

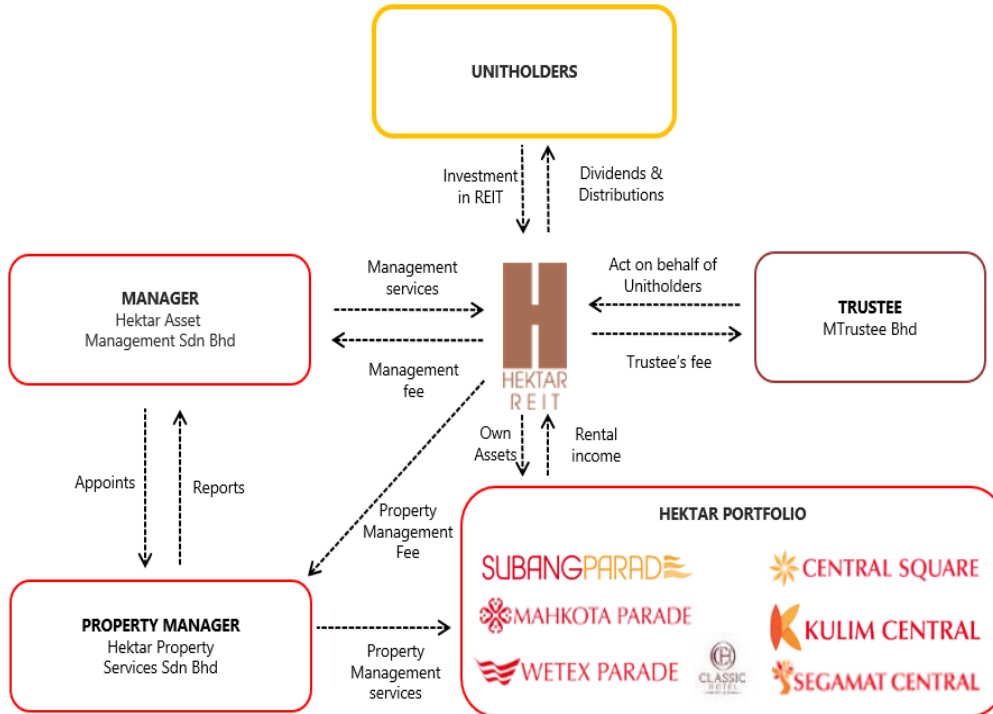


HEKTAR REAL ESTATE INVESTMENT TRUST

1Q 2023 RESULTS PRESENTATION

25 May 2023

ORGANISATION



DIVERSIFICATION



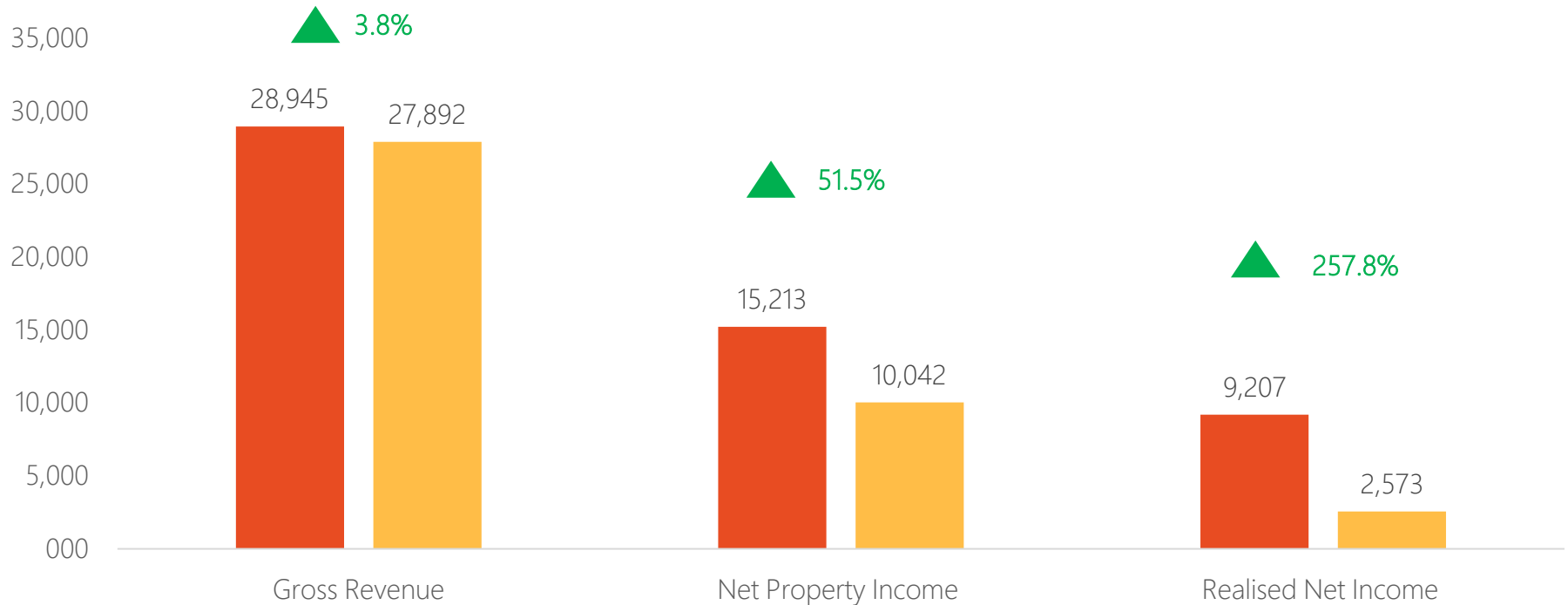
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First Quarter (1Q23) vs Preceding Quarter (4Q22):

(RM ,000)



OPERATIONAL PERFORMANCE

as at 31 March 2023

Portfolio Occupancy

83.8%

Expiry Profile

35.5% of NLA expiring in 2023

Rent Reversions

+0.2%

Footfall

5.6 million

Revenue | NPI | Realised Net Income (Quarterly vs Average)

(RM ,000)



