

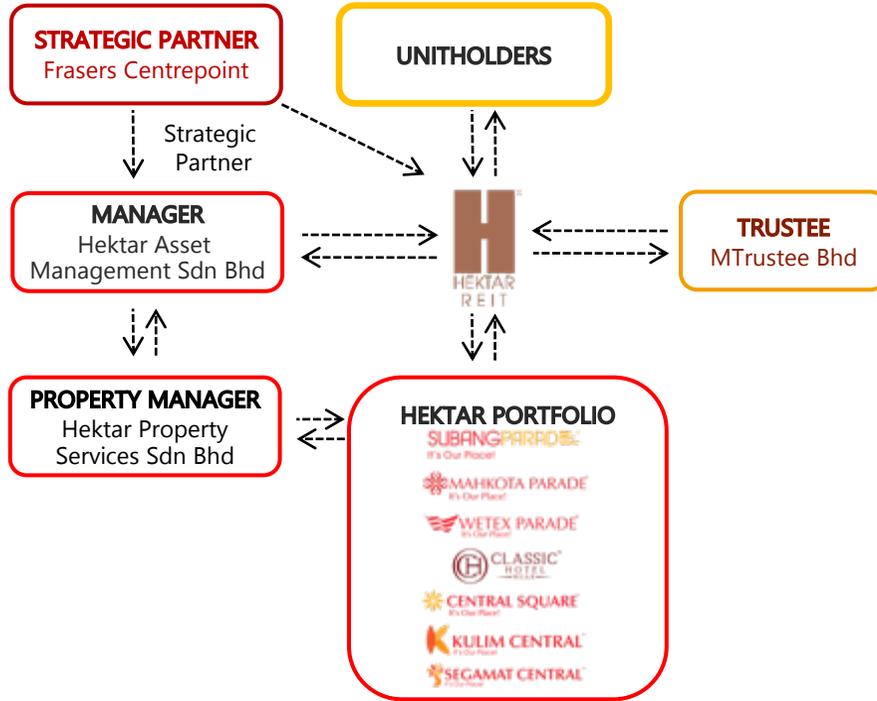


HEKTAR REAL ESTATE INVESTMENT TRUST

1Q 2022 RESULTS PRESENTATION

23 May 2022

ORGANISATION



DIVERSIFICATION

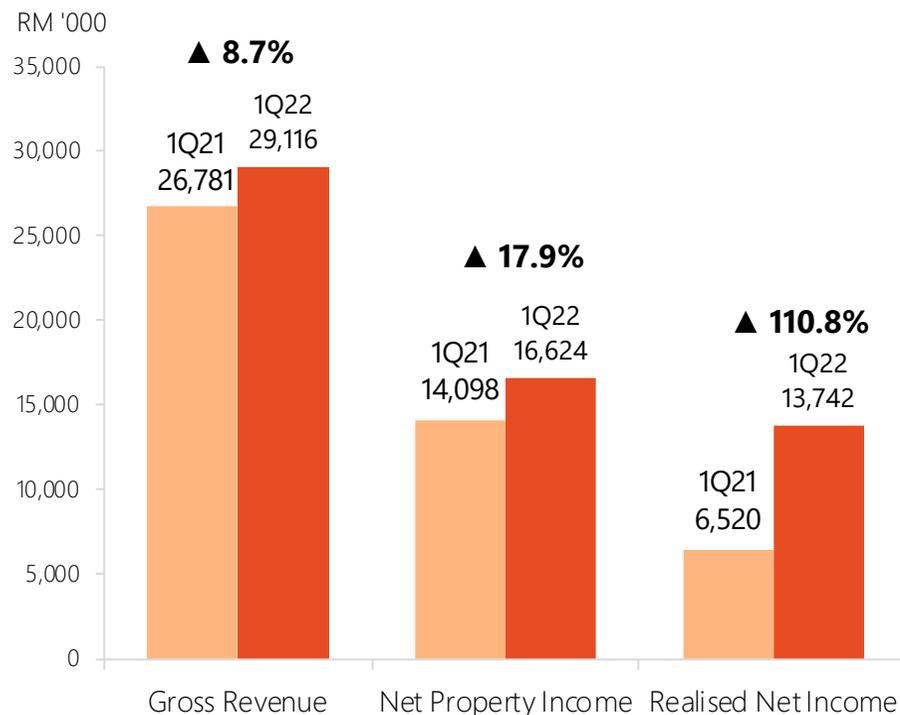


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Performance Summary

First Quarter 2022 (1Q22): January-March 2022 | 3 Months



FINANCIAL PERFORMANCE

Gross Revenue for 1Q22 was higher than the preceding year by 9% or RM2.3 million due to improved tenancy income, turnover rent, casual leasing, car park, and hotel income. The higher total revenue in the current quarter is also in view of higher rental support provided to tenants in 2021 amidst the COVID-19 pandemic.

Net Property Income (NPI) for 1Q22 was higher by 18% or RM2.5 million as a result of the higher revenue as well as lower rental support provided to tenants.

Realised Net Income for 1Q22 was higher by 111% or RM7.2 million on the back of reversals of provision for doubtful debts and lower borrowing cost arising from several reductions of OPR made by Bank Negara Malaysia in 2020, together with savings in interest achieved by maximising the available funds accordingly.

Income Distribution: The Manager intends to distribute at least 90% of Hektar REIT's distributable income for the financial year ending 31 December 2022. Moving forward, subject to the financial performance of the REIT, the Manager intends to make distributions to the unitholders of Hektar REIT on a semi-annual basis for each six-month period ending 30 June and 31 December each year, unless otherwise determined and/or varied by the Manager at its sole discretion.

