

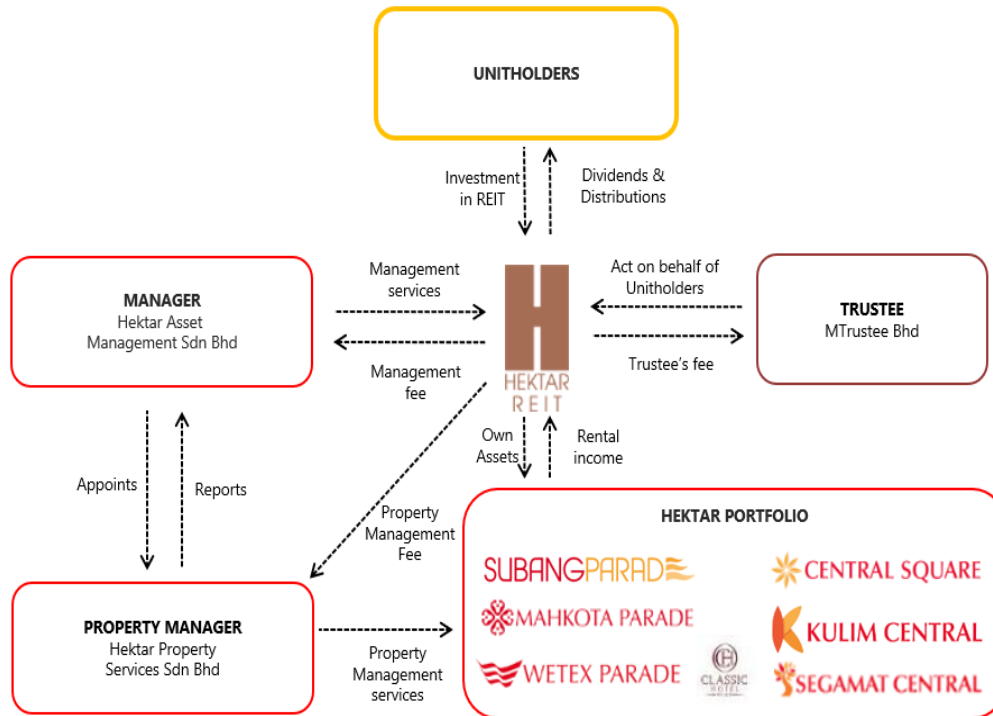


HEKTAR REAL ESTATE INVESTMENT TRUST

1Q24 Results Presentation

23 May 2024

ORGANISATION



GEOGRAPHICALLY WELL-DIVERSIFIED



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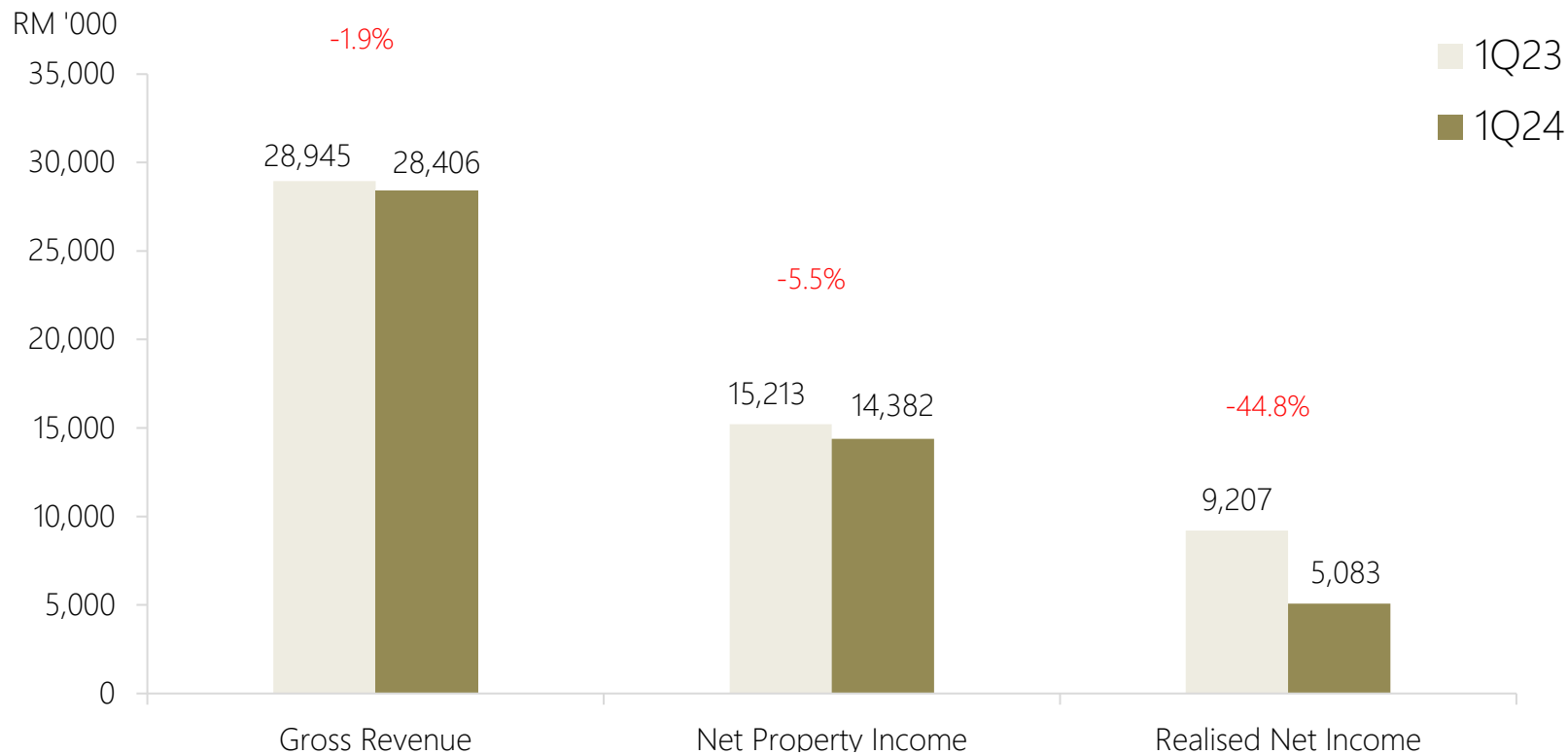
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01. Financial Highlights



Performance Summary

