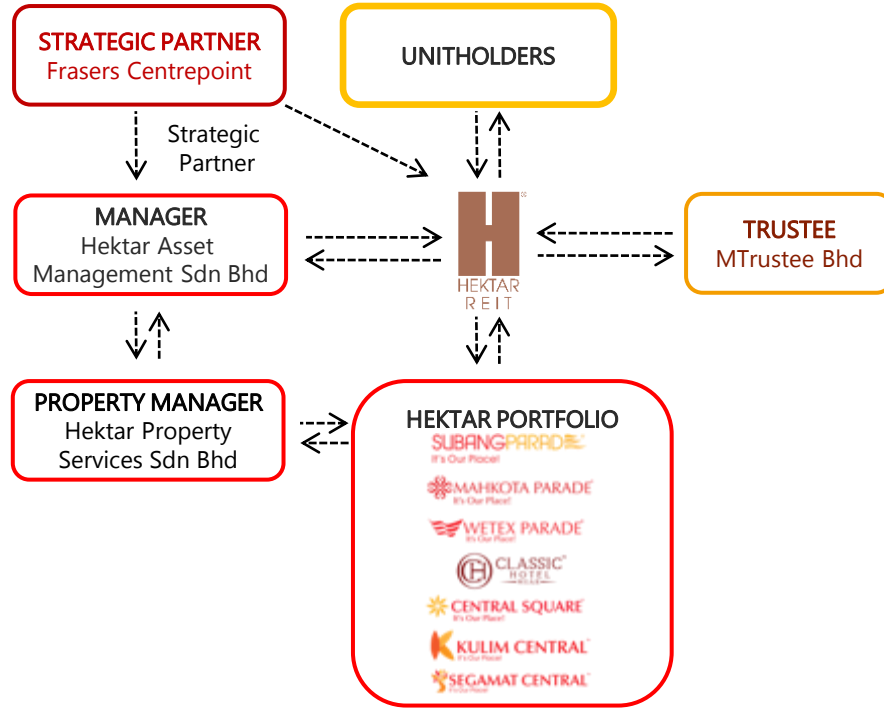




HEKTAR REAL ESTATE INVESTMENT TRUST
2Q 2022 RESULTS PRESENTATION
29 August 2022

ORGANISATION



DIVERSIFICATION



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.

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KEY HIGHLIGHTS 2Q 2022

POSITIVE OUTLOOK WITH IMPROVEMENT IN OVERALL PERFORMANCE & RECOGNITION FOR ENHANCED ESG PRACTICES

FINANCIAL

- Revenue is higher by **14%**
- NPI up by **34%**.
- Realized Income up by **317%**.
- Interim income distribution of **2.70 sen** declared, translating to annualised dividend yield of **9%**.

OPERATIONAL

- Overall portfolio occupancy rates remain stable (**84.8%**).
- Higher y-o-y 2Q22 tenants' sales (**56%**), footfall (**58%**) & vehicle count (**50%**) as shoppers return to Hektar malls.

