Week Highest Traded Price (RM)	1.55	1.56	1.70	1.67	1.26
52-Week Lowest Traded Price (RM)	1.42	1.47	1.48	1.16	1.10
Unit Price Change (%) <sup>1</sup>	-0.7%	2.0%	2.6%	-17.7%	-6.7%
DPU (sen)	10.5	10.5	10.5	9.6	9.0
DPU Yield <sup>2</sup>	7.0%	6.9%	6.7%	7.4%	8.1%
Annual Total Return (%) <sup>3</sup>	6.3%	9.1%	9.5%	-11.6%	0.8%



1 Based on difference between opening and closing market prices of the respective financial year. 2 Based on DPU over closing price of the respective financial year. 3 Based on DPU and unit price change over opening market price for respective financial year.

Chart data: WSJ Markets

SUBANG  
PARADE  
It's Our Place!

MAHKOTA  
PARADE  
It's Our Place!

WETEX  
PARADE  
It's Our Place!

CENTRAL  
SQUARE  
It's Our Place!

KULIM  
CENTRAL  
It's Our Place!

SEGAMAT  
CENTRAL  
It's Our Place!

Overall Occupancy at ~92.1% ▶

Visitor Traffic 32.1 million ▶

Rental Reversions +5.4% for FY18 ▶

Expiry Profile: 38% NLA expires in 2019 ▶

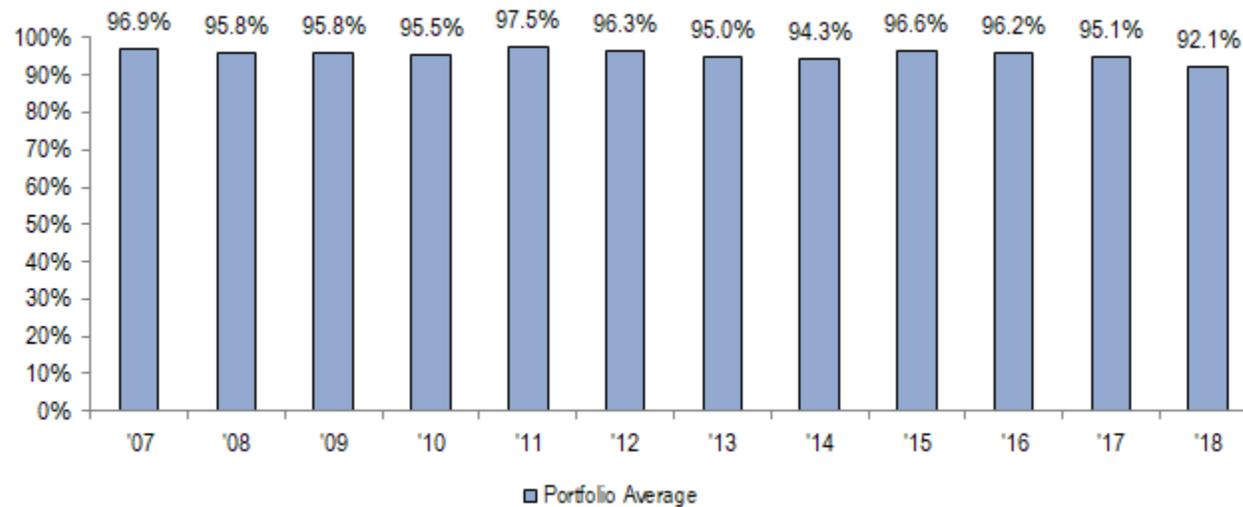
Step-Up & Turnover Rent Provisions ▶

# Portfolio Performance

Average portfolio occupancy steady at **92.1%**

## Portfolio Occupancy 2007-2018

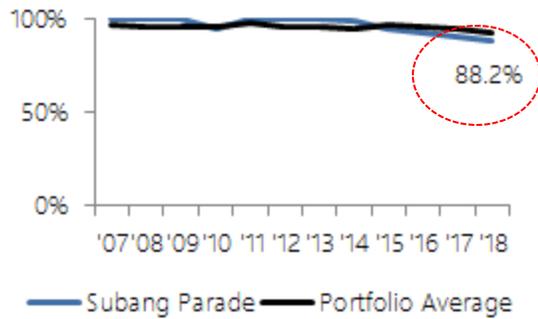
Property	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18
Subang Parade	99.8%	100.0%	94.8%	99.9%	99.8%	100.0%	99.3%	94.7%	93.0%	90.9%	88.2%
Mahkota Parade	96.5%	93.6%	96.1%	94.5%	96.1%	97.8%	94.5%	95.5%	96.4%	96.1%	96.0%
Wetex Parade	83.1%	90.1%	95.6%	98.6%	97.8%	96.8%	98.3%	98.7%	100.0%	100.0%	98.5%
Central Square					89.8%	82.5%	80.5%	98.0%	96.6%	95.3%	96.9%
Kulim Central					96.9%	93.7%	97.8%	99.3%	98.9%	98.2%	93.5%
Segamat Central										94.7%	78.6%
Portfolio Average	95.8%	95.8%	95.5%	97.5%	96.3%	95.0%	94.3%	96.6%	96.2%	95.1%	92.1%



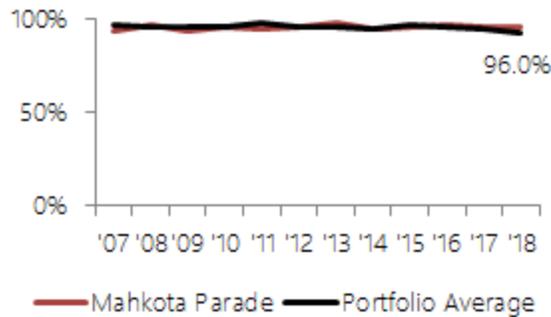
Subang Parade and Segamat Central occupancy flat or down due to Asset Enhancement planning & repositioning

- Portfolio Average at 92.1% for December 2018

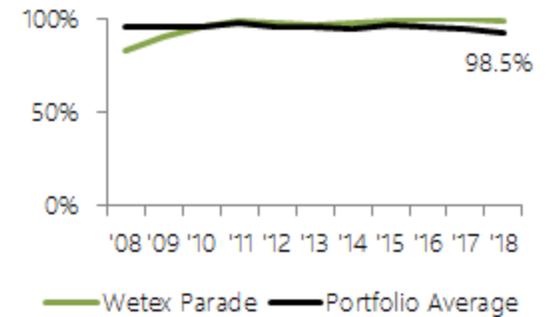
**SUBANGPARADE**  
It's Our Place!