1Q24: Jan-Mar 2024 | 3 Months



OPERATIONAL PERFORMANCE

As at 31 March 2024

Portfolio Occupancy **87.2%**

Rental Reversion **+3.5%**

Expiry Profile

Footfall

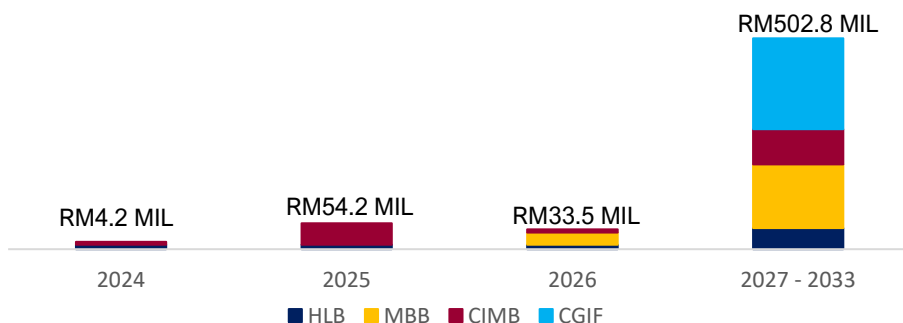
43% of NLA expires in 2024

5.6 million

Debt Expiries well-distributed

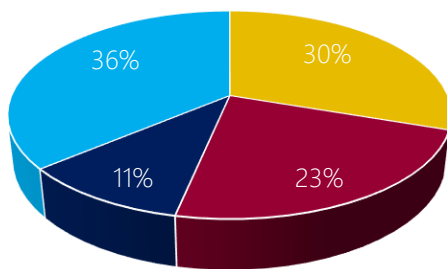
EXPIRY PROFILE

2024-2033



Funding Composition:

MBB	Al-Murabahah Overdraft (MOD)	:	RM179.8 MIL
CIMB	Term Financing (TF)	:	RM137.1 MIL
HLB	Commodity Murabahah Term Financing-i (CMTF-i)	:	RM62.8 MIL
CGIF	Credit Guarantee & Investment Facility	:	RM215.0 MIL



■ MOD ■ TF ■ CMTF-i ■ CGIF

DEBT SUMMARY

As at 31 March 2024

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	RM594.7 million [FY2023: RM562.2 million]
Cost Structure	Cost of Funds + (1.00%-1.50%)
Effective Cost	4.88% [FY2023: 4.66%]
Gearing Ratio ¹	42.34% [FY2023: 42.76%]
Interest Cover	1.70 times [FY2023: 1.96 times]

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

Income Statement

Income Statement First Quarter 2024 (Unaudited)	1Q24 (RM '000)	1Q23 (RM '000)	Variance (%)
Revenue	28,406	28,945	(1.9%)
Direct cost & Property expenses	(14,024)	(13,732)	(2.1%)
Net property income (NPI)	14,382	15,213	(5.5%)
Interest & Other income	889	648	37.2%
Trust fees & Expenses	(2,932)	(426)	(587.8%)
Interest expense	(7,257)	(6,228)	(16.5%)
Realised income before taxation	5,082	9,207	(44.8%)
Fair value adjustment of investment properties	-	-	-
Taxation	-	-	-
Net (loss)/income before tax	5,083	9,207	(44.8%)
Net income per unit (sen)	0.86	1.94	(55.7%)
- Realised	0.86	1.94	(55.7%)
Weighted Number of Units	589.84m	474.13m	

Balance Sheet

Balance Sheet (Unaudited)	As at 31.03.2024 (RM '000)	As at 31.12.2023 (RM '000)
Non current Assets		
Investment properties	1,232,700	1,232,700
Plant & Equipment	394	414
Capital work In Progress	457	0
	<u>1,233,551</u>	<u>1,233,114</u>
Current Assets		
Trade receivables	3,821	3,511
Other receivables, deposits and prepayments	126,230	14,917
Cash and bank balances	40,758	63,307
	<u>170,810</u>	<u>81,735</u>
Total Assets	<u>1,404,361</u>	<u>1,314,849</u>
Long Term Liabilities		
Bank borrowings	590,468	559,228
Deferred tax liability	30,878	30,878
Tenancy Deposits	25,825	25,477
	<u>647,171</u>	<u>615,583</u>
Current Liabilities		
Trade payables	5,387	7,349
Other payables and accruals	10,594	13,832
Tenancy deposits	2,248	2,356
Bank borrowings	4,200	3,000
	<u>22,429</u>	<u>26,537</u>
Total Liabilities	<u>669,600</u>	<u>642,120</u>
Net Asset Value ("NAV")	734,761	672,730
Unitholders' capital		
Retained earnings-realised	631,208	560,887
Retained earnings-unrealised	45,338	53,628
	<u>58,215</u>	<u>58,215</u>
Total Unitholder's Fund	734,761	672,730

