

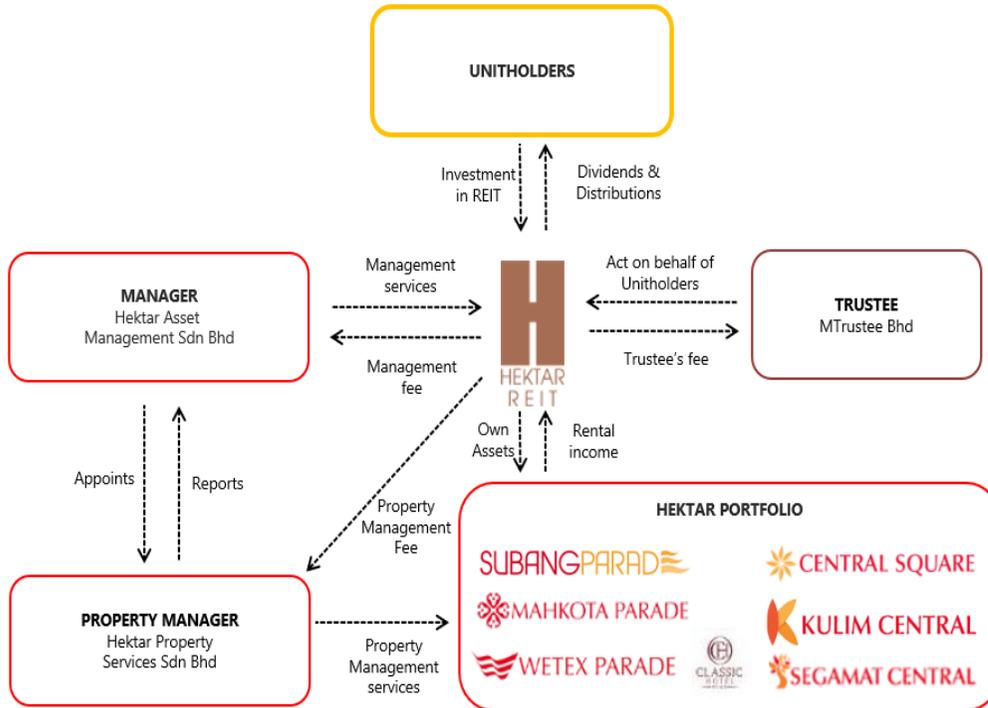


Creating The Places People Love



HEKTAR REAL ESTATE INVESTMENT TRUST
4Q 2023 RESULTS PRESENTATION
22 February 2024

ORGANISATION



GEOGRAPHICALLY WELL-DIVERSIFIED



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Financial Performance (FY2023) vs Previous Year (FY2022)

Gross Revenue	RM111.5 million (-5.0% Y-o-Y)
Net Property Income	RM60.0 million (+2.3% Y-o-Y)
Debt Maturity Profile	84.2% of Debt expires from 2027 onwards
Cost of Debt	4.66% (FY2022: 3.66%)
Gearing	42.8% (FY2022: 44.6%)
Portfolio Valuation	RM1.23 billion (+2.2% Y-o-Y)

Operational Performance as at 31 December 2023

Portfolio Occupancy:	86.7% (FY2022: 82.0%)
Visitor Traffic:	23.2 million (+10.2% Y-o-Y)
Rent Reversions:	+0.2% (FY2022: -11.0%)
Expiry Profile:	51.7% of NLA expiring in 2024