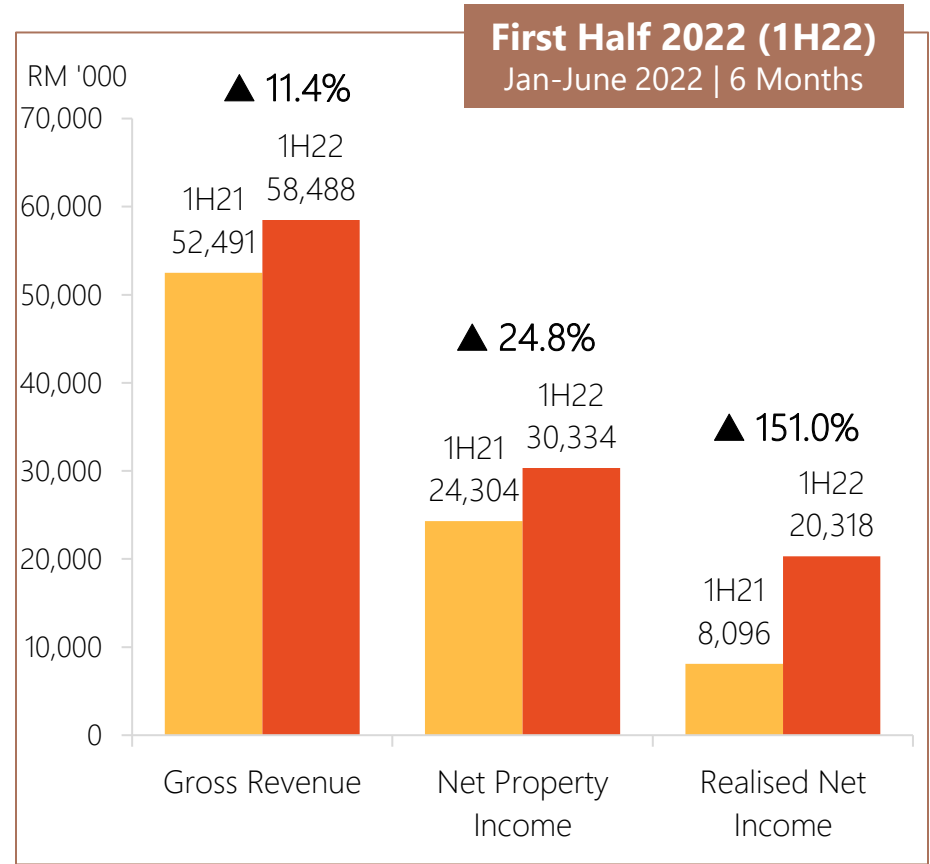
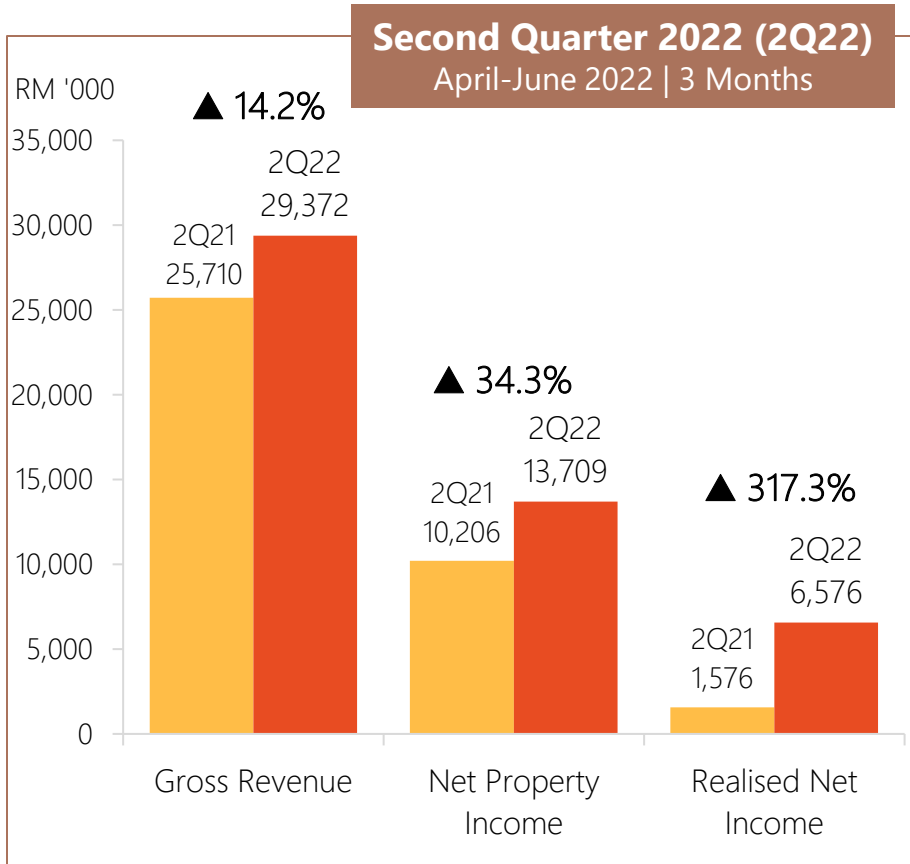
ESG

- Upgraded **ESG 4-star rating** by FTSE Russell on the **FTSE4Good Bursa Malaysia Index (F4GBMI)** in the latest June 2022 evaluation.
- Recognized for our community engagement via the **"Company of the Year Award for Stakeholder & Community Engagement Initiatives"** at the Sustainability & CSR Malaysia Awards 2022.

Financial Performance



Mahkota Parade, Melaka



DPU

1H 2022

2.70 sen

Annualised DPU Yield¹

9.31%

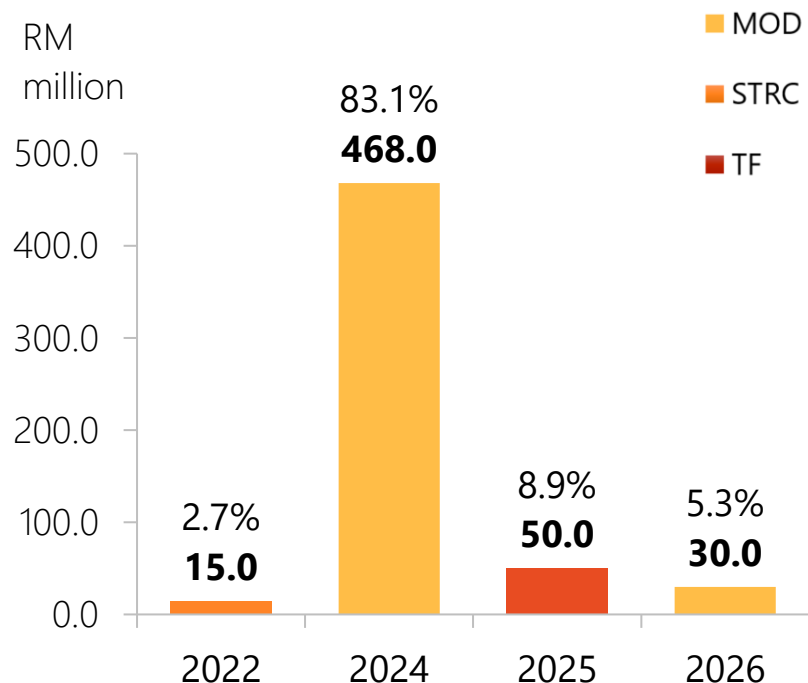
1H 2022 DPU of 2.70 sen surpassed full-year DPU of 2.53 sen in FY2021