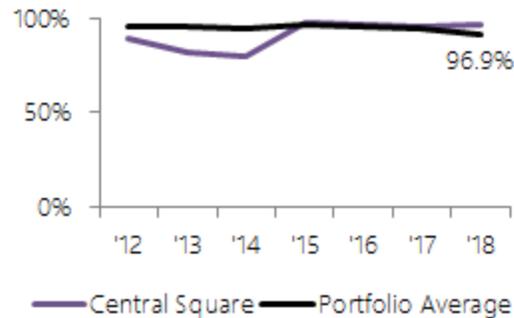
**MAHKOTA PARADE**  
It's Our Place!



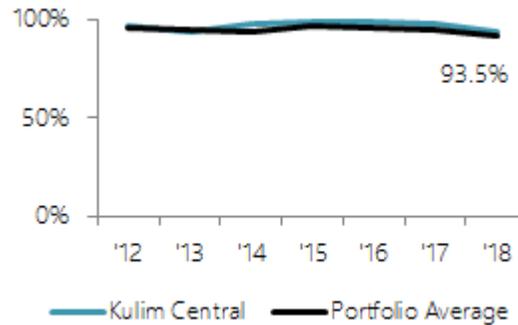
**WETEX PARADE**  
It's Our Place!



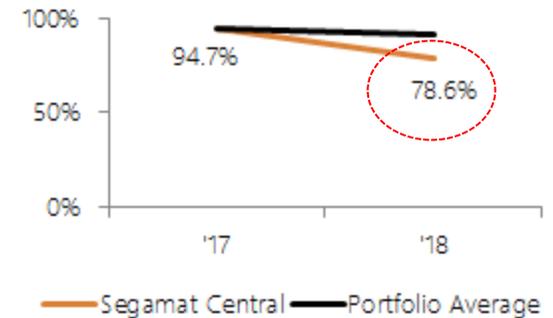
**CENTRAL SQUARE**  
It's Our Place!



**KULIM CENTRAL**  
It's Our Place!



**SEGAMAT CENTRAL**  
It's Our Place!



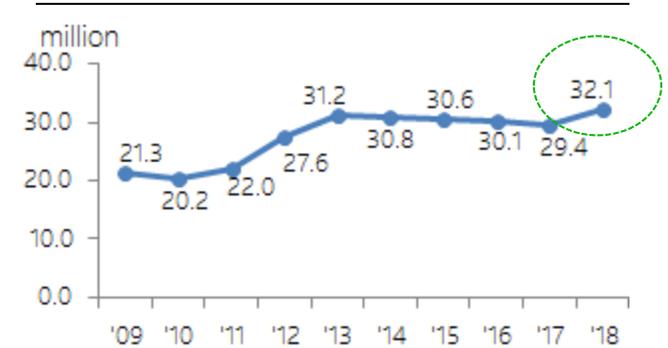
Portfolio visitor traffic reached 32.1 million in FY18

- Tracked by computerised counting systems installed in all 6 malls

## Visitor Traffic 2014-2018

Property	'14	'15	'16	'17	'18
Subang Parade	9.5 million	9.8 million	9.2 million	9.9 million	7.8 million
% Change in Traffic	11.8%	3.2%	-6.1%	7.6%	-21.2%
Mahkota Parade	10.0 million	9.1 million	9.4 million	9.1 million	8.3 million
% Change in Traffic	-3.8%	-9.0%	3.3%	-3.2%	-8.8%
Wetex Parade*	4.8 million	4.6 million	4.6 million	4.4 million	4.3 million
% Change in Traffic	0.0%	-4.2%	0.0%	-4.4%	-2.3%
Central Square	3.3 million	3.9 million	3.9 million	3.8 million	4.5 million
% Change in Traffic	-19.5%	18.2%	0.0%	-2.6%	18.4%
Kulim Central	3.2 million	3.2 million	3.0 million	2.2 million	4.0 million
% Change in Traffic	-5.9%	0.0%	-6.3%	-26.7%	81.8%
Segamat Central					3.2 million
Total	30.8 million	30.6 million	30.1 million	29.4 million	32.1 million

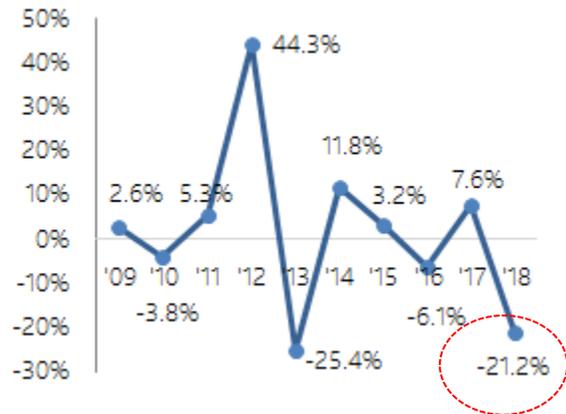
## Visitor Traffic 2009-2018



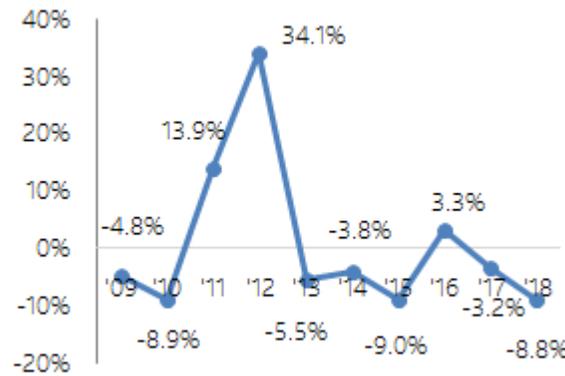
## Strong performance by the Northern malls (Kedah)