Portfolio Performance

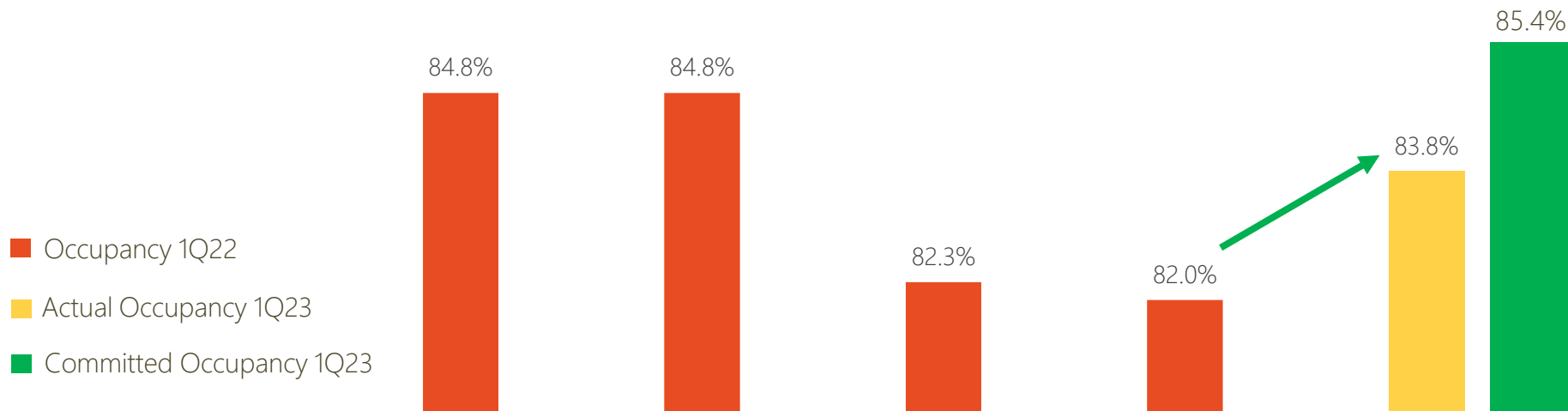
Overall Occupancy at 83.8% ▶

Positive Rental Reversions at 0.2% ▶

35.5% of NLA expires in 2023 ▶



Average Portfolio Occupancy improved to **83.8%**



Occupancy (%)	1Q22	2Q22	3Q22	4Q22	1Q23
Subang Parade	82.2%	81.1%	73.5%	70.3%	72.4%
Mahkota Parade	85.7%	86.0%	85.8%	86.9%	90.1%
Wetex Parade	88.7%	88.1%	88.5%	88.1%	90.8%
Central Square	86.7%	86.8%	82.5%	82.3%	84.0%
Kulim Central	94.6%	94.1%	94.6%	96.4%	95.8%
Segamat Central	69.7%	72.1%	72.4%	73.7%	73.7%
Portfolio Average	84.8%	84.8%	82.3%	82.0%	83.8%

Note:

1. Portfolio Average weighted by NLA.

2. Committed occupancy consist of signed letter of offers from new tenants and is expected to materialize in subsequent quarters in FY23.

First Quarter Positive Rental Reversions at 0.2%