¹Based on Annualised DPU over closing price as of 30 June 2022 of RM0.580



EXPIRY PROFILE

2022-2026



- To ensure that we have a good foundation for recovery, we are actively strengthening the balance sheet via continued prudent and proactive capital management:
 - Improve the REIT's overall gearing ratio
 - Create competitive funding platforms (such as an MTN Programme etc.)
 - Refinance existing borrowings into longer tenure

DEBT SUMMARY

June 2022

Total Debt

RM563.0 million
[FY2021: RM581.1 million]

Effective Cost

3.35%
[FY2021: 3.27%]

Gearing Ratio¹

46.7%
[FY2021: 47.2%]

Interest Cover²

3.25 times
[FY2021: 1.68 times]

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

² Based on 6 months ended 30 June 2022.

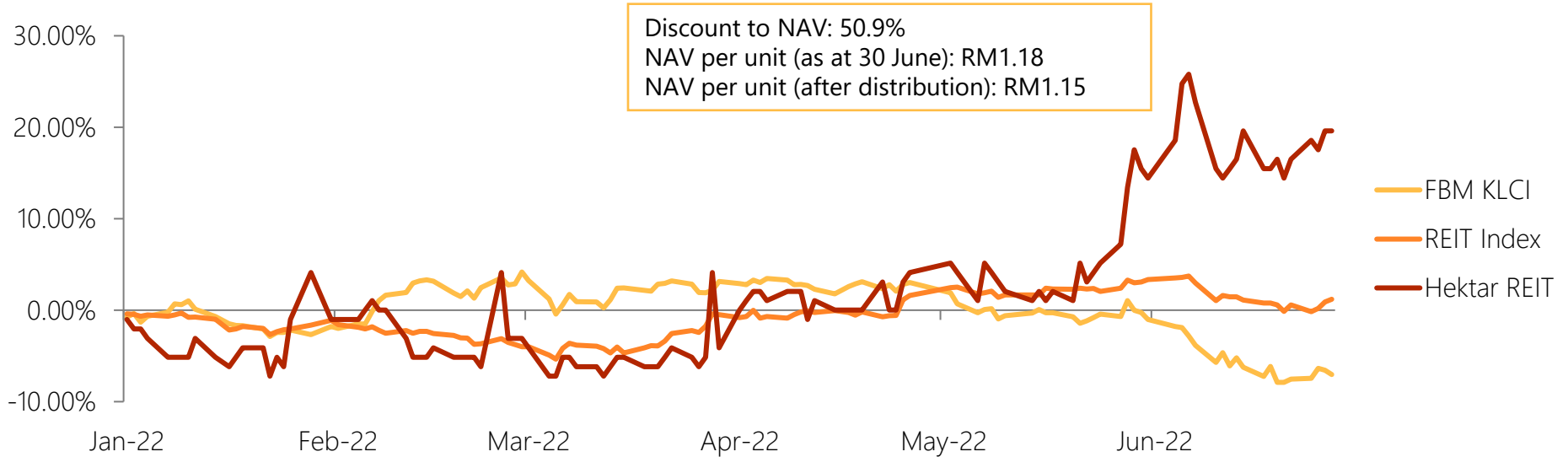
DETAILS OF CORPORATE PROPOSAL

Details of corporate proposal	Private placement of up to 23,098,000 new units in Hektar REIT, representing up to 5% of its total issued units ("Private Placement")
No. of shares issued under this corporate proposal	9,300,000 units
Remaining no. of shares available for subscription	13,798,000 units

Bursa Securities has granted the extension of time up to **23 November 2022** for REIT to complete the implementation of the Private Placement, if required.

Mandate obtained from the Unitholders to authorise the Manager to issue new units of up to **92,392,036** units, which represents **20%** of the existing fund size of Hektar REIT.