Dividend Per Unit FY2023

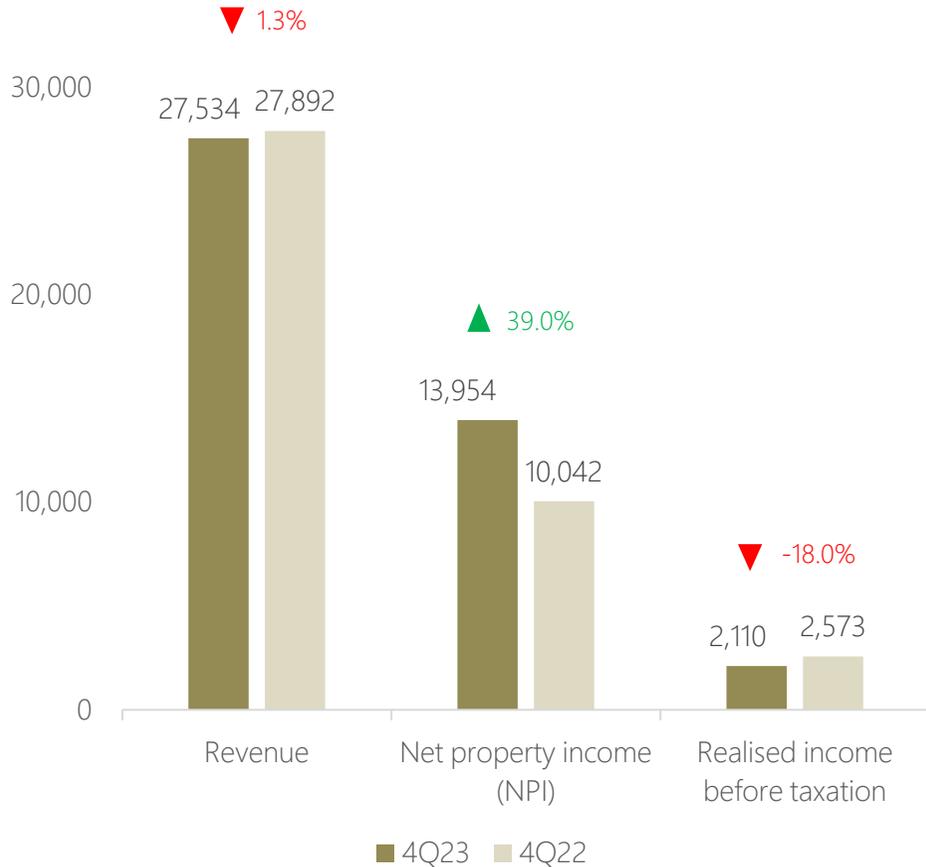
2Q 2023:	2.70 sen
4Q 2023:	2.30 sen
Total DPU:	5.00 sen

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

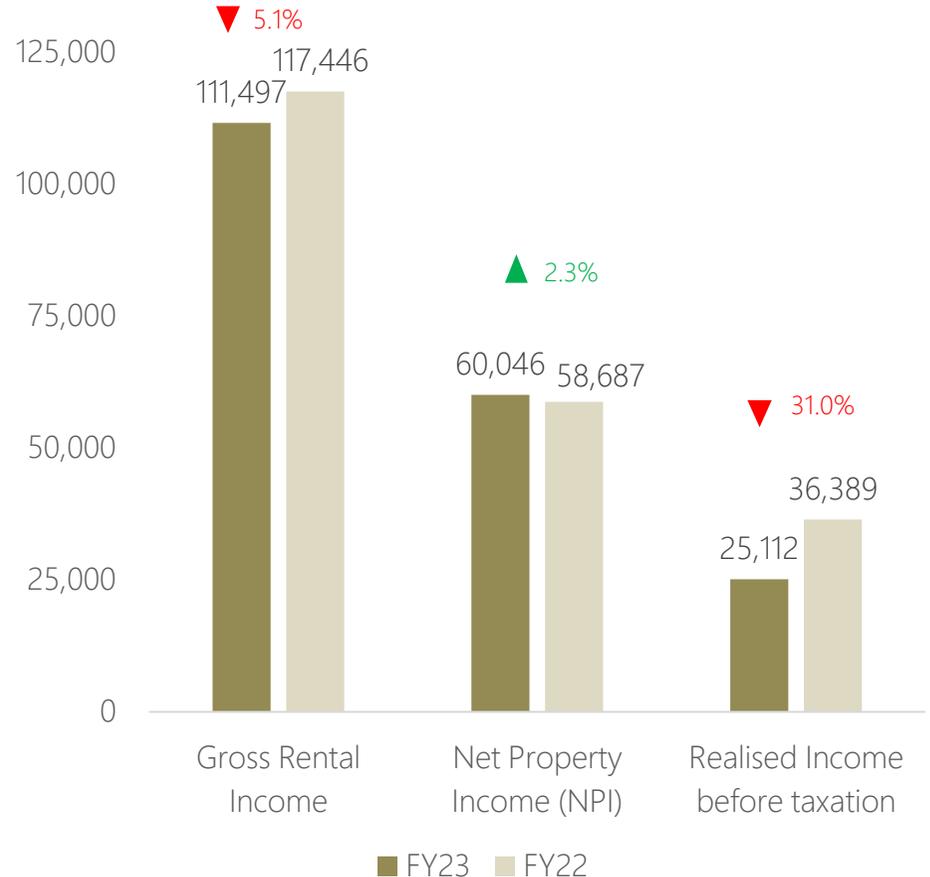
DPU Yield: 7.7%*

*Based on DPU of 5.00 sen on closing price of RM0.65 on 29 December 2023.