- 78 new/renewed tenancies consisting of 14.0% of total NLA for the quarter ended 31 March 2023.
- Overall Portfolio reversions were positive due to positive reversion at Mahkota Parade & Kulim Central.
- Parkson, our anchor tenant at Mahkota Parade renewed at a positive reversion which is a testament of their strong commitment towards Hektar REIT.

First Quarter Ended 31 March 2023	Number of New Tenancies/Renewals	NLA (Sq. Ft.)	Percentage of Total NLA	Percentage Change Over Previous Rent Rates
Subang Parade	20	48,284	9.2%	(4.2%)
Mahkota Parade	16	171,427	32.9%	4.7%
Wetex Parade	10	11,467	6.6%	(9.1%)
Central Square	6	20,218	6.5%	(8.8%)
Kulim Central	24	33,834	11.3%	2.4%
Segamat Central	2	2,068	1.0%	11.9%
Total/Average	78	287,298	14.0%	0.2%

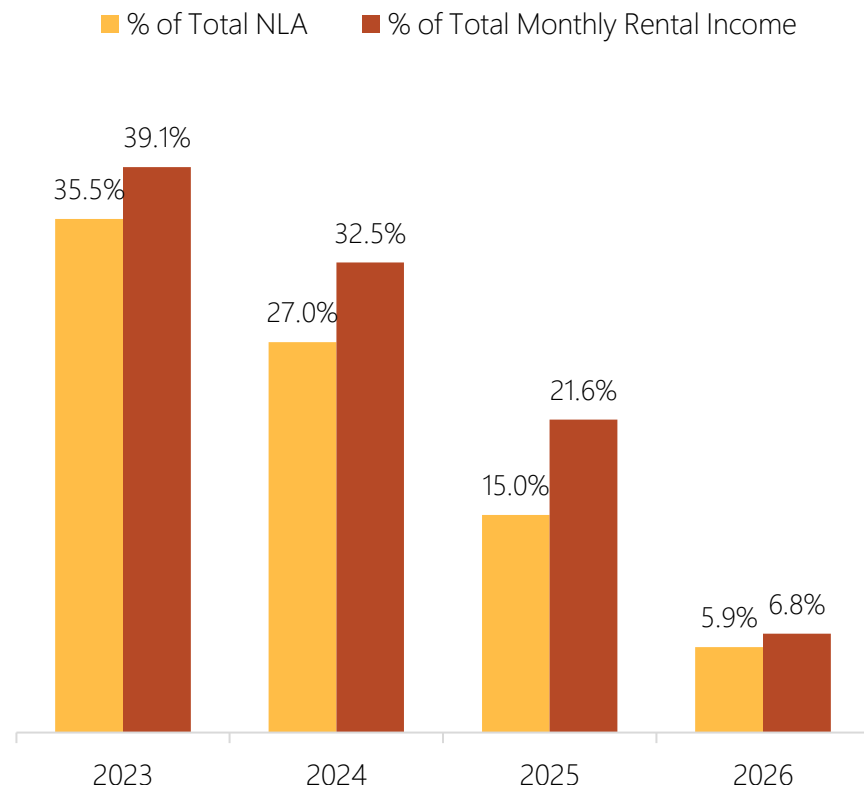
Note: Portfolio Average weighted by NLA.