Comparative 6-Months Price Performance Trend



PERFORMANCE STATISTICS

Opening Unit Price (3 Jan 2022)	: RM0.485
Closing Unit Price (30 Jun 2022)	: RM0.580
Highest Price	: RM0.62
Lowest Price	: RM0.44
Unit Price Change¹	: 19.59%
REIT Index Price Change	: 1.20%
FBM KLCI Price Change	: (7.04%)

TOTAL RETURN

Unit Price Change ¹	: 19.59%
DPU (sen)	: 2.70
Annualised DPU Yield ²	: 9.31%
Total Return³	: 25.15%

¹Based on difference between opening and closing market prices of the respective quarter

²Based on Annualised DPU over closing price as of 30 June 2022 of RM0.580.

³Based on DPU and unit price change over opening market price for the respective quarter

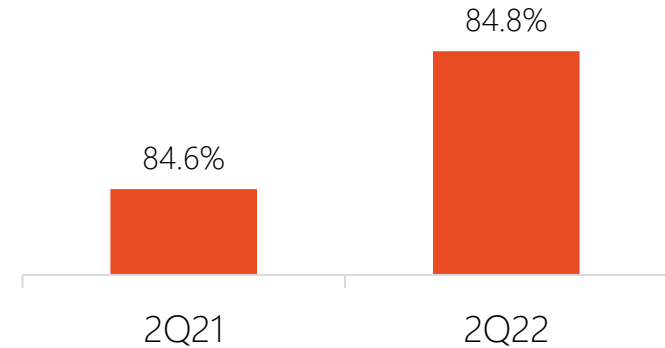
Portfolio Updates



OCCUPANCY RATE

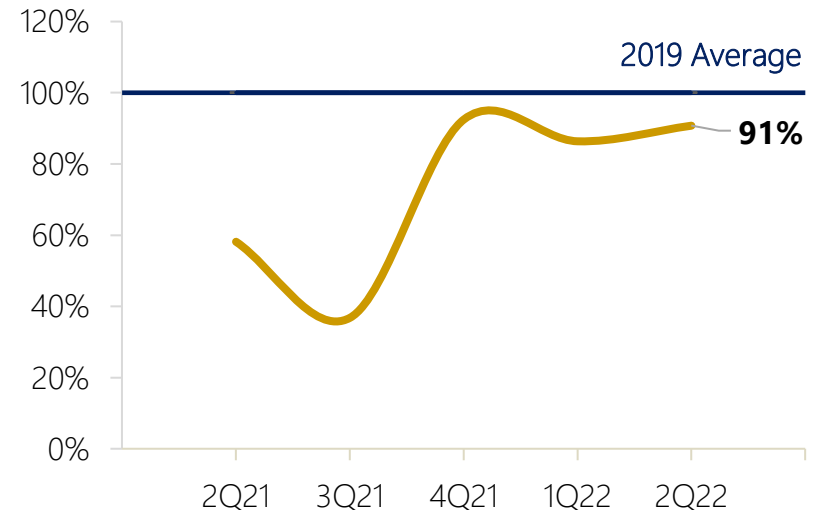
- Stable occupancy rate of **84.8%** as at June 2022.
- Historically, our occupancy rate has been maintained at 84% and above since inception of Hektar REIT in 2006.
- Occupancy rate will continue to increase in tandem with the growth in economy and ongoing strategies and initiatives undertaken.

▲ **0.2%** in 2Q 2022



TENANT SALES

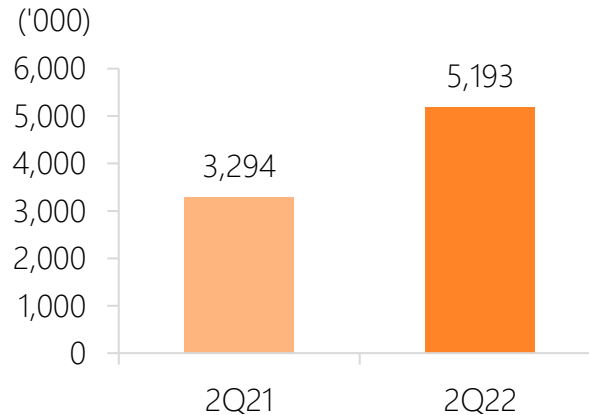
- Improved Sales y-o-y, 2Q: **56%** ▲ [1H: 26% ▲].
- Tenant sales have recovered to **91%** to pre-pandemic levels on the back of visitor footfall returning to our shopping malls.



