

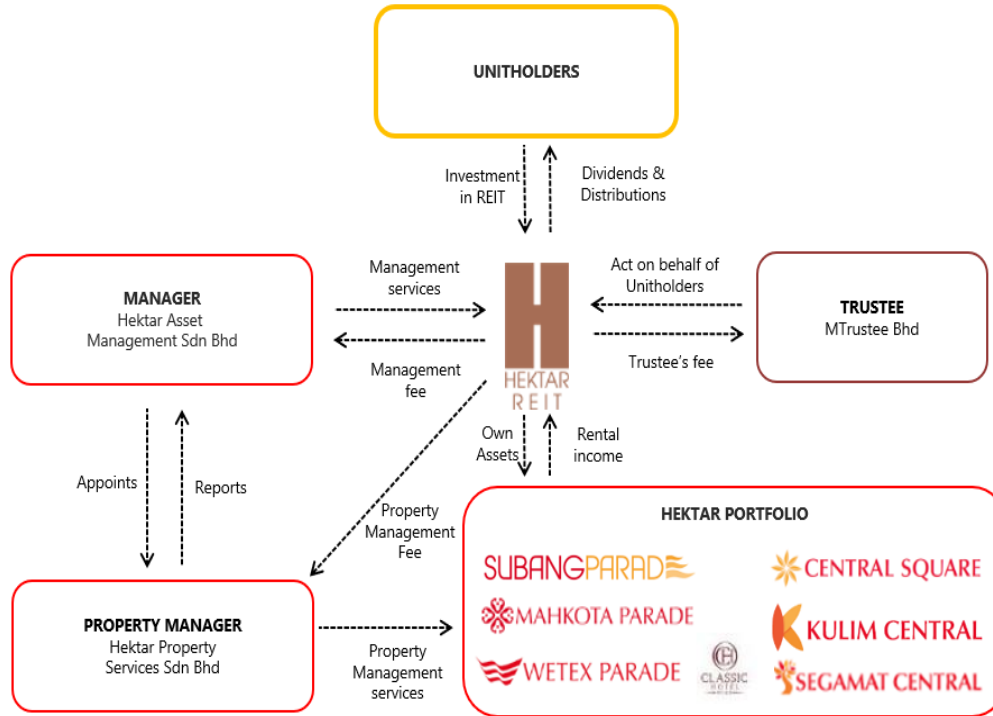


HEKTAR REAL ESTATE INVESTMENT TRUST

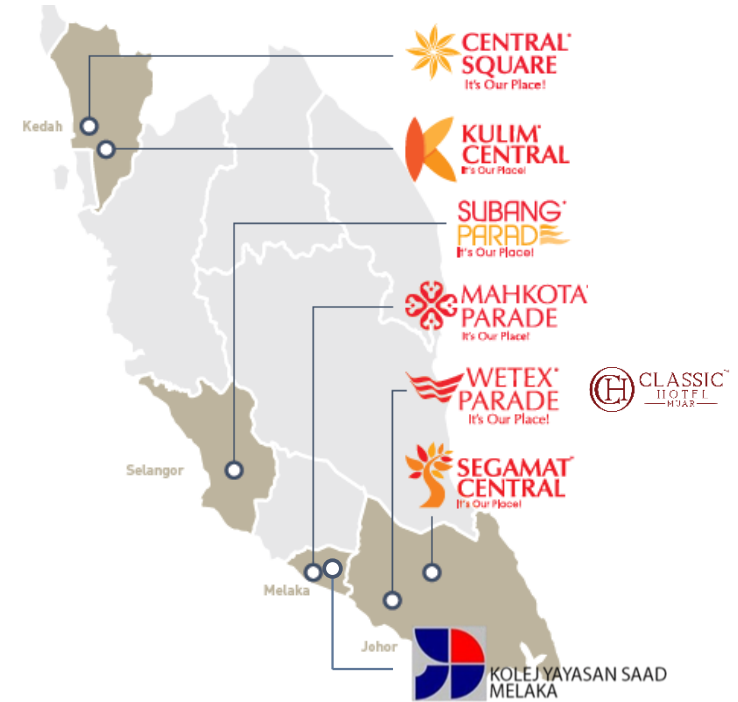
3Q24 Results Presentation

26 November 2024

ORGANISATION



GEOGRAPHICALLY WELL-DIVERSIFIED



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Financial Highlights



Financial Performance (3Q24) vs Previous Year (3Q23)

Gross Revenue	RM29.8 million (+7.1% Y-o-Y)
Net Property Income	RM14.9 million (-2.9% Y-o-Y)
Realised Net Income	RM4.3 million (-37.2% Y-o-Y)
Debt Maturity Profile	82.3% of Debt maturing from 2027 onwards
Cost of Debt	4.86% (FY2023: 4.66%)
Gearing	42.12% (FY2023: 42.8%)