A total of **158** tenancies are expiring in FY2023

- Represents 726,639 sq. ft. or about 35.5% of total NLA.
- Overall, a total of **78** tenancies covering 287,298 sq. ft. have been renewed as at 31 March 2023, representing 14% of total NLA.

PORTFOLIO TENANCY EXPIRY PROFILE 2023-2026

Period End March	Number of Tenancies Expiring	Expiring NLA (Sq. Ft.)
2023	158	726,639
2024	111	552,416
2025	92	307,803
2026	11	120,999
Total	372	1,707,856



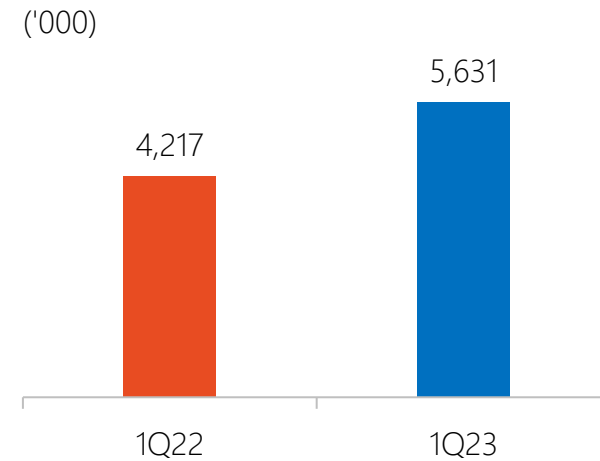
Note:

1. Based on the total Net Lettable Area (NLA) of 2,047,490 sq. ft. as at 31 March 2023.
2. Based on monthly rental income for March 2023. Figures may not round to 100% due to misc. items.

Positive Y-o-Y Growth for Footfall & Vehicle Count

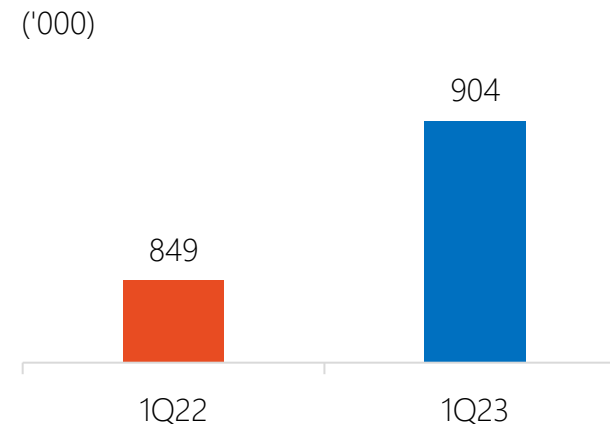
FOOTFALL

- Higher Footfall Y-o-Y of **33%** ▲
- Increase in Marketing Events & improved offerings has attracted higher footfall.



VEHICLE COUNT

- Higher Vehicle count Y-o-Y of **6%** ▲
- The increase in vehicle count is in tandem with the increase in visitor footfall.