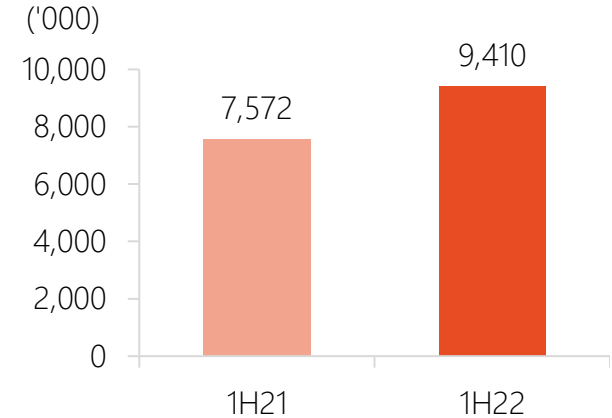
FOOTFALL

- Higher footfall y-o-y
2Q: **58%** ▲ [1H: 24% ▲].
- Gradual improvement in footfall i.e. 64% towards pre-pandemic levels.
- To enhance mall activities to attract more visitor footfall moving forward.

▲ **58%** in 2Q 2022



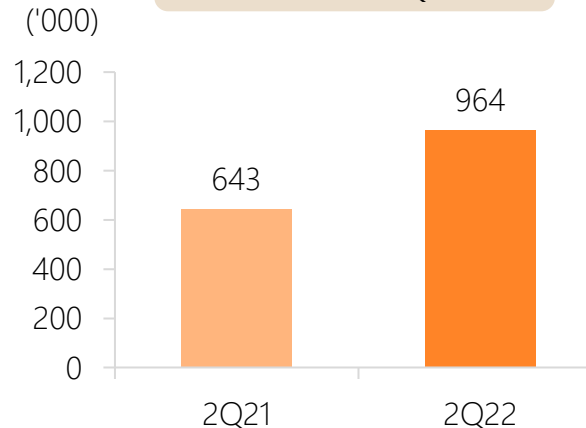
▲ **24%** in 1H 2022



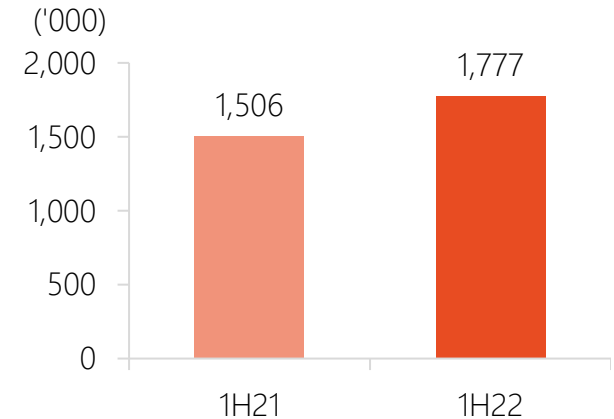
VEHICLE COUNT

- Higher vehicle count y-o-y
2Q: **50%**▲ [1H: 18% ▲].
- Gradual progression in malls' vehicle count i.e. 67% towards pre-pandemic level.
- Cashless parking system implemented at Hektar malls.

▲ **50%** in 2Q 2022



▲ **18%** in 1H 2022

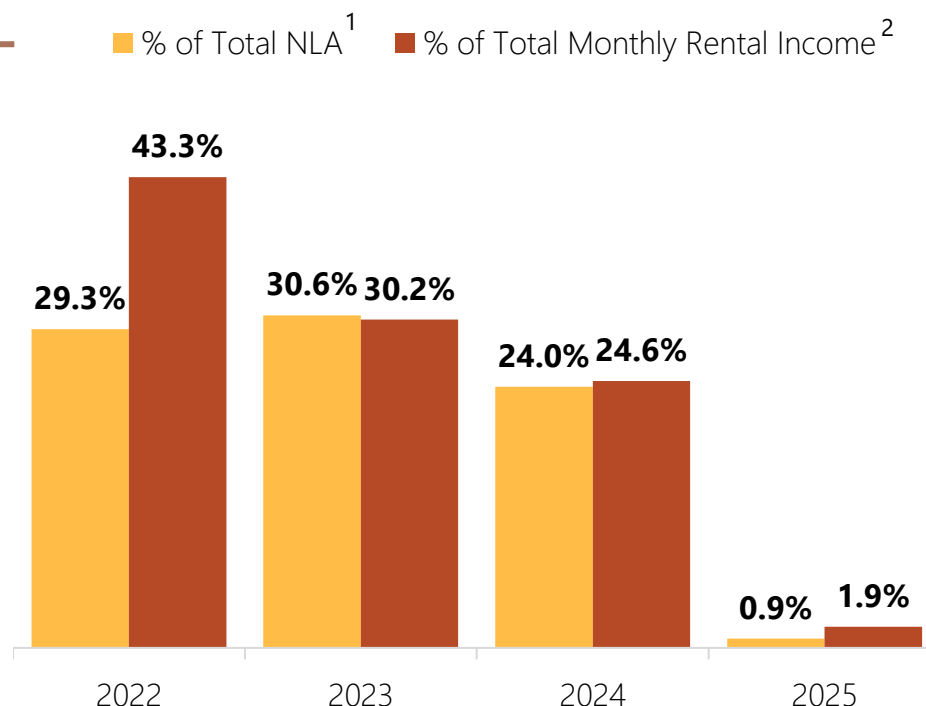


Tenancies expiry well distributed

- 599,068 sq. ft. or about **29.3%** of total NLA expiring in 2022.
- Overall, a total of 82 tenancies covering 187,221 sq. ft. have been renewed as at 30 June 2022, representing **9.2%** of total NLA.