- Kulim recorded a **+81.8%** increase followed by Central Square with a **+18.4%** increase
- Both malls were refurbished in 2017 and 2015 respectively

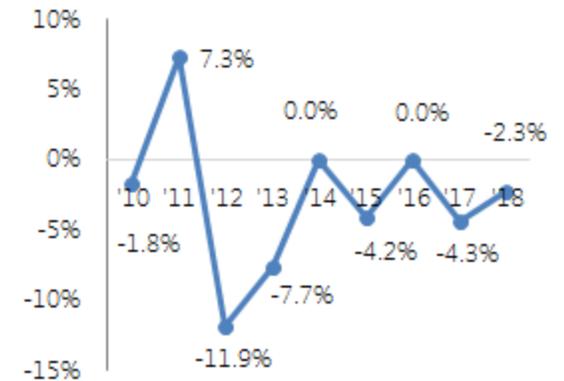
**SUBANG PARADE**  
It's Our Place!



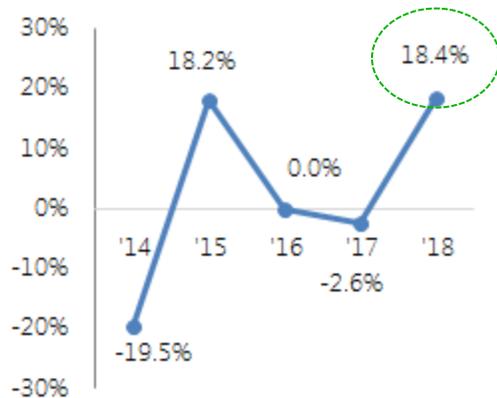
**MAHKOTA PARADE**  
It's Our Place!



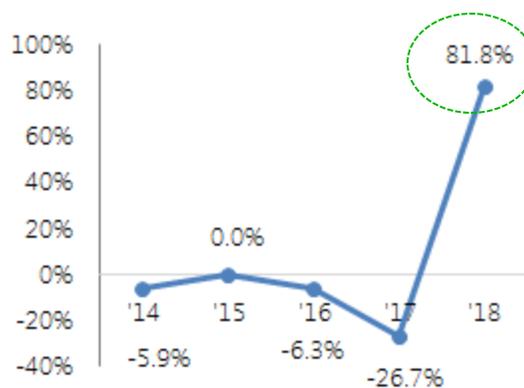
**WETEX PARADE**  
It's Our Place!



**CENTRAL SQUARE**  
It's Our Place!



**KULIM CENTRAL**  
It's Our Place!



## Fourth Quarter Rental Reversions flat (-0.6%)

- Weighed down by Subang Parade & Segamat Central down due to Asset Enhancement planning and positioning
- Strong performance by Wetex Parade, Central Square and Kulim Central

## Portfolio Rental Reversions 4Q2018

Fourth Quarter (End 31 December)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	+ / - vs. Previous Rent Rates
Subang Parade	7	37,241	7.3%	-9.6%
Mahkota Parade	10	17,835	3.4%	0.8%
Wetex Parade	5	11,503	6.9%	24.8%
Central Square	6	7,744	2.5%	17.4%
Kulim Central	9	139,422	46.5%	14.5%
Segamat Central	10	87,787	40.5%	-20.2%
Total/Average*	47	301,532	14.9%	-0.6%

<span style="float: right; border: 1px dashed green; border-radius: 50%; padding: 2px;">+24.8%</span> <ul style="list-style-type: none"> <li>▪ Positive reversions from 5 out of 5</li> <li>▪ Renewed/New Tenants: Disney Babe, Oonli</li> </ul>
<span style="float: right;">+17.4%</span> <ul style="list-style-type: none"> <li>▪ Positive reversions from 6 out of 6</li> <li>▪ Renewed/New Tenants: KB Fun, UB Collection</li> </ul>
<span style="float: right;">+14.5%</span> <ul style="list-style-type: none"> <li>▪ Positive reversions from 9 out of 9</li> <li>▪ Renewed/New Tenants: Starbucks, SH Telecom, Gu Sheng, Time Galerie</li> </ul>
<span style="float: right;">+0.8%</span> <ul style="list-style-type: none"> <li>▪ Positive reversions from 7 out of 10</li> <li>▪ Renewed/New Tenants : Nando's, Street Churros, F.O.S.</li> </ul>
<span style="float: right;">-9.6%</span> <ul style="list-style-type: none"> <li>▪ Positive reversions from 3 out of 7</li> <li>▪ Renewed/New Tenants: Seen, Ah Cheng Laksa and Mohd Chan Chinese Muslim Restaurant, Kopitime, Mi Store</li> </ul>
<span style="float: right; border: 1px dashed red; border-radius: 50%; padding: 2px;">-20.2%</span> <ul style="list-style-type: none"> <li>▪ Positive reversions from 6 out of 10</li> <li>▪ Renewed/New Tenants: In Fashion, Miniworld, MR. D.I.Y.</li> <li>▪ New anchor: TF Value-Mart (56,800 sq ft)</li> </ul>

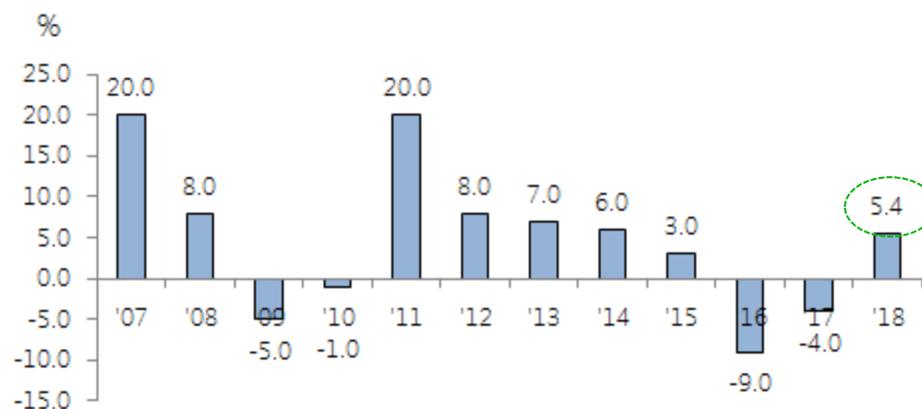
Portfolio Rental Reversions was a **+5.4%** in FY2018, reflecting a rebound in trend