4th Quarter 2023 (4Q23): Oct-Dec 2023 | 3 Months



YTD 2023: Jan-Dec 2023 | 12 Months



DPU (1H2023)	2.7 sen
DPU (2H2023)	2.3 sen

DPU (FY2023)	5.0 sen
Dividend Yield (FY2023)	7.7%

Based on share price of RM0.65 as at 31 December 2023

Financial Results



BALANCE SHEET	As at 31.12.2023 (RM,000)	As at 31.12.2022 (RM,000)
Non-current assets		
Property, plant and equipment	414	46
Investment properties	1,232,700	1,206,080
	<u>1,233,114</u>	<u>1,206,126</u>
Current assets		
Trade receivables	3,511	4,492
Other receivables, deposits and prepayments	14,917	1,737
Cash and bank balances	63,307	23,153
	<u>81,735</u>	<u>29,381</u>
TOTAL ASSETS	<u>1,314,849</u>	<u>1,235,507</u>
Non-current liabilities		
Other payables and accruals	25,477	25,582
Bank borrowings	559,228	542,444
Deferred tax liabilities	30,878	28,231
	<u>615,583</u>	<u>596,257</u>
Current liabilities		
Trade payables	7,349	5,653
Other payables and accruals	16,188	26,636
Bank borrowings	3,000	9,000
	<u>26,537</u>	<u>41,289</u>
TOTAL LIABILITIES	<u>642,120</u>	<u>637,545</u>
NET ASSET VALUE ("NAV")	<u>672,730</u>	<u>597,962</u>
UNITHOLDERS' FUNDS		
Unitholders' capital	560,887	496,732
Undistributed income - realised	53,628	66,968
Undistributed income - unrealised	58,215	34,262
TOTAL UNITHOLDERS' FUNDS	<u>672,730</u>	<u>597,962</u>

UNIT PRICE STATISTICS

as at 31 Dec 2023

No. of Units

581,415,073

Net Asset Value
Per Unit

RM1.1341

Unit Price

RM0.65

Market Capitalisation

RM377.92 mil

Discount to NAV

42.69%

Note: Please refer to the Quarterly Results Announcement for further details.

Income Statement

Income Statement	FY23	FY22	Variance
Y-o-Y comparison	(RM '000)	(RM '000)	(%)
Revenue	111,497	117,446	-5.1%
Direct cost & Property expenses	(51,451)	(58,759)	-12.4%
Net property income (NPI)	60,046	58,687	2.3%
Interest & Other income	2,261	3,367	-33%
Trust fees & Expenses	(11,008)	(5,452)	102%
Interest expense ¹	(26,203)	(20,213)	30%
Realised income before taxation	25,096	36,389	-31%
Fair value adjustment of investment properties	26,600	41,600	-36.1%
Taxation	-	-	-
Net (loss)/income before tax	51,696	77,995	-33.7%
Net income per unit (sen)			
- Unrealised	4.79	8.12	-41.0%
- Realised	5.02	7.72	-35.0%

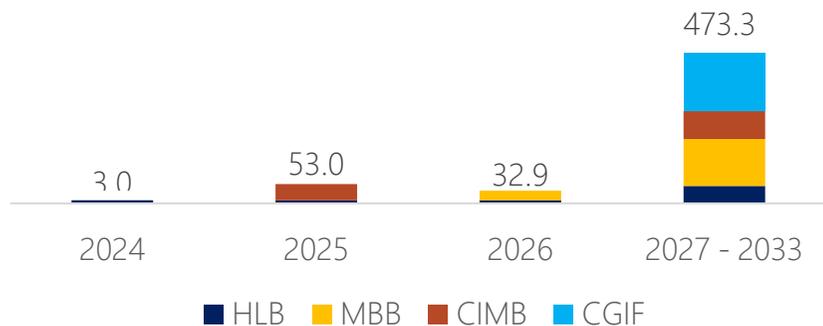
Note: Please refer to the Quarterly Results Announcement for further details.