PORTFOLIO TENANCY EXPIRY PROFILE 2022-2025

Period End June	Number of Tenancies Expiring	Expiring NLA (Sq. Ft.)
2022	224	599,068
2023	74	625,174
2024	68	490,778
2025	13	17,513
Total	379	1,732,533

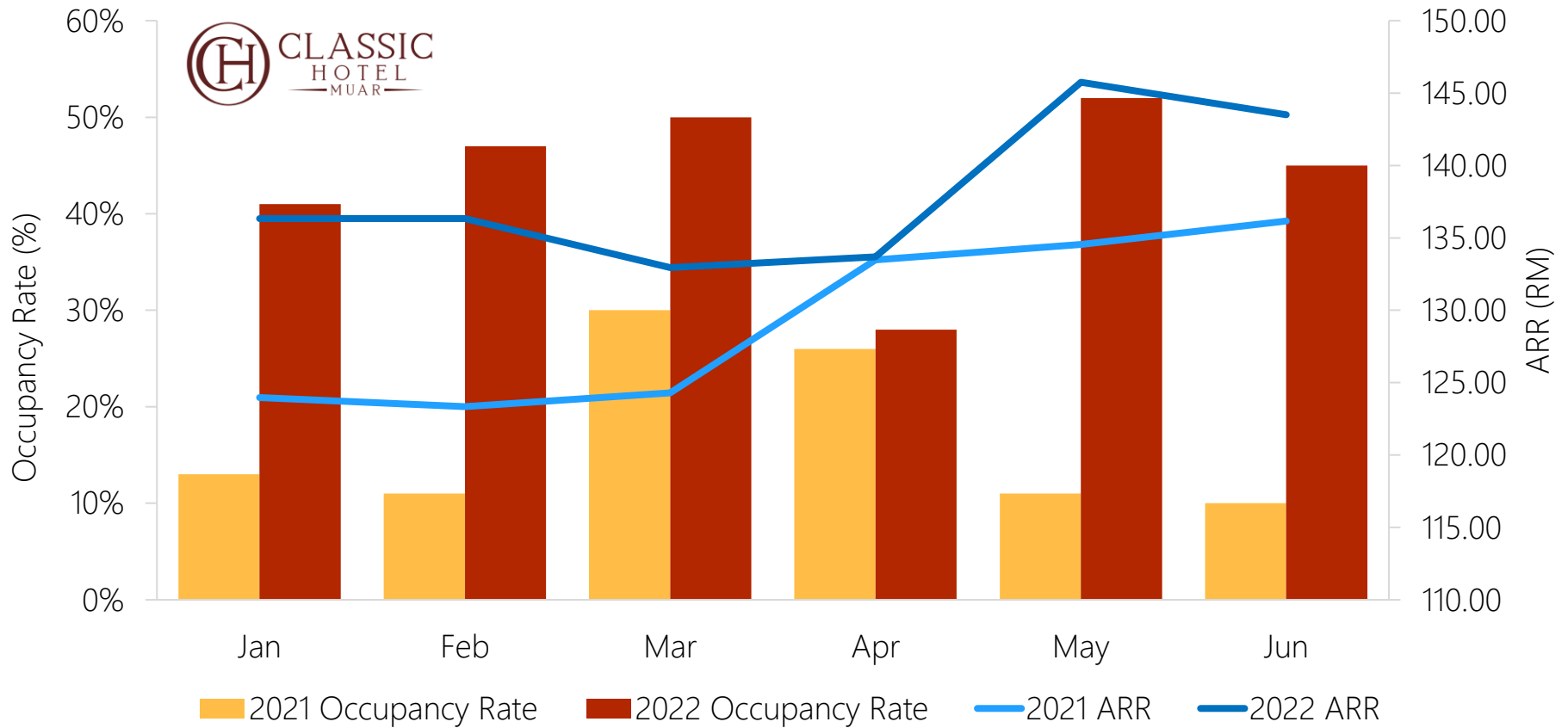


¹ Based on the total Net Lettable Area (NLA) of 2,043,044 sq. ft. as at 30 June 2022.

² Based on monthly rental income for June 2022. Figures may not round to 100% due to misc. items.

Classic Hotel: Significant Improvements in Overall Occupancy & Average Room Rate (ARR)

- Overall Occupancy Rate for 1H2022 increased to **44%** from 17% for 1H2021.
- ARR increased by about **10%** to RM138.54 from RM128.80.