- Strongest performer: Kulim Central **+16.4%**
- Mahkota Parade (**+15%**), Wetex Parade (**+11.8%**) and Central Square (**+11.5%**)
- Subang Parade & Segamat Central reversions down due to Asset Enhancement planning
- Four of the malls outside of the Klang Valley performed well

## Portfolio Rental Reversions FY2018

Full Year (End 31 December)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	+ / - vs. Previous Rent Rates
Subang Parade	24	200,666	39.3%	0.1%
Mahkota Parade	33	67,102	12.9%	15.0%
Wetex Parade	33	38,700	23.1%	11.8%
Central Square	16	177,779	57.2%	11.5%
Kulim Central	19	155,278	51.8%	16.4%
Segamat Central	34	187,807	86.7%	-9.8%
<b>Total / Average*</b>	159	827,332	40.9%	<b>5.4%</b>

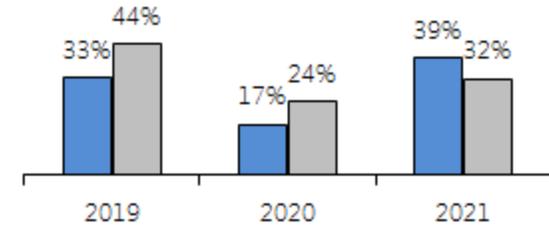
## Annual Rental Reversions FY2007-FY2018



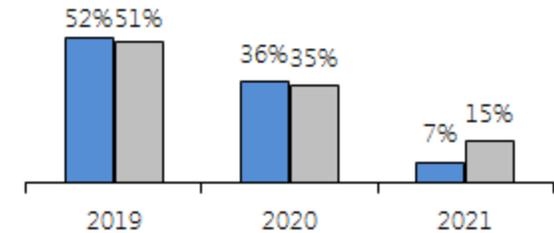
## Tenancy Expiry by Property, Year End December



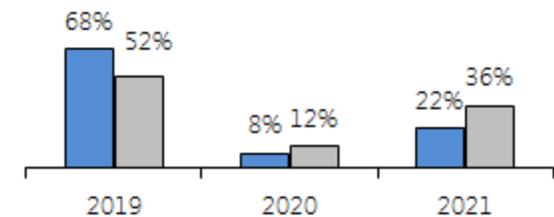
Period End December	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2019	62	166,558	33%	44%
2020	30	85,388	17%	24%
2021	21	198,773	39%	32%



Period End December	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2019	65	272,261	52%	51%
2020	27	187,765	36%	35%
2021	23	38,480	7%	15%



Period End December	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2019	34	114,443	68%	52%
2020	10	13,782	8%	12%
2021	28	37,075	22%	36%

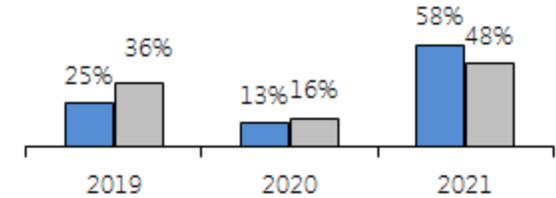


\*Based on monthly rental income for Dec 2018. Figures may not round to 100% due to misc. items

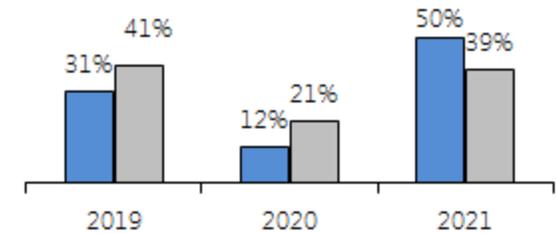
## Tenancy Expiry by Property, Year End December, 2019-2021



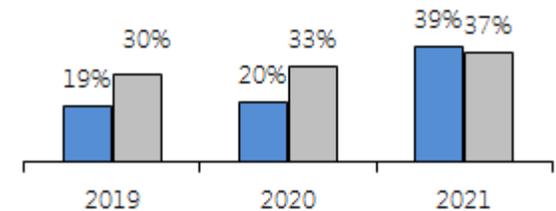
Period End December	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2019	28	78,267	25%	36%
2020	20	41,113	13%	16%
2021	16	181,480	58%	48%



Period End December	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2019	36	93,741	31%	41%
2020	23	36,541	12%	21%
2021	20	149,773	50%	39%



Period End December	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2019	20	41,518	19%	30%
2020	13	43,625	20%	33%
2021	16	84,946	39%	37%



\*Based on monthly rental income for Dec 2018. Figures may not round to 100% due to misc. items

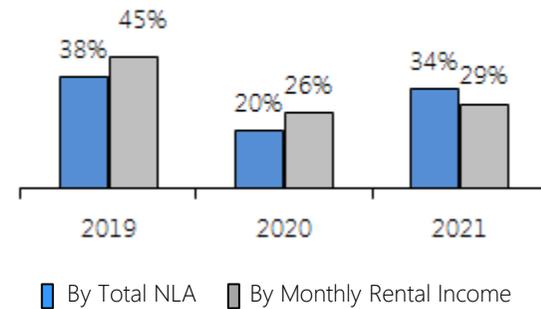
## Tenancy Expiry for Portfolio 2019-2021

- For 2019, a total of 245 tenancies expire, representing **45%** of monthly rental income or 38% of NLA

## Portfolio Expiry Profile 2019-2021

Period End December	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2019	245	766,788	38%	45%
2020	123	408,214	20%	26%
2021	124	690,527	34%	29%

\*Based on monthly rental income for Dec 2018. Figures may not round to 100% due to misc. items