Operational Performance as at 30 September 2024

Portfolio Occupancy:	85.6% (FY2023: 86.7%)
Visitor Traffic:	5.5 million (-3.0% Y-o-Y)
Rent Reversions:	+7.2% (FY2023: +0.2%)
Expiry Profile:	29% of NLA expiring in 2024 (21.4% of NLA has been renewed as at 30 Sep 2024)

Dividend Per Unit FY2024

1H 2024:	1.90 sen
2H 2024:	TBC
Total DPU:	TBC

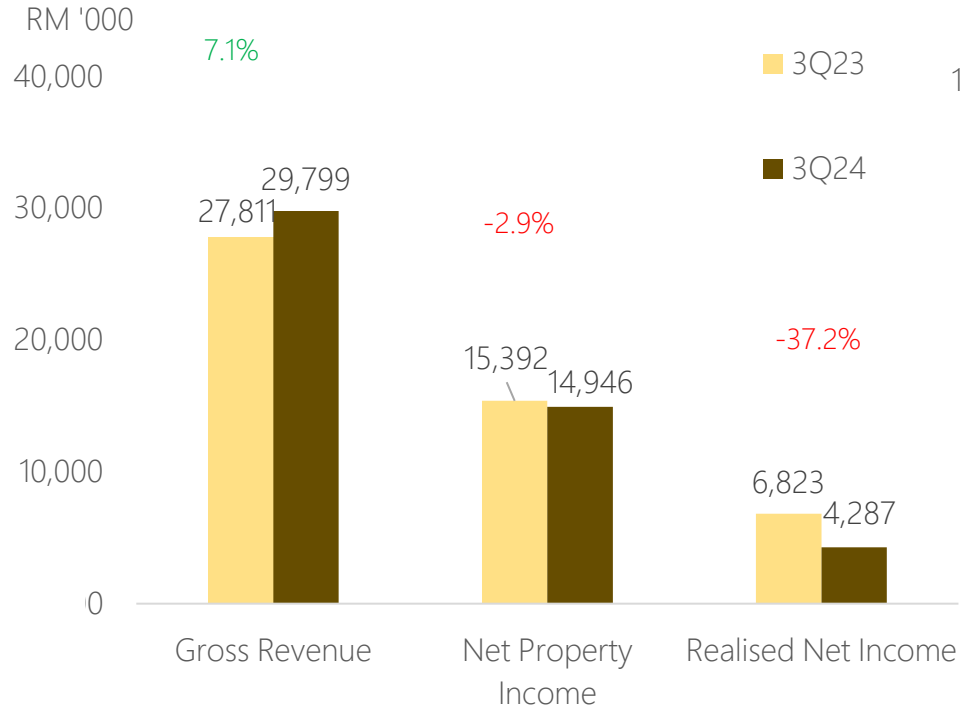
Distribution Policy: Semi-annual basis for each six-month period ending 30 June and 31 December each year.

DPU Yield: 7.3%*

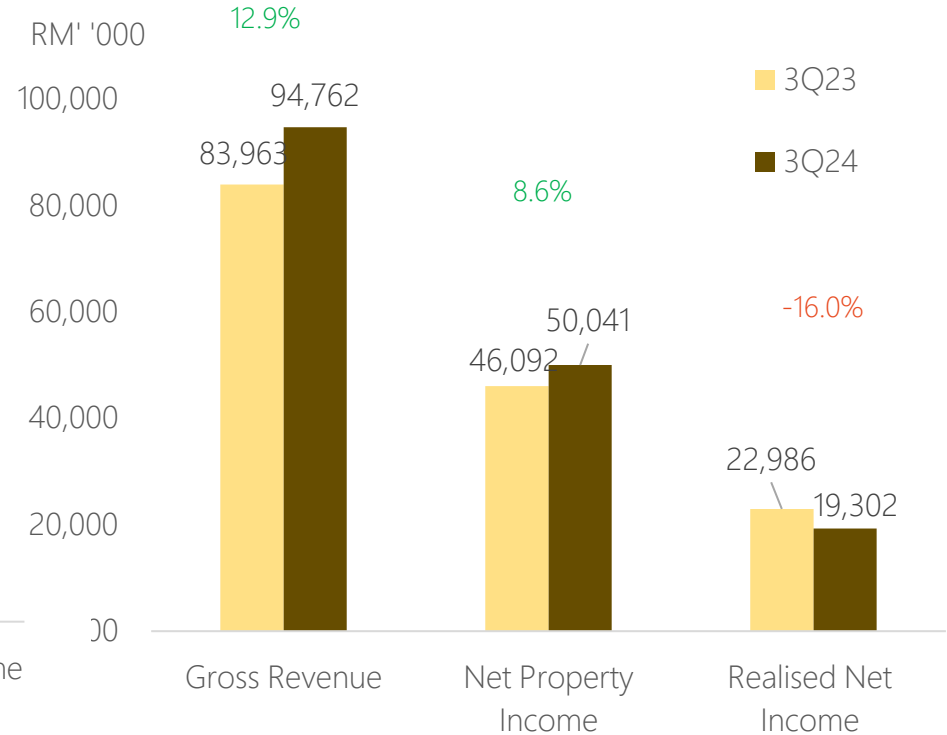
*Based on DPU of 1.90 sen on closing price of RM0.52 on 30 Sep 2024.