¹Higher Interest expenses due to higher OPR rate subsequent to several hikes in 2022 & 2023

Debt Expiries well-distributed

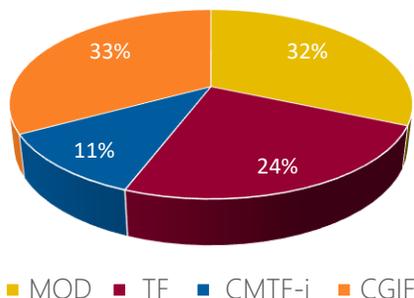
EXPIRY PROFILE

2024-2026



Funding Composition:

MBB	Al-Murabahah Overdraft (MOD)	:	RM177.6 MIL
CIMB	Term Financing (TF)	:	RM137.1 MIL
HLB	Commodity Murabahah Term Financing-i (CMTF-i)	:	RM63.50 MIL
CGIF	Credit Guarantee & Investment Facility	:	RM184.0 MIL



DEBT SUMMARY

As at 31 December 2023

Facilities	<ul style="list-style-type: none"> 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	RM562.2 million [FY2022: RM551.4 million]
Cost Structure	Cost of Funds + (1.00%-1.50%)
Effective Cost	4.66% [FY2022: 3.66%]
Gearing Ratio ¹	42.76% [FY2022: 44.6%]
Interest Cover	1.96 times [FY2022: 2.8 times]

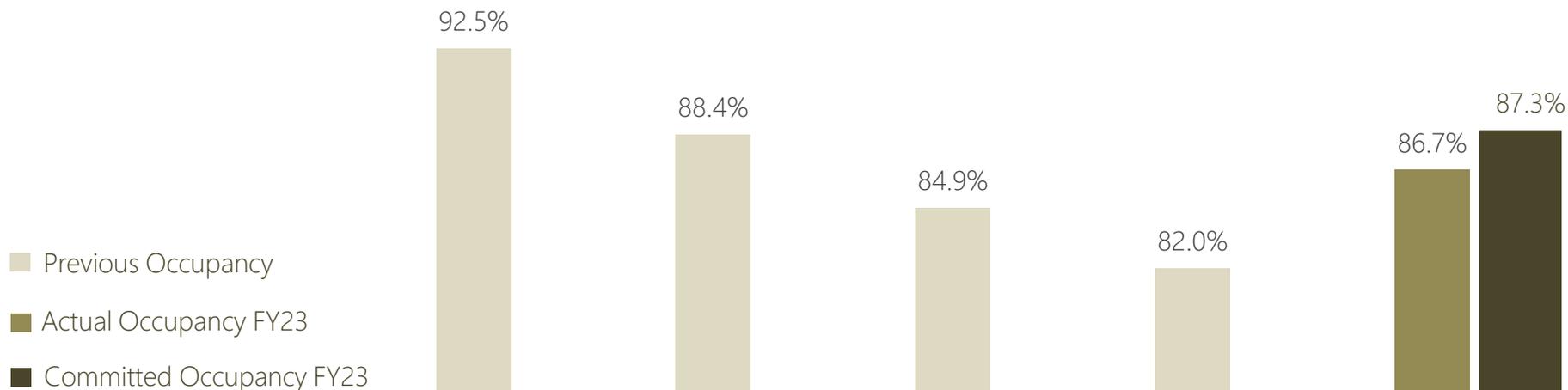
¹ Gearing ratio calculated by financing liabilities over Gross Asset Value (GAV).

Portfolio Performance

- Improved Occupancy at 86.7% ▶
- Positive Rental Reversion ▶
- Increased Footfall at 23.2 million ▶



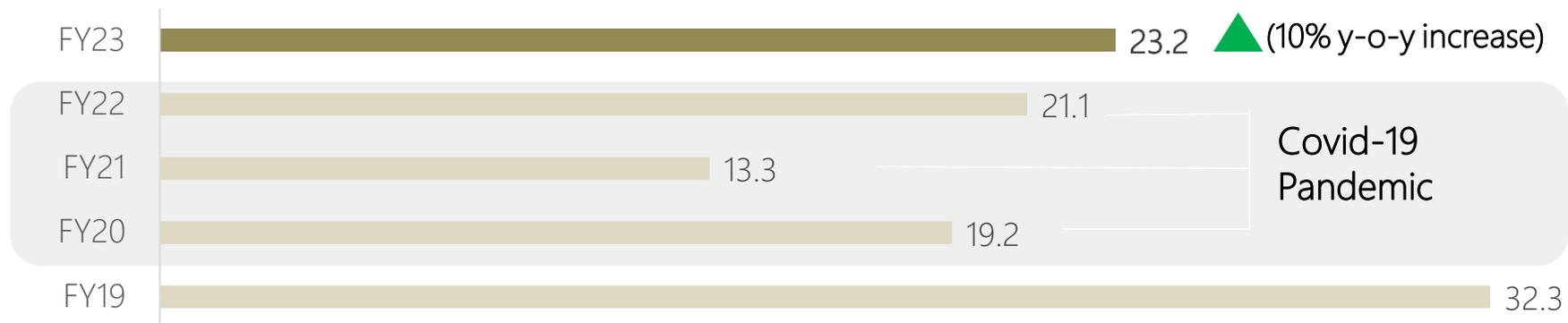
Average Portfolio Occupancy improved to **86.7%**