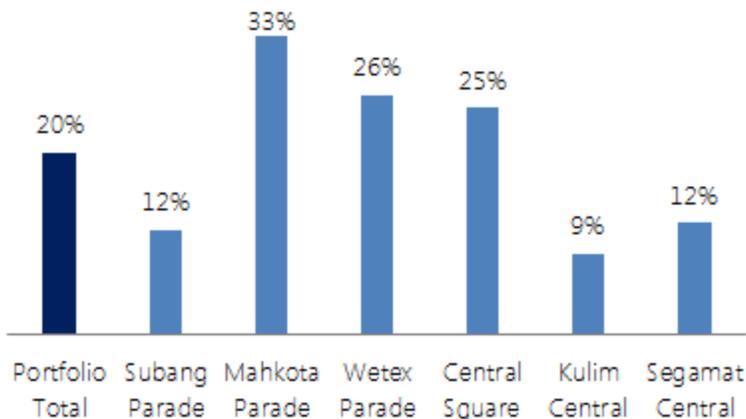


Hektar adopts step-up and turnover rent provisions

- Step-Up Provisions for fixed rental increase are present in **20%** of all tenancies
- Turnover Rent provisions exist in **86%** of all tenancies
- Data for NLA-tenants only (492 in December 2018)

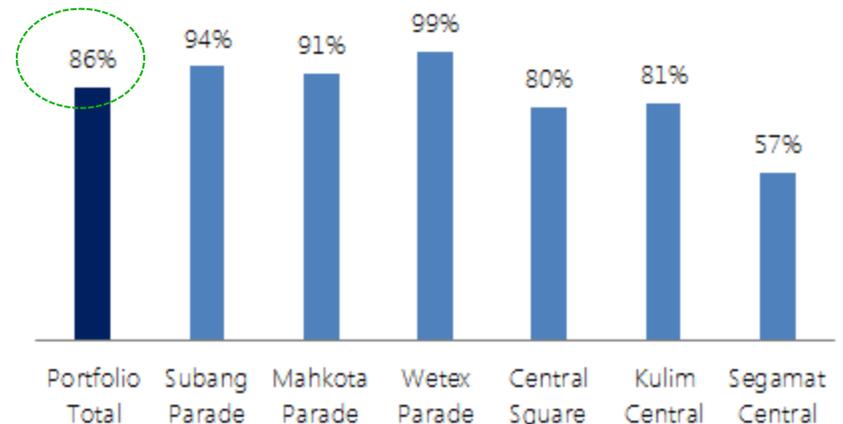
## Step-Up Provisions

Property	Tenants	Step-Up	% of Tenants
Subang Parade	113	13	12%
Mahkota Parade	115	38	33%
Wetex Parade	72	19	26%
Central Square	64	16	25%
Kulim Central	79	7	9%
Segamat Central	49	6	12%
<b>Total</b>	<b>492</b>	<b>99</b>	<b>20%</b>



## Turnover Rent Provisions

Property	Tenants	Turnover Rent	% of Tenants
Subang Parade	113	106	94%
Mahkota Parade	115	105	91%
Wetex Parade	72	71	99%
Central Square	64	51	80%
Kulim Central	79	64	81%
Segamat Central	49	28	57%
<b>Total</b>	<b>492</b>	<b>425</b>	<b>86%</b>



Top 10 Tenants contributed 30.4% of the total monthly rental income

- Top 2 anchors: Parkson contributed 9.6% and The Store contributed 5.9%
- No other tenant contributes more than 2.9% of monthly rental income

Tenant	Trade Sector	NLA (sq. ft.)	% of total NLA	% of Monthly Rental Income
Parkson	Department Store/Supermarket	254,009	12.5%	9.6%
The Store	Department Store/Supermarket	273,198	13.5%	5.9%
Seleria Food Court	Food & Beverage/Food Court	39,521	2.0%	2.9%
MBO	Leisure & Entertainment/Sports & Fitness	88,670	4.4%	2.4%
Giant	Department Store/Supermarket	96,283	4.8%	1.9%
Mr DIY	Homewares & Furnishing	74,247	3.7%	1.8%
MM2 Starscreen	Leisure & Entertainment/Sports & Fitness	79,404	3.9%	1.7%
Guardian	Health & Beauty	12,164	0.6%	1.6%
Watson	Health & Beauty	10,296	0.5%	1.4%
KFC	Food & Beverage/Food Court	15,786	0.8%	1.2%
	Top 10 Tenants (by monthly rental income)	943,578	46.6%	30.4%
	Other Tenants	1,081,230	53.4%	69.6%
	Total	2,024,807	100.0%	100.0%

\*Based on monthly rental income for Dec 2018. Figures may not round to 100% due to misc. items

4Q18 Gross Revenue up +1.3% from preceding period ▶

4Q18 Realised Income higher +1.8% from preceding period ▶

FY18 Revenue up +7.6% v FY17 ▶

FY18 Net Property Income up +6.8% v FY17 ▶

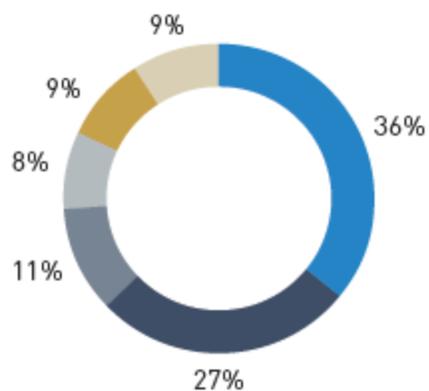
Financing Renewed: 92% of Debt expires in 2024 ▶