Financial Results



Income Statement: Quarter Comparative

Income Statement	1Q23	4Q22	Variance
First Quarter 2023 (Unaudited)	(RM '000)	(RM '000)	(%)
Revenue	28,945	27,892	3.8%
Direct cost & Property expenses	(13,732)	(17,850)	23.1%
Net property income (NPI)	15,213	10,042	51.5%
Interest & Other income	649	768	(15.6%)
Trust fees & Expenses	(426)	(2,361)	81.9%
Interest expense	(6,228)	(5,876)	(6.0%)
Realised income before taxation	9,207	2,573	257.8%
Fair value adjustment of investment properties	-	-	-
Taxation	-	-	-
Net (loss)/income before tax	9,207	2,573	257.8%
Net income per unit (sen)	1.94	0.55	255.9%
- realised	1.94	0.55	255.9%

Balance Sheet

(Unaudited)

	As at 31.03.2023 (RM '000)	As at 31.12.2022 (RM '000)
Non-Current Assets		
Investment properties	1,206,080	1,206,080
Plant & Equipment	40	46
	1,206,120	1,206,126
Current Assets		
Trade receivables	5,368	4,492
Other receivables, deposits and prepayments	3,616	1,737
Cash and bank balances	16,771	23,153
TOTAL ASSETS	1,231,875	1,235,507
Long Term Liabilities		
Tenancy Deposit	25,730	25,582
Deferred tax liability	28,231	28,231
Bank borrowings	543,044	542,444
	597,005	596,257
Current Liabilities		
Trade payables	8,363	5,653
Other payables and accruals	20,207	23,157
Tenancy deposits	3,215	3,479
Bank borrowings	3,000	9,000
TOTAL LIABILITIES	631,790	637,545
NET ASSET VALUE	600,085	597,962
Unitholders' capital	514,625	496,732
Retained earnings – realised	51,198	66,968
Retained earnings – unrealised	34,262	34,262
TOTAL UNITHOLDERS' FUNDS	600,085	597,962

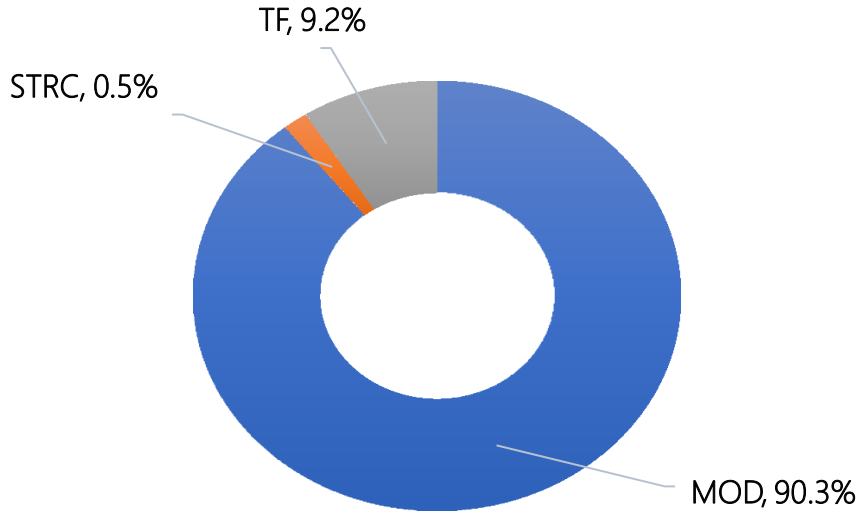
UNIT PRICE STATISTICS

as at 31 March 2023

No. of Units	498,787,970
Net Asset Value Per Unit	RM1.2031
Unit Price	RM0.685
Market Capitalisation	RM341,676,609
Discount to NAV	43.1%