Performance Summary

3Q24: Jul – Sep 2024 | 3 Months



3Q24 YTD: Jan-Sep 2024 | 9 Months



Negative Variance in realized net income resulted from:-

1. One off expenses - Acquisition fee of Kolej Yayasan Saad, Melaka
2. One off expenses - Professional fees for Acquisition
3. Higher financing cost - OPR hike

Debt Expiries well-distributed

EXPIRY PROFILE

2024-2033

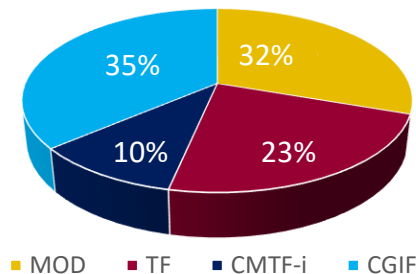
DEBT SUMMARY

As at 30 Sep 2024



Funding Composition:

MBB	Al-Murabahah Overdraft (MOD)	:	RM194.8 MIL
CIMB	Term Financing (TF)	:	RM136.5 MIL
HLB	Commodity Murabahah Term Financing-i (CMTF-i)	:	RM61.2 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

RM607.50 million
[FY2023: RM562.2 million]

Effective Cost

4.86%
[FY2023: 4.66%]

Gearing Ratio

42.12%
[FY2023: 42.76%]

Interest Cover

1.80 times
[FY2023: 1.96 times]

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

Income Statement

Income Statement Second Quarter 3024 (Unaudited)	3Q23 (RM '000)	3Q24 (RM '000)	Variance (%)
Revenue	27,811	29,799	7.1%
Direct cost & Property expenses	(12,419)	(14,853)	19.6%
Net property income (NPI)	15,392	14,946	(2.9%)
Interest & Other income	113	406	294.2%
Reversal Gain / (Impairment loss) on trade receivables	456	(143)	(131.3%)
Trust fees & Expenses	(2,448)	(3,444)	(40.7%)
Interest expense	(6,691)	(7,478)	(11.8%)
Realised income before taxation	6,823	4,287	(37.2%)
Fair value adjustment of investment properties	-	-	-
Taxation	-	-	-
Net (loss)/income before tax	6,823	4,287	(37.2%)
Net income per unit – Realised (sen)	1.37	0.61	(55.5%)
Weighted Number of Units	498.79m	706.81m	

Balance Sheet

Balance Sheet (Unaudited)	As at 31.12.2023 (RM '000)	As at 30.09.2024 (RM '000)
Non-current Assets		
Investment properties	1,232,700	1,232,700
Plant & Equipment	414	476
Capital work In Progress	0	5,755
Fixed deposit with a licensed bank		
	1,233,114	1,238,931
Current Assets		
Trade receivables	3,511	4,454
Other receivables, deposits and prepayments	14,917	159,673
Cash and bank balances	63,307	39,163
	81,735	203,291
TOTAL ASSETS	1,314,849	1,442,222
Non-Current Liabilities		
Tenancy deposits	25,477	26,838
Deferred tax liability	30,878	30,878
Bank borrowings	559,228	588,297
	615,583	646,012
Current Liabilities		
Trade payables	7,349	8,157
Other payables and accruals	13,832	17,775
Tenancy deposits	2,356	2,097
Bank borrowings	3,000	19,200
	26,537	47,229
TOTAL LIABILITIES	642,120	693,241
NET ASSET VALUE	672,730	748,981
Financed by:		
Unitholders' capital	560,887	631,208
Retained earnings-realised	53,628	59,557
Retained earnings-unrealised	58,215	58,215
TOTAL UNITHOLDERS' FUND	672,730	748,981