# Financial Results

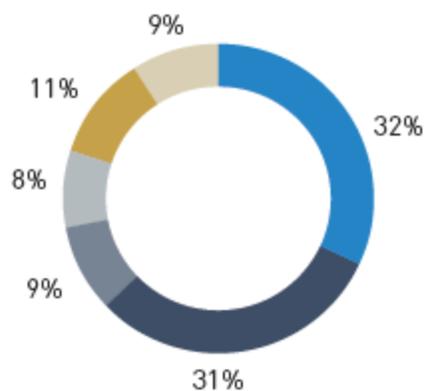


Financial Year 2018	Subang Parade	Mahkota Parade	Wetex Parade & Classic Hotel	Central Square	Kulim Central	Segamat Central
State	Selangor	Melaka	Johor	Kedah	Kedah	Johor
Title	Freehold	Leasehold (2101)	Freehold	Freehold	Freehold	Leasehold (2116)
Primary Trade Area (Population)	1,834,000	382,200	201,600	406,870	287,694	190,000
NLA (sq ft)	508,876	519,542	171,305	310,152	299,613	220,768
Tenancies	113	115	72	64	79	49
Occupancy	88.2%	96.0%	98.5%	96.9%	93.5%	78.6%
Visitor Traffic	7.8 million	8.3 million	4.3 million	4.5 million	4.0 million	3.2 million
Acquisition Price (RM)	280.0 million	232.0 million	117.5 million	83.0 million	98.0 million	106.1 million
Valuation (RM)	437.0 million	328.0 million	138.5 million	96.0 million	115.0 million	107.0 million
Gross Revenue (RM)	44.1 million	41.4 million	12.3 million	11.2 million	14.5 million	11.6 million
Net Property Income (NPI) (RM)	28.3 million	23.5 million	6.1 million	6.0million	8.4 million	6.4 million

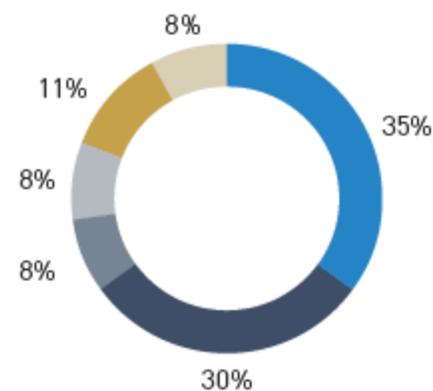
### Portfolio by Valuation



### Portfolio by Gross Revenue



### Portfolio by NPI



■ Subang Parade    
 ■ Mahkota Parade    
 ■ Wetex Parade & Classic Hotel    
 ■ Central Square    
 ■ Kulim Central    
 ■ Segamat Central

Realised Net Income up +1.8%

- Revenue 4Q18 up +1.3% vs 4Q17
- Realised Income up +1.8% vs 4Q17

Income Statement Fourth Quarter 2018 (Audited)	4Q18 (RM '000)	4Q17 (RM '000)	Variance (%)
Revenue	33,881	33,441	+1.3%
Direct Cost & Property Expenses	(13,613)	(12,528)	- 8.7%
<b>Net Property Income (NPI)</b>	<u>20,268</u>	<u>20,913</u>	<u>-3.1%</u>
Interest & Other Income	948	96	>100.0%
Trust Fees & Expenses	(2,704)	(2,905)	+6.9%
Interest Expense	(6,475)	(6,284)	-3.0%
<b>Realised Income Before Taxation</b>	<u>12,037</u>	<u>11,820</u>	<u>+1.8%</u>
Fair Value Adjustment of Investment Properties	(9,406)	-	-
Fair Value Change on Derivatives	-	263	-
<b>Net Income Before Tax</b>	<u>2,631</u>	<u>12,083</u>	<u>-78.2%</u>
<b>Net Income per Unit (sen)</b>	0.57	2.62	-78.2%
- realised	<u>2.61</u>	<u>2.56</u>	<u>+2.0%</u>

Net Property Income up +6.8% v FY17

- Revenue up +7.6% vs FY17
- Trust Expenses & Interest Expenses increased in FY18

Income Statement Year-To-Date (Audited)	FY18 (RM '000)	FY17 (RM '000)	Variance (%)
Revenue	135,107	125,543	+7.6%
Direct Cost & Property Expenses	(56,390)	(51,805)	- 8.9%
<b>Net Property Income (NPI)</b>	<u>78,716</u>	<u>73,738</u>	<u>+6.8%</u>
Interest & Other Income	1,262	455	>100.0%
Trust Fees & Expenses	(12,425)	(10,892)	- 14.1%
Interest Expense	(25,284)	(23,166)	-9.1%
<b>Realised Income Before Taxation</b>	<u>42,269</u>	<u>40,134</u>	<u>+5.3%</u>
Fair Value Adjustment of Investment Properties	(9,406)	(7,986)	-17.8%
Fair Value Change on Derivatives	266	548	-51.6%
<b>Net Income Before Tax</b>	<u>33,129</u>	<u>32,696</u>	<u>+1.3%</u>
Net Income per Unit (sen)	7.17	7.82	-8.3%
– realised	<u>9.15</u>	<u>9.60</u>	<u>-4.7%</u>

Balance Sheet (Audited)	As at 31.12.2018 (RM '000)	As at 31.12.2017 (RM '000)
<b>Non-Current Assets</b>		
Investment Properties	1,221,500	1,194,569
Plant & Equipment	141	94
Capital Work in Progress	6,129	15,359
Fixed Deposit with a licensed bank	1,447	1,328
	<u>1,229,217</u>	<u>1,211,351</u>
<b>Current Assets</b>		
Trade Receivables	18,217	11,559
Other Receivables, Deposits, Prepayments	7,504	7,352
Cash and Bank Balances	13,335	22,096
<b>TOTAL ASSETS</b>	<u>1,268,273</u>	<u>1,252,357</u>
<b>Long Term Liabilities</b>		
Tenancy Deposits	15,902	13,825
Borrowings	548,072	542,057
Derivative Financial Instrument		266
	<u>563,974</u>	<u>556,148</u>
<b>Current Liabilities</b>		
Trade Payables	5,588	2,524
Other Payables and Accruals	30,489	9,760
Tenancy Deposits	17,907	20,056
Borrowings	15,000	15,000
<b>TOTAL LIABILITIES</b>	<u>632,957</u>	<u>603,488</u>
<b>NET ASSET VALUE</b>	<u>635,316</u>	<u>648,869</u>
Unitholders' Capital	492,500	492,500
Retained Earnings - realised	43,140	47,553
Retained Earnings - unrealised	99,675	108,816
<b>TOTAL UNITHOLDERS' FUND</b>	<u>635,316</u>	<u>648,869</u>