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

Gearing Ratio improved to 44.3%



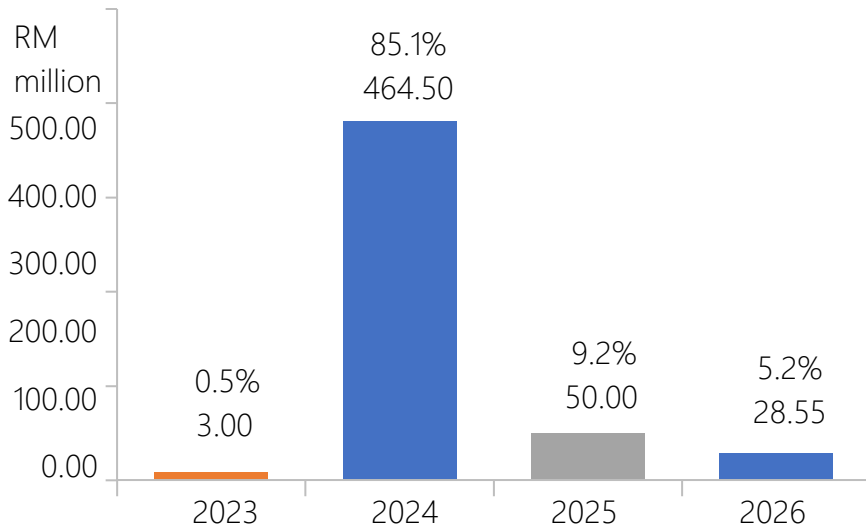
DEBT SUMMARY

As at 31 March 2023

Facilities	<ul style="list-style-type: none"> Al-Murabahah Overdraft (MOD) Term Financing (TF) Short-Term Revolving Credit (STRC)
Financiers	Maybank, CIMB
Total Debt	RM546.0 million [FY2022: RM551.4 million]
Cost Structure	Cost of Funds + (1.00%-1.50%)
Effective Cost	4.56% [FY2022: 3.66%]
Gearing Ratio ¹	44.3% [FY2022: 44.6%]
Interest Cover ²	1.73 times [FY2022: 2.8 times]

EXPIRY PROFILE

2023-2026



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

² Based on 3 months ended 31 March 2023.

Portfolio Updates



Central Square, Kedah

Refreshed retail offerings at Hektar Malls



4 Fingers, Mahkota Parade



A&J Jewellery, Wetex Parade



MarchCo 19, Wetex Parade



Alia Shahril Cosmetics, Kulim Central



Mix, Segamat Central



Xiong Di Minimart, Central Square



S Life, Segamat Central



Bateku, Subang Parade



Old Town, Wetex Parade

Marketing initiatives



Mahkota Parade: Little Scientist Exhibition



Subang Parade: YOUNI Market



Mahkota Parade: Gymnastic Competition



Mahkota Parade: Melaka Fashion Week



Segamat Central: Martial Art Competition



Hektar Malls: Chinese New Year Activities

Corporate Social Responsibility



Social: CSR Activities



Subang Parade: Chinese New Year celebration with children of Persatuan Rumah K.I.D.S and Rumah Charis



Mahkota Parade: Chinese New Year celebration at Salvation Army



Wetex Parade: Earth Hour Lights Off



Wetex Parade: 'OP Selamat 19-Kempen Rumah Selamat & Pencegahan Jenayah Sempena Tahun Baru Cina'



Wetex Parade: 'Pesta Bulan Mengambang' by Persatuan Jawa Parit Bugis Muar



Wetex Parade: Back-To-School Program by Parliament Muar



Mahkota Parade: Blood Donation Drive in collaboration with Cargill



Wetex Parade: Minda Muar in collaboration with Persatuan Kesihatan Minda Muar



Central Square: Blood Donation Drive in collaboration with Malaysia Hindu Sangam, Kedah State & MHS Bedong Council



Kulim Central: Earth Hour Zumba in collaboration with Step In Fitness Centre



Kulim Central: Cervical Cancer Awareness in collaboration with LPPKN



Segamat Central: 'Sumbangan Mangsa Banjir' in collaboration with Pejabat Daerah Segamat

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