Unit Statistics

As at 30 Sep 2024

No. of Unit

706,812,657

Net Asset Value
Per Unit

RM1.06

Unit Price

RM0.52

Market
Capitalisation

RM367.54 million

Discount to NAV

50.93%

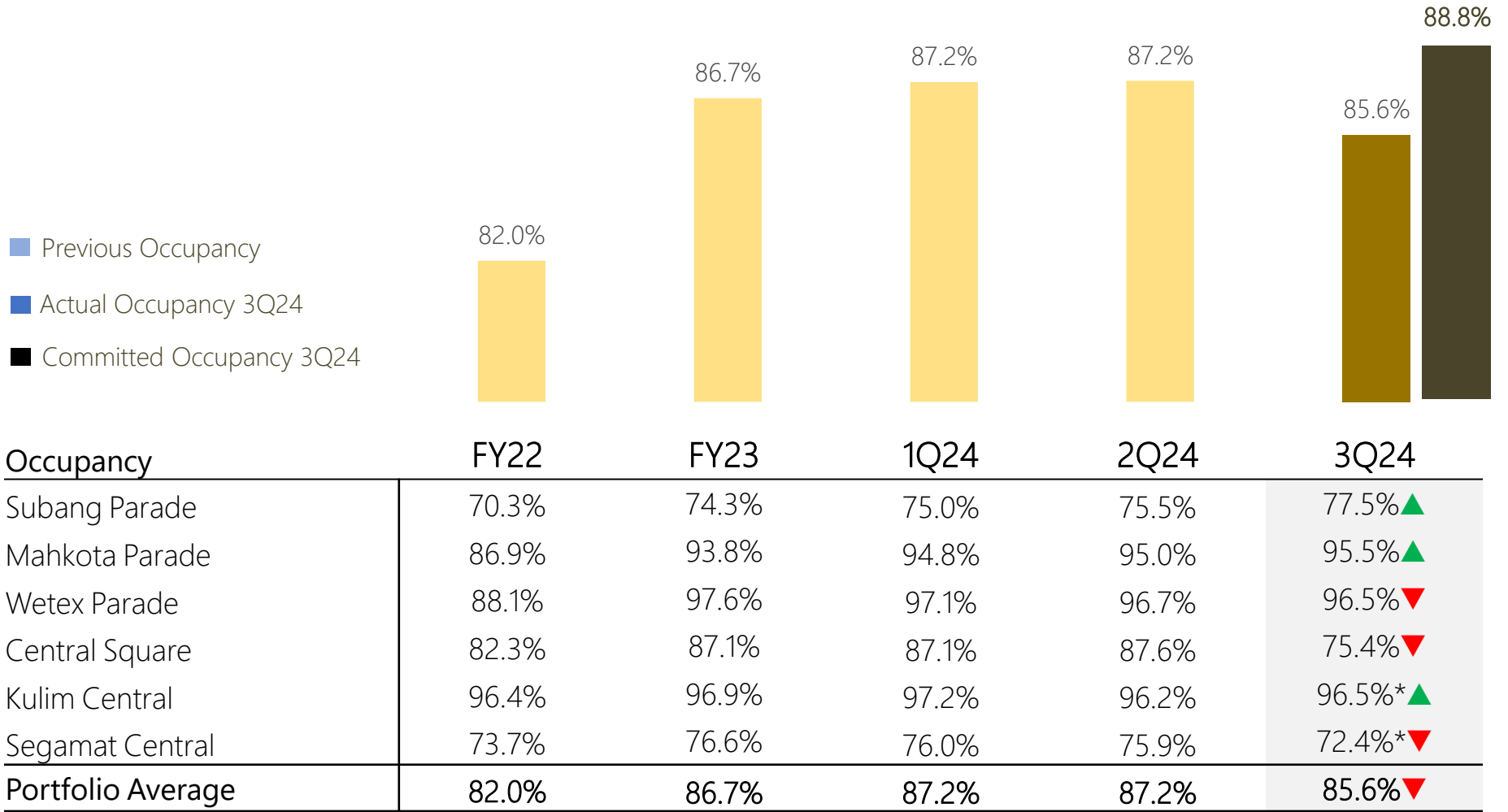
Portfolio Performance

Secured Occupancy at 88.8% ►

Positive Rental Reversion of 7.2% ►



Average Portfolio Secured Occupancy at **88.8%**



Note:

1. *Kulim Central and Segamat Central are under-going replacement / downsizing of anchor tenant as part of tenancy remixing strategy.