## Unit Price Statistics

### As at 31 Dec 2018

No. of Units Outstanding  
461,960,178

Net Asset Value Per Unit  
RM 1.38

Unit Price  
RM 1.11

Market Capitalisation  
RM 512,775,798

Premium / Discount to NAV  
**-19.6%**

## Debt Summary February 2019

- Facilities: Al-Murabahah, Term Loan (TL), Short-Term Revolving Credit (STRC)
- Financier: [Maybank](#)
- Total Debt: [RM563.1 million](#)
- Cost Structure: [Cost of Funds +0.70%](#)
- Weighted Cost: [4.61%](#)
- Gearing Ratio<sup>1</sup>: [44.4%](#)
- Interest Cover<sup>2</sup>: [2.68](#)

<sup>1</sup> Gearing ratio calculated by financing liabilities over Gross Asset Value (GAV). <sup>2</sup> Based on FY2018 Balance Sheet

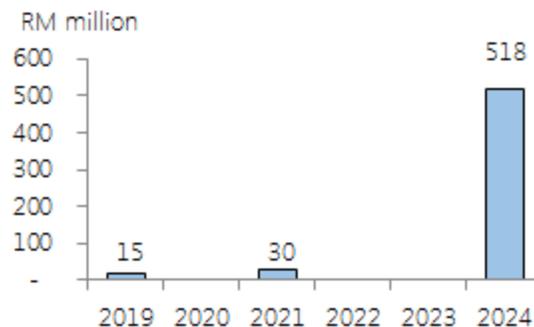
## Facilities

#	Facility	Amount (RM'000)	% Total Debt	Security	Expiry	Cost
1	MOD 1	184,000	32.7%	Subang Parade	Feb-24	4.74%
2	MOD 2	150,000	26.6%	Mahkota Parade	Feb-24	4.48%
3	STRC	15,000	2.7%	Mahkota Parade	2019	4.51%
4	Term Loan	30,000	5.3%	Mahkota Parade	Mar-21	4.62%
5	MOD 3	54,300	9.6%	Wetex Parade	Feb-24	4.58%
6	MOD 4	32,800	5.8%	Wetex Parade	Feb-24	4.58%
7	MOD 5	64,972	11.5%	Kulim Central	Feb-24	4.58%
8	MOD 6	32,000	5.7%	Central Square	Feb-24	4.58%
<b>Total</b>		<b>563,072</b>	<b>100%</b>			<b>4.61%</b>

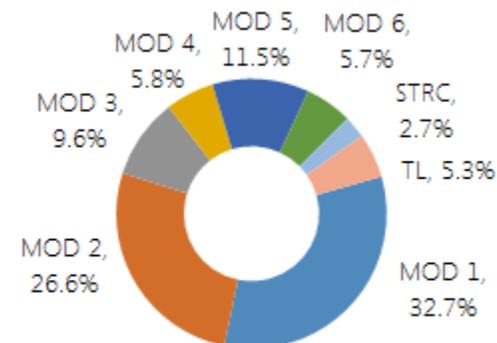
Note: STRC is reviewed annually. Cost of Funds based on floating rate.

## Expiry Profile 2019-2024

Year	% Debt
2019	2.7%
2020	0.0%
2021	5.3%
2022	0.0%
2023	0.0%
2024	92.0%



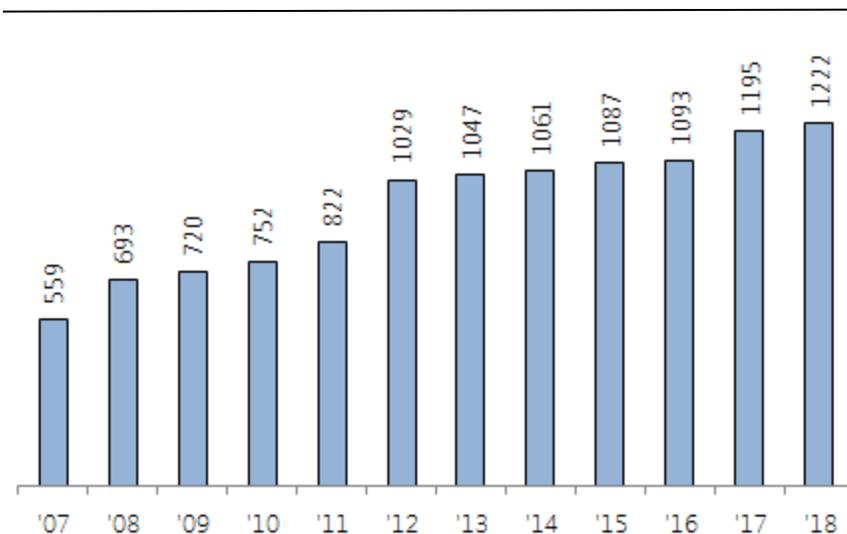
## Funding Composition



Portfolio valuation reached RM1.22 billion in FY 2018

- Increase of 2.3% from FY2017
- Property Yield at 6.4%
- Valuation at RM602 per square foot
- Subang Parade remains the largest component at 36% of portfolio total
- Portfolio Size Compound Annual Growth Rate of 7.4% from 2007

Portfolio Asset Size 2007-2018 (RM '000)



Property	State	Valuer	FY17 Valuation (RM '000)	FY18 Valuation (RM '000)	% Total	FY2018 % Change	Cap Rate (Term)	Cap Rate (Reversion)	Property (NPI) Yield	Valuation PSF (RM)
Subang Parade	Selangor	Savills	426,000	437,000	36%	2.6%	6.75%	7.25%	6.5%	859
Mahkota Parade	Melaka	Savills	321,000	328,000	27%	2.2%	6.50%	7.00%	7.2%	631
Wetex Parade	Johor	Savills	135,500	138,500	11%	2.2%	6.25%	6.75%	4.4%	808
Central Square	Kedah	Henry Butcher	96,000	96,000	8%	0.0%	6.50%	6.75%	6.3%	310
Kulim Central	Kedah	Henry Butcher	110,000	115,000	9%	4.5%	6.50%	6.75%	7.3%	384
Segamat Central	Johor	Henry Butcher	106,069	107,000	9%	0.9%	6.50%	7.00%	5.9%	485
<b>Total</b>			<b>1,194,569</b>	<b>1,221,500</b>	<b>100%</b>	<b>2.3%</b>			<b>6.4%</b>	<b>602</b>

SUBANG  
PARADE  
It's Our Place!