Refreshed retail offerings at Hektar Malls



Asiari, Subang Parade



Johnson Fitness, Subang Parade



Rollney, Mahkota Parade



Osim, Wetex Parade



Mi Store, Wetex Parade



Samsung Store, Segamat Central



Machines, Central Square



Daboba Go, Kulim Central

SUBANG PARAD
It's Our Place!

11 April - 15 May 2022

Semangat Raya

Semangat Raya Contest!

Boost your Raya makeover plans by winning RM 200 worth of SSF vouchers in our Semangat Raya contest!

- Share a photo of your Raya celebration
- Comment what excites you during Raya
- Stand a chance to win!

MERDEKA FIESTA

MERDEKA FASHION SHOW
27 & 28 AUGUST 2022
3.30PM & 4.00PM
WEST END CONTOUR, SUBANG PARADE

FEATURING OUR HOME GROWN BRANDS
CALVIN YONG - TONDA - PANJARA KELANTAN - BEIZ
WAFERBERRY - TENGKAPUS - SYFIRY - UCAH - RUI

PERFORMANCE - IFA RAZAMANDARUKHAN AF
TERANGINA PILLAI MARINI ANJITHAN
MAYABIRIN TUDUNG TUTORIAL
MAKEUP TUTORIAL BY MISSY JANE
TUDUNG TUTORIAL BY YONGE
SIA STYLING BY KALANDE RA

PETS & HOBBY FIESTA
27 & 28 AUGUST 2022
LUNCH - 12.00PM
SATURDAY 27 AUGUST

MASAK-MASAK DATO' CHEF ZAM
27 & 28 AUGUST 2022
LUNCH - 12.00PM
SATURDAY 27 AUGUST

No. 5, Jalan 551/61, 47500 Subang Jaya, Selangor Darul Ehsan.
Tel No: +603 3032 9778 Fax No: +603 5633 8019 www.subangparade.com.my

SUNGAI PETANI MERDEKA FUN RUN 2022
30 OGOS 2022, CENTRAL SQUARE

5KM (11.00 AM)
7.30 MALAM

Untuk keterangan lanjut sila hubungi:
013-500 0684 (1 Gsm)

MAJLIS UAMA CABUTAN BERTUAH

SEBUAH BENTUK SUKSES DAN BANYAK LAGI HADIAH MENARIK

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

Program: **Pertandingan Fitar**

Dengan Kerjasama: **Pejabat Yang Berhormat Y.A. Dn. Robert Ling Kaitie Anji Majlis Melayu Cagar Kerohanjagat Kelantan (AJKUN Kelantan)**

Patron: **BNM UAMA**, **TERANG**

SEGAMAT CENTRAL
It's Our Place!

17 JAN - 15 FEB 2022

Roaring Lunar Year!

Every Moment Counts Photo Contest
7 January 2022 - 15 February 2022

Just follow these STEPS!

1. Like & Follow Segamat Central Facebook, and Instagram
2. Capture your memorable moment during CNY and share at comment column below with hashtag #lovesegamatcentral
3. Share with friends and encourage them to participate too!

Hamper with portable speaker set worth RM150 x 5

DIVA MAHKOTA PARADE MERDEKA
CFA INTERNATIONAL CATSHOW

DATE: 13 AUGUST 2022
TIME: 11 AM - 8 PM
VENUE: MAHKOTA PARADE, MALACCA

ORGANISER: **MAHKOTA PARADE**
CO-ORGANISER: **MAHKOTA PARADE**

SPONSOR: **Natures For Life Pet Products**

ALL SPONSORS:

FOR MORE INFO PLEASE SCAN THE QR CODE

30 JUL 2022 | 10AM-10PM

MOBILE LEGENDS BANG BANG

@ KULIM CENTRAL

FORM A TEAM OF 5 PLAYERS AND JOIN THE TOURNAMENT. OPEN SLOT FOR 64 TEAMS ONLY.

RECEIVE GSC MOVIE DISCOUNT VOUCHER WORTH RMB UPON REGISTRATION AT 1ST FLOOR GUEST SERVICE DESK.

PRIZE

CHAMPION RM1,000.00 X 1	2ND RUNNER UP RM500.00 X 1	CONSOLATION RM 250 X 3
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1st Runner Up RM800.00 X 1

Sustainability



CSR Malaysia

KEMAPANAN & TANGGUNGJAWAB SOSIAL KORPORAT
Tanggungjawab Kita Bersama

Hektar REIT awarded "Company of the Year for Stakeholder & Community Engagement Initiatives" @ The Sustainability & CSR Malaysia Awards 2022

Hektar REIT Awarded “Company of the Year for Stakeholder & Community Engagement Initiatives”

at the Sustainability & CSR Malaysia Awards 2022 held on 18 August 2022.

Continuously engage with the community

Hektar continuously undertakes various initiatives for the underprivileged or vulnerable groups.

Hektar understands and believes its responsibility towards the betterment of the society.