Unit Statistics

As at 31 March 2024

No. of Unit 706,812,567

Net Asset Value
Per Unit RM1.0395

Unit Price RM0.635

Market
Capitalisation RM448.83 million

Discount to NAV 38.4%

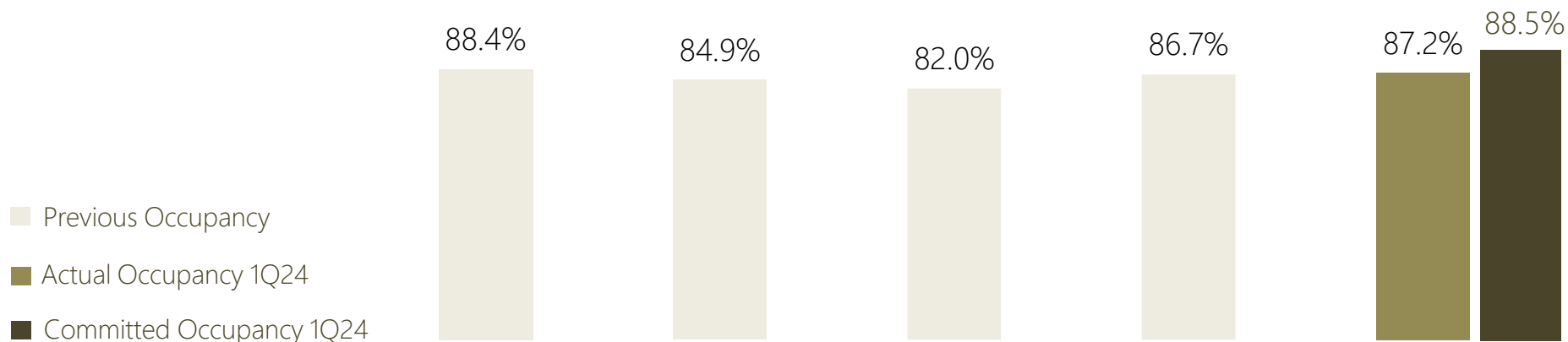
02. Portfolio Performance

Improved Occupancy at 87.2% ►

Positive Rental Reversion of 3.5% ►



Average Portfolio Occupancy improved to **87.2%**



Occupancy	FY20	FY21	FY22	FY23	1Q24
Subang Parade	83.7%	82.5%	70.3%	74.3%	75.0%
Mahkota Parade	92.5%	87.1%	86.9%	93.8%	94.8%
Wetex Parade	94.5%	89.9%	88.1%	97.6%	97.1%
Central Square	87.9%	85.9%	82.3%	87.1%	87.1%
Kulim Central	93.9%	94.0%	96.4%	96.9%	97.2%
Segamat Central	77.9%	67.3%	73.7%	76.6%	76.0%
Portfolio Average	88.4%	84.9%	82.0%	86.7%	87.2%

Note: Portfolio Average weighted by NLA

1Q24 rental reversions at 3.5%

- 34 new/renewed tenancies comprising 9.5% of total NLA for the year ended 31 March 2024.
- Positive reversions recorded at all malls