3Q24 rental reversions at **7.2%** against previous rent

- 39 new/renewed tenancies consisting of 8.6% of total NLA for the quarter ended 30 September 2024.
- Strong Positive reversions recorded at all malls except Mahkota Parade due to several key tenants as part of strategy for tenancy remixing with better brands

Quarter Ended 30 September 2024	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent Rates
Subang Parade	14	32,756	6.3%	8.4%
Mahkota Parade	13	11,296	2.2%	-3.9%
Wetex Parade	3	1,281	0.8%	10.3%
Central Square	3	96,202	31.0%	9.0%
Kulim Central	6	33,574	11.2%	13.6%
Segamat Central	N/A	N/A	N/A	N/A
Total/Average#	39	175,109	8.6%	7.2%

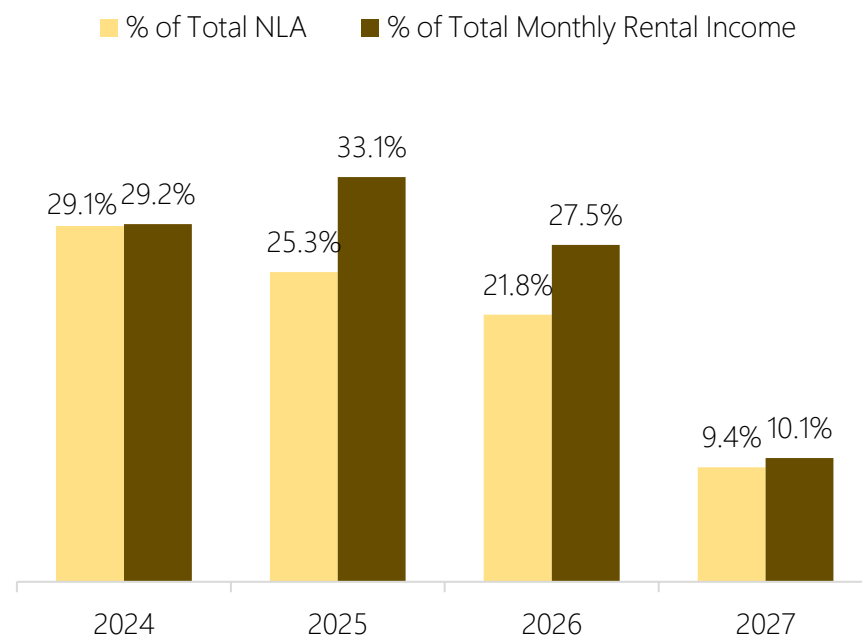
- 592,757 sq. ft. or about 29.1% of total NLA expiring in 2024, of which 434,785 sf sq. ft / 21.4% of NLA has been renewed / added as of 30 September 2024. Most of these remaining expiring NLA consists of anchor tenants such as Parkson, MM2 Cinema, and Ipoh Bowl, in which are at final stage of negotiations.
- In 3Q24, a total of **39** tenancies this year covering **175,109** sq. ft. have been renewed / added representing 8.6% of total NLA.

PORTFOLIO TENANCY EXPIRY PROFILE

2024-2027

Period End Jun 2024	Number of Tenancies Expiring	Expiring NLA (Sq. Ft.)
2024	116	592,757
2025	145	515,789
2026	107	444,618
2027	37	190,716
Total	405	1,743,880

Portfolio Lease Expiry Profile.



Notes:-

1. Based on the total Net Lettable Area (NLA) of 2,036,171 sq. ft. as at 30 September 2024.
2. Based on monthly rental income for Sep 2024. Figures may not round to 100% due to misc. items.
3. Kolej Yayasan Saad, Melaka has been excluded in the calculation above. For reference, it has a remaining 29-year lease expiry.

Refreshed retail offerings at Hektar Malls



Oriental Parade, Subang Parade



Original Classic, Kulim Central



Sushi Kazoku, Subang Parade



Moto Guzzi, Mahkota Parade



Yomaro, Mahkota Parade



Chagee, Mahkota Parade

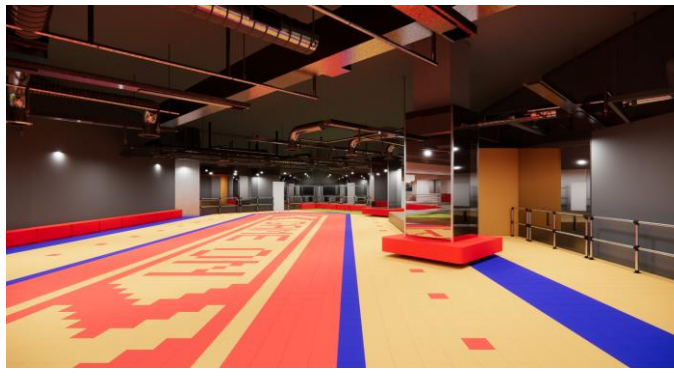


Camille, Subang Parade



Dubuyo, Mahkota Parade

Upcoming Notable New tenants in 4Q24 (Subang Parade)



Game On, Subang Parade

- New indoor entertainment / theme park mini anchor (21,646 sf) to offer an unforgettable experience and endless fun for visitor of all ages.