MAHKOTA  
PARADE  
It's Our Place!

WETEX  
PARADE  
It's Our Place!

CENTRAL  
SQUARE  
It's Our Place!

KULIM  
CENTRAL  
It's Our Place!

SEGAMAT  
CENTRAL  
It's Our Place!

WETEX PARADE

# Asset Enhancement Initiatives

- Premier business-class hotel in Muar overlooking scenic Muar river
- Integrated with Wetex Parade
- Opened in 1996, refurbished 2007/8
- Hektar Property took over operations and refurbished property for RM8.6 million including adding new retail spaces
- Refurbished 156 guest rooms & suites
- Features Muar's largest ballroom seating 800
- Reopened in December 2018



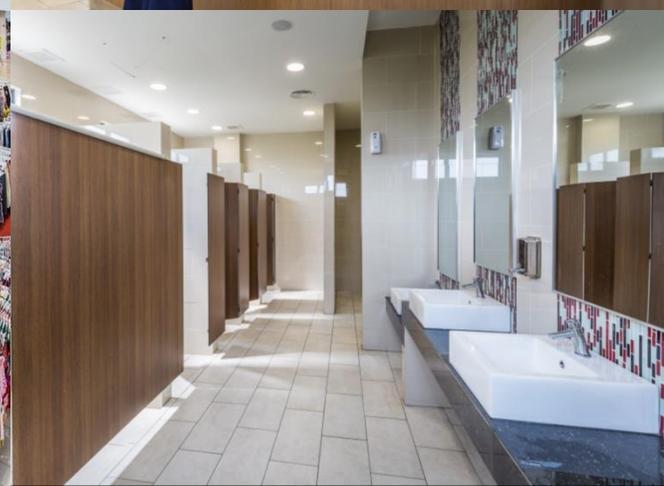
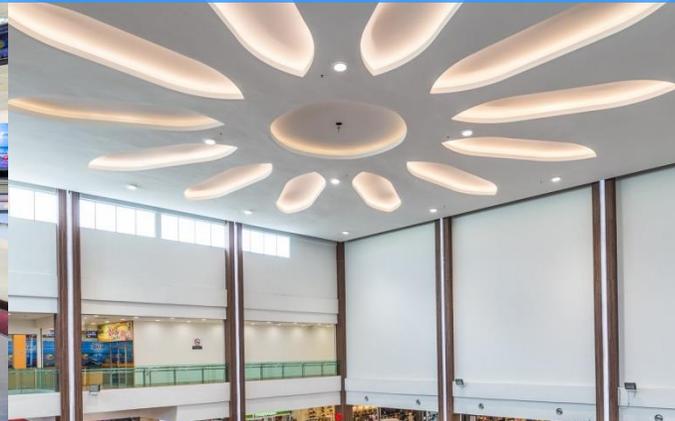
Classic Hotel Reopened in December 2018

**Attractions in Muar**  
 Jalan Haji Abu "Glutton Street"  
 Wetex Parade Shopping Centre  
 Mural Street Art  
 Padang Nyiru Laman Maharani  
 Nattukottai Chettiars Sri Murugan Temple  
 Nan Hai Fei Lai Goddess of Mercy Temple  
 Bangunan Sultan Abu Bakar  
 Sultan Ibrahim Jamek Mosque  
 Tanjung Emas Park





Kulim Central was refurbished in 2017, creating an additional 22,000 sq. ft. of NLA

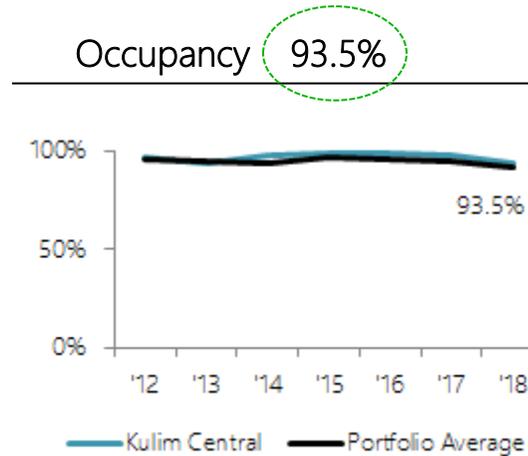
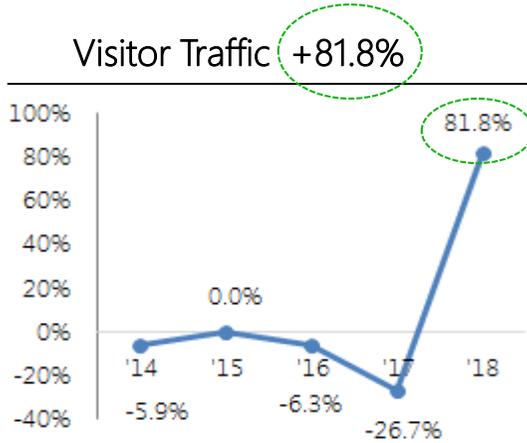


Kulim Central was refurbished in late 2017

- Capital Expenditure: RM22 million
- Scope: Exterior / Interior / New Lots
- New NLA: 22,000 sq. ft.



## Performance December 2018



Rental Reversions **+16.4%**

New / Renewed Tenancies: 19  
 NLA : 155,278  
 % of Total NLA: 51.8%

## New in Kulim Central

Starbucks, Texas Chicken, Mee Tarik Warisan Asli, The Chicken Rice Shop, Bread History, MR. D.I.Y.



## Creating The Places People Love



Investor Communications  
Hektar Asset Management Sdn Bhd  
D1-U3-10, Solaris Dutamas  
No1, Jalan Dutamas 1  
50480 Kuala Lumpur  
MALAYSIA



Tel: +6 03 6205 5570

Fax: +6 03 6205 5571

Web: [www.HektarREIT.com](http://www.HektarREIT.com)

Email: [ir@HektarREIT.com](mailto:ir@HektarREIT.com)

Please visit the Investor Relations section of  
our website or scan the QR code