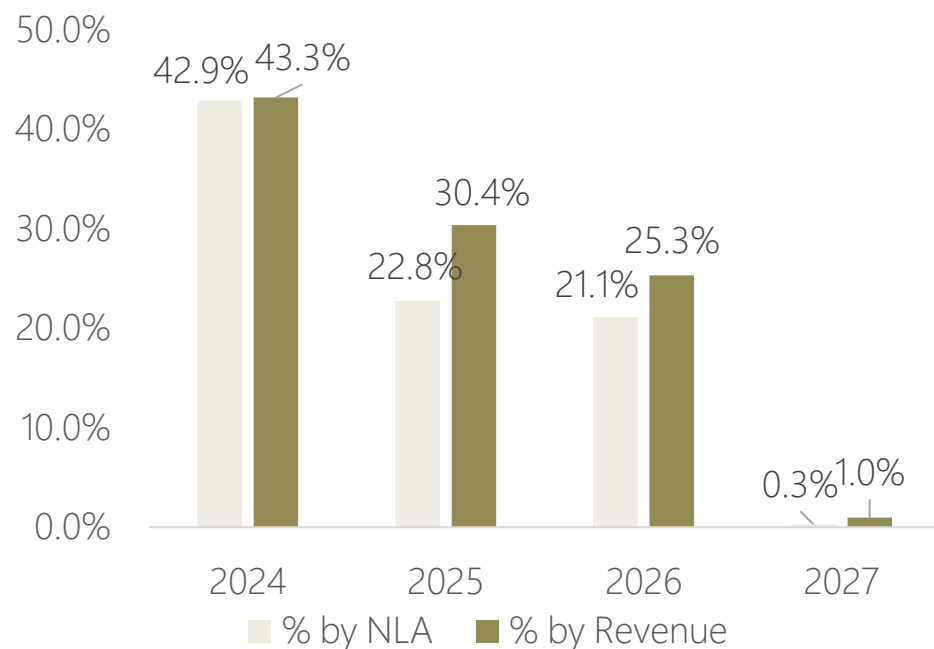
Quarter Ended 31 December 2023	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent Rates
Subang Parade	6	6,464	1.2%	0.9%
Mahkota Parade	8	24,810	4.8%	5.5%
Wetex Parade	6	92,702	54.4%	1.5%
Central Square	2	1,008	0.3%	8.2%
Kulim Central	9	65,943	22.0%	6.7%
Segamat Central	3	2,799	1.3%	3.9%
TOTAL / AVERAGE	34	193,726	9.5%	3.5%

- 874,250 sq. ft. or about 42.9% of total NLA expiring in 2024 as 31 March 2024. Most of these expiring NLA consists of anchor tenants such as Parkson, MM2 Cinema, The Store & Giant SuperStore which we expect positive outcome from it.
- In 1Q24, a total of **34** tenancies this year covering **140,570** sq. ft. have been renewed / added representing 9.5% of total NLA.

PORTFOLIO TENANCY EXPIRY PROFILE 2024-2027

Period End Mar 2024	Number of Tenancies Expiring	Expiring NLA (Sq. Ft.)
2024	171	874,250
2025	125	463,798
2026	89	430,149
2027	5	6,221
Total	390	1,774,418

Portfolio Lease Expiry Profile.



Notes:-

Based on the total Net Lettable Area (NLA) of 2,035,682 sq. ft. as at 31 March 2024.

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

Portfolio Performance

OCCUPANCY RATE

- Occupancy rate increased to **87.2%** (3.4Y-o-Y ▲)
- Committed Occupancy to date is **88.5%** (4.7%▲)
- Occupancy rate will continue to increase in tandem with the growth in economy and ongoing strategies and initiatives undertaken.

Occupancy Rate

83.8%

1Q23

87.2%

1Q24

FOOTFALL

- Lower Footfall Y-o-Y of **1%**
- To enhance mall activities to attract more visitor footfall moving forward.

Footfall

('000) 5,631

1Q23

5,562

1Q24

VEHICLE COUNT

- Higher vehicle count Y-o-Y of **2.1%** ▲
- Malls' vehicle count in 1Q 2024 has recorded 66% of pre-pandemic level.

Vehicle Count

('000)

904

1Q23

923

1Q24

03. Portfolio Updates



Refreshed Retail Offerings at Hektar Malls



Flyproject, Subang Parade



Bangkok-Bangkok, Subang Parade



Focus Point, Mahkota Parade



Empire Sushi, Kulim Central



Vern's, Mahkota Parade



Cocomelon, Mahkota Parade



Hand Pulled Noodle, Subang Parade



Liao Liao, Kulim Central

Marketing initiatives



CNY Performance, Mahkota Parade



Kompang dan Kuda, Kulim Central



Dragon Dance Performance, Wetex Parade



Gamelan Musical Performance, Central Square



CNY Ethnic Dance, Segamat Central



CNY Performance, Subang Parade

04. Sustainability





Blood Donation Drive, Kulim Central



Earth Hour, Mahkota Parade



Lion's Eye Clinic, Subang Parade



Majlis Berbuka Puasa Bersama Anak-anak Tahfiz Ibnu Sina, Kulim Central



Together Gather Raya Bersama SR Arab Jaim Merlimau Pasir, Mahkota Parade



Bubur Lambuk giveaway, all Hektar Malls

05. 2024 Key Initiatives



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

ENTRANCES

BEFORE



AFTER



INTERIOR

BEFORE



AFTER



Subang Parade Asset Enhancement Initiatives (AEIs)