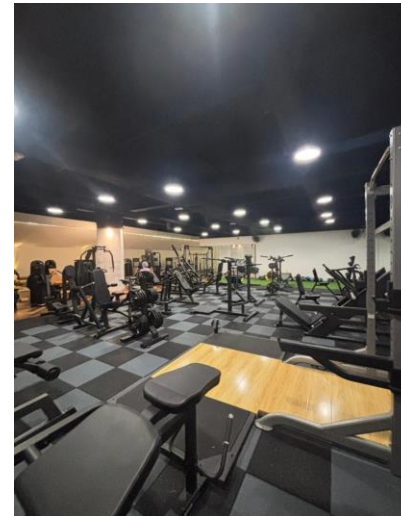
Game On, Subang Parade



The Farm & Chan Rak BBQ, Subang Parade

The Farm & Chan Rak BBQ, Subang Parade

- Farm to dining experience in a modern, nature-inspired space with rustic ambience filled with lush greenery.



Swet Fitness, Subang Parade

Swet Fitness, Subang Parade

- New gym tenant to cater to the health & fitness of the community. .



Hari Pengakap , Central Square



Food Culture, Subang Parade



Hobbies Festival, Mahkota Parade



Pertandingan Ratu Kebaya, Segamat Central



Art Exhibition, Wetex Parade

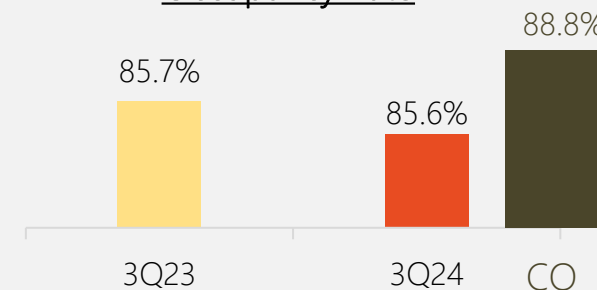


Deepavali, Central Square

OCCUPANCY RATE

- Occupancy rate decrease to **85.6%%** (-0.1% Y-o-Y) due to tenancy remixing which is a temporary effect.
- Committed Occupancy (CO) to date is **88.8%** (3.1% Y-o-Y▲) as part of our active leasing strategy. The temporary drop in occupancy rate is due to ongoing tenancy remixing of anchor tenants in Kulim Central and Segamat Central.

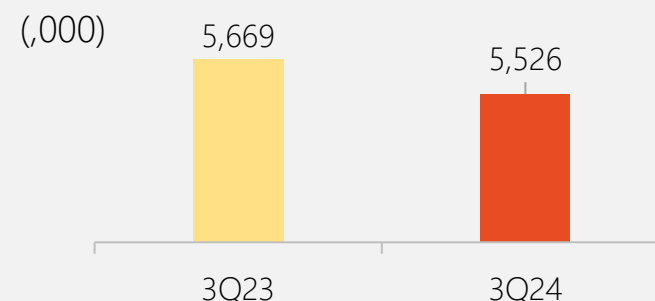
Occupancy Rate



FOOTFALL

- Lower Footfall Y-o-Y of **2.5%** primarily attributed to lower footfall at Wetex Parade, Segamat Central and Central Square
- To enhance mall activities to attract more visitor footfall moving forward.

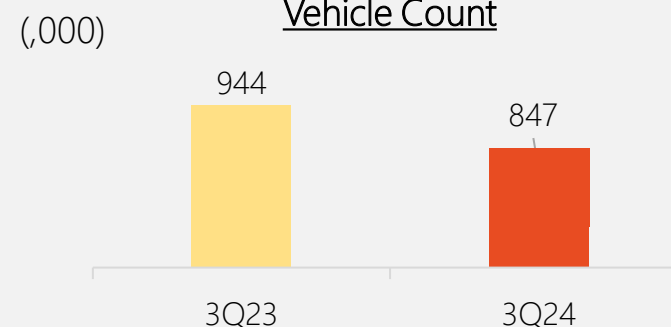
Footfall



VEHICLE COUNT

- Lower vehicle count Y-o-Y of **10.3%**

Vehicle Count



- Hektar REIT has been awarded the Highest Returns to Shareholders Over Three Years under the Real Estate Investment Trust ("REIT") sector at The Edge Malaysia Centurion Club Awards 2024.