Sustainability and CSR matters grafted into corporate culture

Hektar’s sustainability framework continues to evolve to wider social and environmental footprint and increasing responsibility towards stakeholders.



Hektar REIT Awarded for Its ESG's Commitment

Hektar REIT has achieved an upgraded Environmental, Social and Governance (ESG) rating of **4-star** on the **FTSE4Good Bursa Malaysia Index (F4GBMI)** in the latest June 2022 evaluation.



FTSE4Good

Hektar REIT's ESG commitment gets a 4-Star rating

TheStar

CORPORATE NEWS
Monday, 27 Jun 2022 4:10 PM MYT



Hektar Asset Management Sdn Bhd chief executive officer Johari Shukri Jamil

KUALA LUMPUR: Hektar Real Estate Investment Trust (Hektar REIT) has achieved an upgraded environmental, social and governance (ESG) rating of 4-star on the FTSE4Good Bursa Malaysia Index (F4GBMI) in the latest June 2022 evaluation.

"We are humbled to have our ESG initiatives recognised and rewarded with such a high rating as this is a great acknowledgement of our commitment to ensuring that our business activities are performed to high standards of environmental, social and governance conduct.

Reducing carbon footprint since 2017

Energy optimization initiatives since 2017 for all Hektar malls has reduced Hektar's carbon footprint over the years.

Enhancing efforts in material sustainability matters and energy consumption

Efforts in managing material sustainability matters include climate change adaptation, pollution prevention, water and waste management.

Efforts in managing energy consumption include incorporating renewable energy in Hektar's energy mix moving forward.

High score in Governance

Adoption of best practices for Corporate Governance & Anti-Corruption.

Note: The FTSE4Good Bursa Malaysia Index constituents are selected from the constituents of the FTSE Bursa Malaysia EMAS Index, screened in accordance with the transparent and defined ESG criteria. The index has been designed to identify Malaysian companies with recognised corporate responsibility practices, expanding the range of the benchmarks of the FTSE Bursa Malaysia Index Series for the Malaysian Markets.





Program Ziarah Ramadhan

In conjunction with their Raya Campaign, Segamat Central donated 10 grocery bags of daily necessities to OKU students and their families along with some duit raya for them to celebrate Hari Raya Aidilfitri.



Bubur Lambuk Giveaway

Following the end of the fasting month, Segamat Central and Wetex Parade held a Bubur Lambuk Giveaway Program with more than 200 packets of *bubur lambuk* provided to shoppers.



Raya Cookies Giveaway

Central Square gave out free raya cookies during Ramadhan as a Ramadhan treat to a total of 90 shoppers.



JCI Malacca City Entrepreneur (MCE) Little Boss Carnival 4.0

To provide solutions on the financial illiteracy among the society for young children aged 5 - 12 years old, JCI MCE successfully held their flagship event, Little Boss Carnival 4.0 at Mahkota Parade.



Re-fabricate Recycle

Subang Parade continues to partner with DRB-HICOM and Kloth in its textile waste recycling initiative with 12,002 kg of fabric collected to date.



Blood Donation Drives

A total of 819 blood bags were collected through various Blood Donation Drives held in our malls.

Key Takeaways



Summary

- 2Q22 Revenue & NPI increased by **14.2%** and **34.3%** y-o-y respectively.
- 2Q22 Realised Net Income higher by **317.3%**.
- 2.70 sen dividend distribution for 1H22, translating to annualised dividend yield of **9.3%**.
- Higher y-o-y 2Q22 tenants' sales (**56%**), footfall (**58%**) & vehicle count (**50%**) as shoppers return to Hektar malls.
- Continued effort to improve gearing ratio. Reduced to **46.7%** as at 30 June 2022
- Upgraded **ESG 4-star rating** by FTSE Russell on the **FTSE4Good Bursa Malaysia Index (F4GBMI)** in the latest June 2022 evaluation.
- Recognized for our community engagement via the **"Company of the Year Award for Stakeholder & Community Engagement Initiatives"** at the Sustainability & CSR Malaysia Awards 2022.

Moving Forward

Asset Enhancement

- Adopting prudent financial management, cost optimization initiatives, and enhancing our asset relevancy & efficiencies to ensure sustainability

Proactive Capital Management

- Enhance our liquidity via Income Distribution Reinvestment Plan, Placement/Corporate exercise
- Improve the REIT's overall gearing ratio
- Create competitive funding platforms (such as an MTN Programme etc)
- Refinance existing borrowings into longer tenure

Strategic Acquisition

- Continue to develop pipeline for asset injections
- Pursue 'smart' partnerships or joint-ventures
- Undertake acquisition of yield accretive assets if the opportunity arises

Enhancing ESG

- Enhancing our ESG Roadmap including establishment of long-term targets.
- Embarking on renewable energy initiatives such as the installation of Solar Photovoltaic (PV) panels across our malls.



Creating The Places People Love



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