Occupancy (%)	FY19	FY20	FY21	FY22	FY23
Subang Parade	93.9%	83.7%	82.5%	70.3%	74.3%
Mahkota Parade	96.4%	92.5%	87.1%	86.9%	93.8%
Wetex Parade	96.2%	94.5%	89.9%	88.1%	97.6%
Central Square	89.7%	87.9%	85.9%	82.3%	87.1%
Kulim Central	95.0%	93.9%	94.0%	96.4%	96.9%
Segamat Central	77.1%	77.9%	67.3%	73.7%	76.6%
Portfolio Average	92.5%	88.4%	84.9%	82.0%	86.7%

Note: Portfolio Average weighted by NLA

Increased Visitor Footfall by 10% compared to FY2022



FOOTFALL (millions)	FY19	FY20	FY21	FY22	FY23
Subang Parade	7.60	4.86	3.97	4.74	4.49
Mahkota Parade	8.40	4.55	2.82	6.01	6.81
Wetex Parade	4.20	2.49	1.94	2.88	3.23
Central Square	4.50	2.84	1.93	2.71	3.77
Kulim Central	4.60	2.98	1.93	2.89	3.04
Segamat Central	3.00	1.52	0.74	1.83	1.85
Portfolio Average	32.30	19.23	13.34	21.06	23.20

4Q23 rental reversions at 0.2%

- 36 new/renewed tenancies comprising 4.2% of total NLA for the quarter ended 31 December 2023.
- Positive reversions recorded at all malls except Subang Parade and Wetex Parade

Quarter Ended 31 December 2023	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent Rates
Subang Parade	9	27,563	5.3%	-10.1%
Mahkota Parade	11	26,245	5.0%	9.1%
Wetex Parade	8	17,018	10.0%	-13.0%
Central Square	1	1,339	0.4%	0.0%
Kulim Central	6	8,033	2.7%	15.8%
Segamat Central	1	4,898	2.3%	5.0%
TOTAL / AVERAGE	36	85,096	4.2%	0.2%

FY23 rental reversions at 0.2%

- 212 new/renewed tenancies comprising 28.6% of total NLA for the year ended 31 December 2023.
- Positive reversions recorded at Mahkota Parade, Kulim Central and Segamat Central.

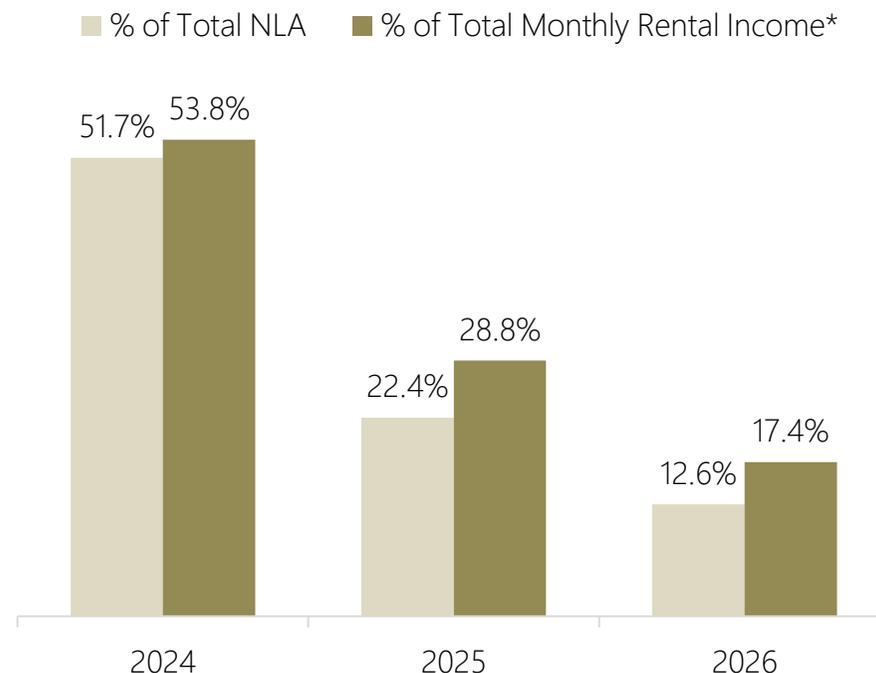
Quarter Ended 31 December 2023	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent Rates
Subang Parade	57	144,438	27.4%	-4.2%
Mahkota Parade	44	237,474	45.6%	3.1%
Wetex Parade	28	38,195	22.4%	-6.2%
Central Square	22	49,278	15.9%	-3.5%
Kulim Central	51	88,108	29.4%	7.0%
Segamat Central	10	24,309	11.5%	5.8%
TOTAL / AVERAGE	212	581,802	28.6%	0.2%