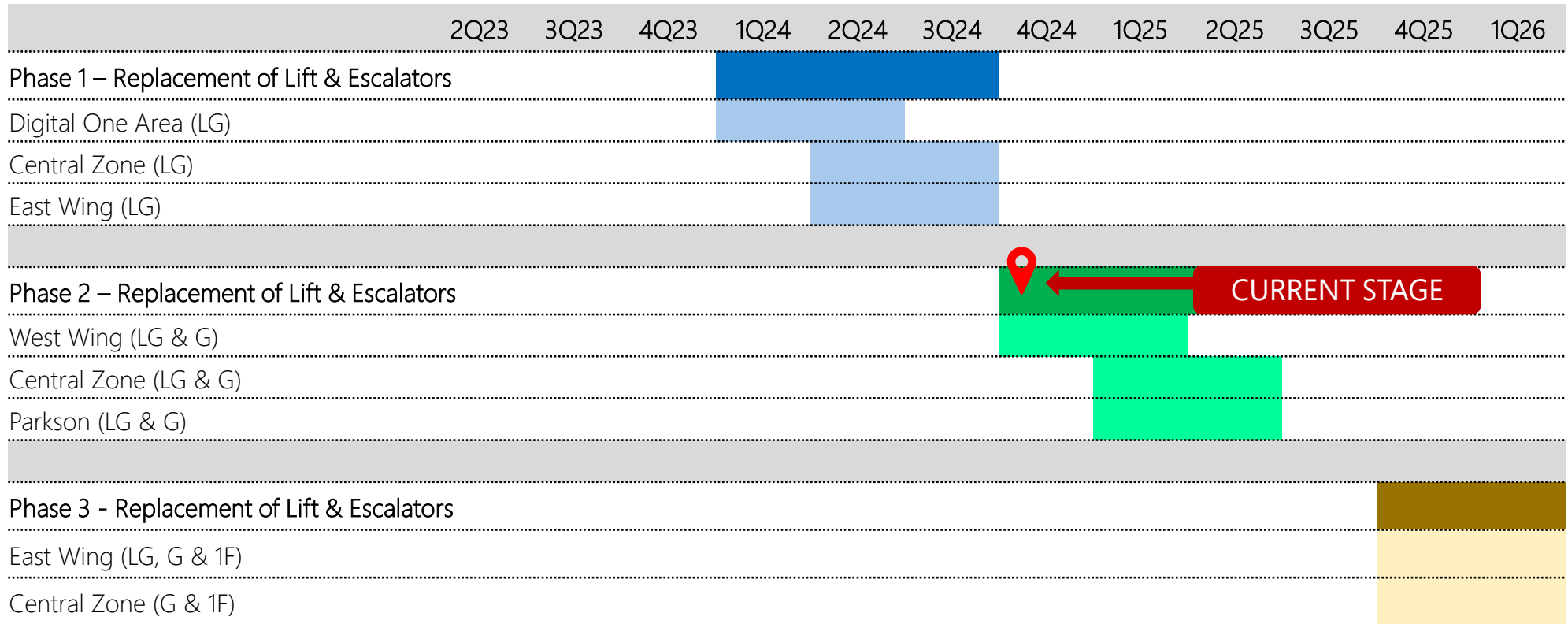


2024 Key Initiatives



Subang Parade (Project Update)

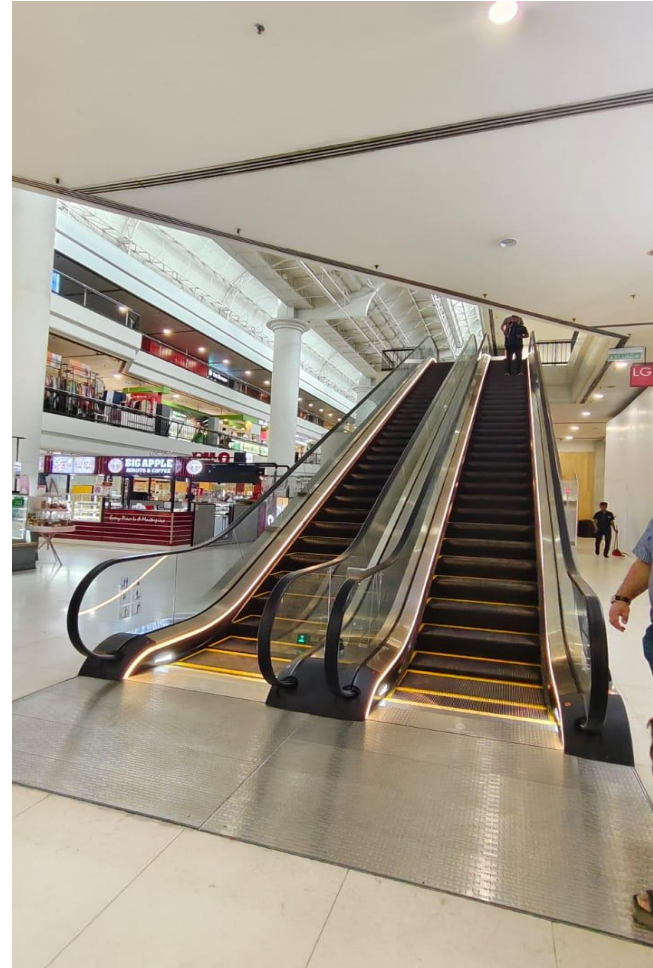
- Phase 1 upgrades has concluded and marks the beginning of Phase 2 upgrades.
- Modernisation of Lift & Escalators in progress with targeted full completion by 1Q26



Phase 1 lift and escalators upgrades reached completion in Q3 2024.