LIFT LOBBY

BEFORE



AFTER



TOILET

BEFORE

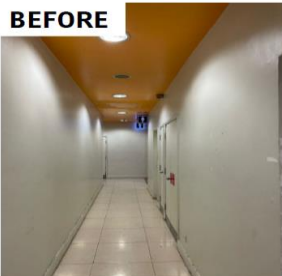


AFTER



TOILET CORRIDOR

BEFORE



AFTER



SUNKEN PLAZA

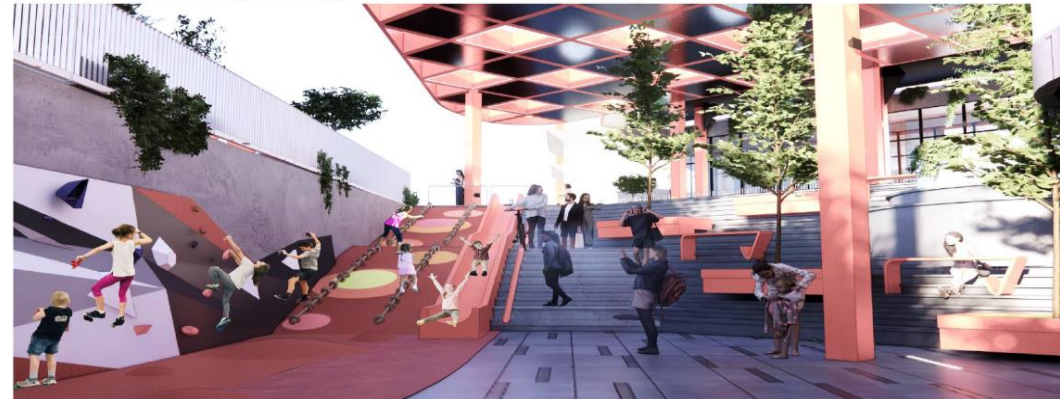
BEFORE



AFTER



SUNKEN PLAZA (cont'd)

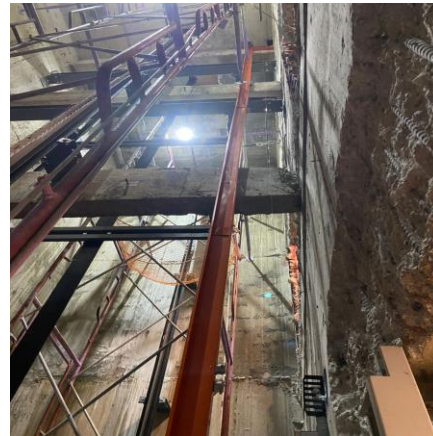
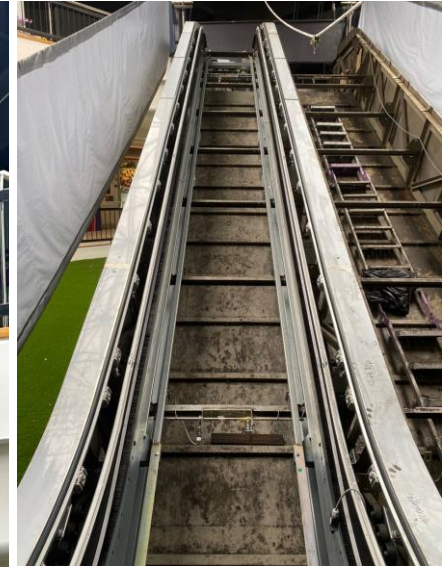