Portfolio's Lease Expiry Profile

- 1,052,729 sq. ft. or about 51.7% of total NLA expiring in 2024.

PORTFOLIO TENANCY EXPIRY PROFILE 2024-2026

Period Ending December	Number of Tenancies Expiring	Expiring NLA (Sq. Ft.)
2024	192	1,052,729
2025	121	456,004
2026	74	256,847
Total	387	1,765,580



Notes:

Based on the total Net Lettable Area (NLA) of 2,035,861 sq. ft. as at 31 December 2023.

*Based on monthly rental income as at 31 December 2023.

Portfolio Updates



Refreshed Retail Offerings at Hektar Malls



Audrey, Wetex Parade



Sushi Go, Kulim Central



Anakku, Wetex Parade



Realme, Kulim Central



Mr Magic, Wetex Parade



The Green Party, Mahkota Parade



Zus Coffee, Mahkota Parade



Gatti, Kulim Central



Kappa, Mahkota Parade

Marketing Initiatives



Amazing Pet Party, Subang Parade



Christmas Caroling, Mahkota Parade



Halloween with Leo Club, Wetex Parade



Cosplay & Anime Festival, Mahkota Parade



Deepavali Kolam Making Contest, Central Square



FunEat Food Festival, Segamat Central

Corporate Social Responsibility





Law Awareness Campaign, Mahkota Parade



Health & Safety Exhibition, Mahkota Parade



Christmas Zumba, Subang Parade



Recycle costume competition, Kulim Central



Breast Cancer Awareness, Kulim Central



Health Carnival with Lion Club, Segamat Central

Subang Parade Asset Enhancement Initiatives (AEIs)

Major refurbishment to rejuvenate Subang Parade to its pre-pandemic era will be executed in phases over 2-3 years.

AEIs to be executed but not limited to:-

- Exterior Intervention:-
 - Façade Upgrade of all entrances
 - Repainting
 - Placemaking Spaces
 - Bicycle & pedestrian lane
 - Roofing
 - Rooftop children play area
- Interior Intervention:-
 - Lift & Escalators
 - Lift Lobbies
 - Railing / lighting
 - Toilets Upgrading / Revamp
 - Corridors
 - Event Spaces
 - Wayfinding / Internal Signages



Positioning – The Preferred Neighbourhood Community Mall

Subang Parade Central Square Segamat Central

Leisure / Entertainment, Edutainment, Sport & Fitness

Emphasis on Gym / Yoga / Pilates / Indoor Theme Park are ideal for surrounding demography and also act as strong crowd pullers for recurring visitor footfall

Food & Beverage

To increase F&B to ~15% because as a community mall, F&B offering should not be less than 15%

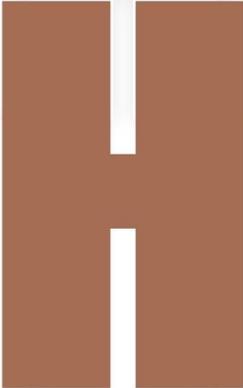
Specialty Hobbies / Children / Education

Focusing towards pre-schools, kid's fashion and learning centres to meet the demands of the community, promote customer retention and longer dwell time

Anchor Tenants Readjustment

To readjust the anchor tenants with better brands that are well-suited for the demography





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