Installation of new bubble lifts and lift systems



Installation of modernized escalators

Business Development (Acquisition)

REQUIREMENTS FOR ACQUISITION

Retail

- 6.5% - 7.0% yield
- < 15 years of building age
- ≥ 90% occupancy rate

Industrial

- Average 8.0% yield
- Triple Net Lease
- ≥ 15 years lease
- Step-up rental

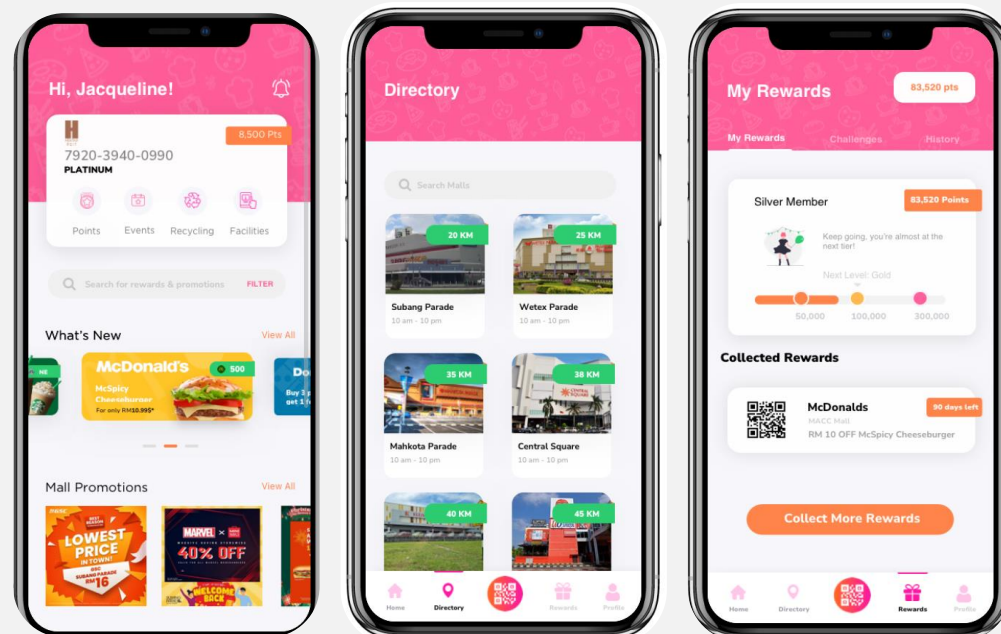
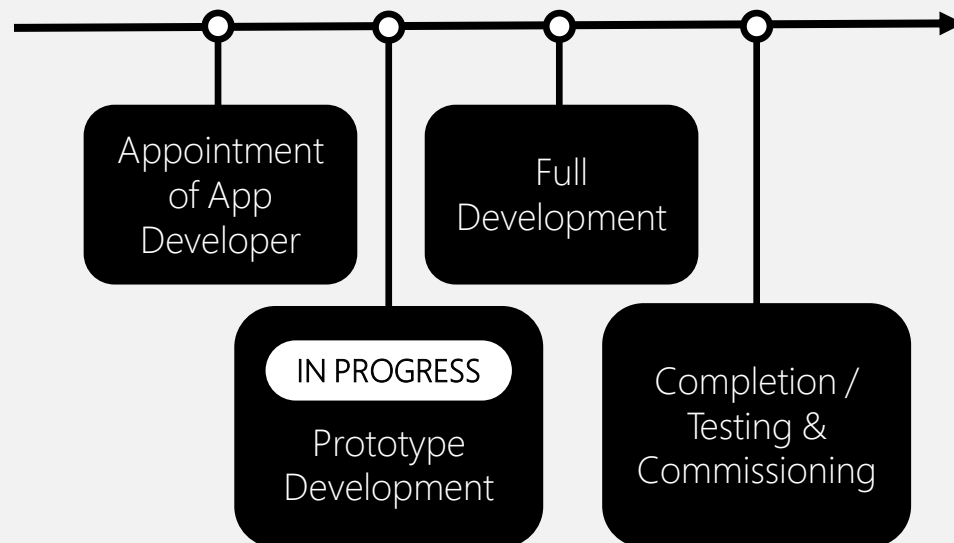
Education

- Average 8.0% 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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