Subang Parade Asset Enhancement Initiatives (AEIs)

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

CONTENT CREATION

KIDS VILLAGE



ARTISANAL MARKETPLACE



ENHANCED AMENITIES

UPGRADED PARENTS' ROOM



UPCOMING TENANTS



padi
HOUSE

Edutainment
Park



Enhanced F&B
offerings

Positioning – The Preferred Community Mall with multi-generational emphasis

Subang Parade

Central Square

Segamat Central

Leisure / Entertainment, Edutainment, Sport & Fitness

Emphasis on Fitness centres / Yoga / Pilates / Enrichment centres / Indoor Theme Park are ideal for target demography
Destinational centres are strong crowd pullers for visitor footfall

Food & Beverage

To increase F&B to ~15%. To include specialty cafes, pop-up restaurants, full fledge restaurant concepts, chain restaurants, buffet restaurants, healthy F&B options, themed cafes, playground cafes for parents with young children and of course dessert cafes.

Specialty Hobbies / Children / Education

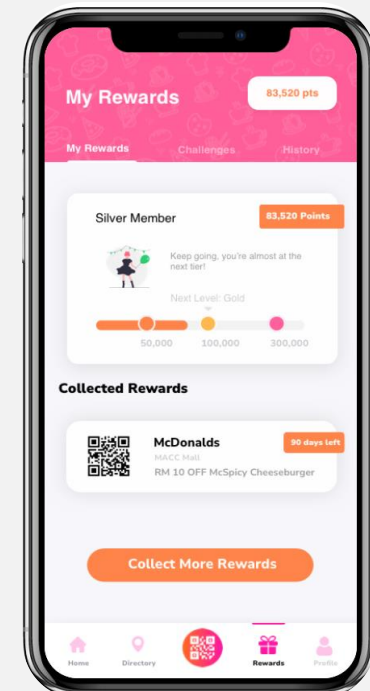
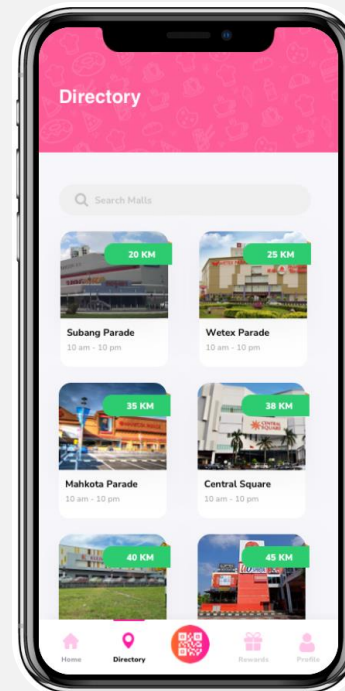
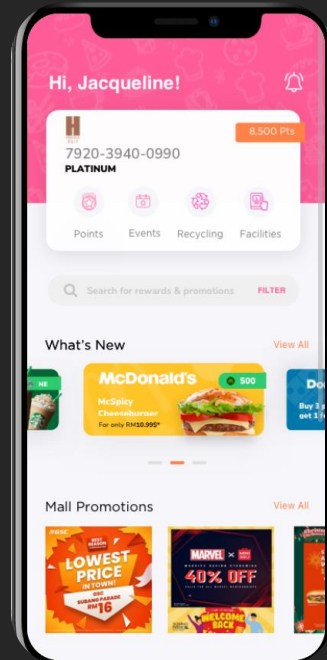
Focusing towards pre-school and primary school children, to include enrichment centres, hobbies shop, baby shop, children fashion and activity centres to meet the demands of the community, promote customer retention and longer dwell time

Anchor Tenants Readjustment

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

Hektar's Branding Initiatives (Loyalty Program)

- Brand loyalty and Customer retention
- Data collection & analysis
- Personalized marketing at lower cost
- Increased engagement
- Enhance shopping experience



- 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



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