OPERATIONAL PERFORMANCE

as at 31 March 2022

Portfolio Occupancy

~**84.8%**

Expiry Profile

31.6% of NLA expiring in 2022

Rent Reversions

-17.4%

Footfall

4.1 million

Portfolio Performance

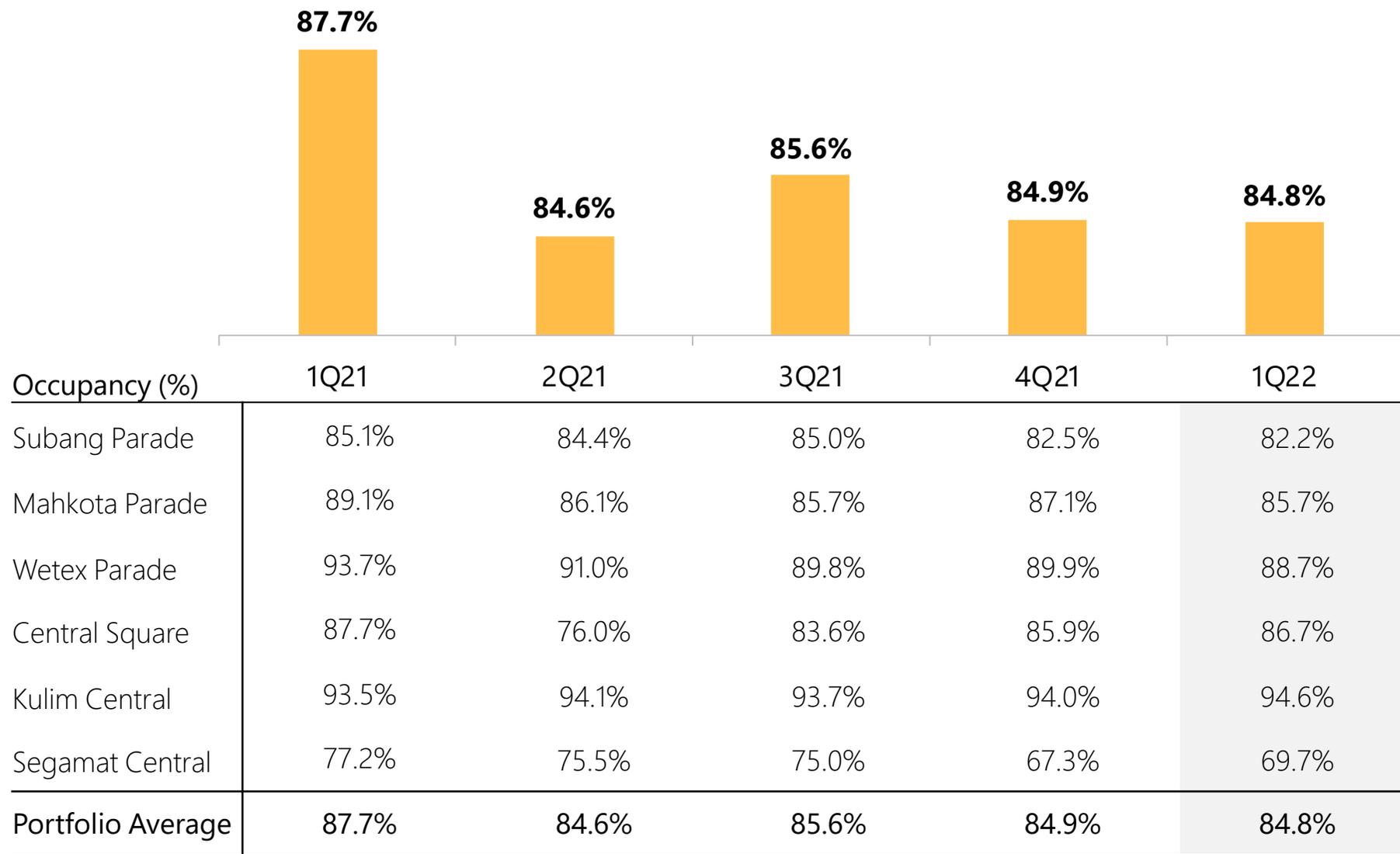
Overall Occupancy at ~84.8% ▶

Rental Reversions at -17.4% ▶

31.6% of NLA expires in 2022 ▶



Average Portfolio Occupancy was stable at **84.8%**



Note: Portfolio Average weighted by NLA



First Quarter Rental Reversions at **-17.4%**

- 41 new/renewed tenancies consisting of 6.8% of total NLA for the quarter ended 31 March 2022.
- Portfolio reversions were negative due to negative reversions at all malls except for Kulim Central.
- Given the dynamic and challenging environment, Management is continuing to adopt a rental review strategy and short-term tenancies for certain tenants to ensure that malls' occupancy remains stable and our retailers can survive and ride through this situation together.

First Quarter Ended 31 March 2022 (3 months)	Number of New Tenancies/ Renewals	NLA (Sq. Ft.)	Percentage of Total NLA	Percentage Change Over Previous Rent Rates
Subang Parade	8	15,719	3.0%	-8.3%
Mahkota Parade	15	20,151	3.9%	-12.9%
Wetex Parade	2	1,904	1.1%	-2.1%
Central Square	6	38,956	12.5%	-4.3%
Kulim Central	1	1,387	0.5%	185.8%
Segamat Central	9	60,312	28.5%	-60.1%
Total/Average	41	138,429	6.8%	-17.4%

Note: Average weighted by NLA

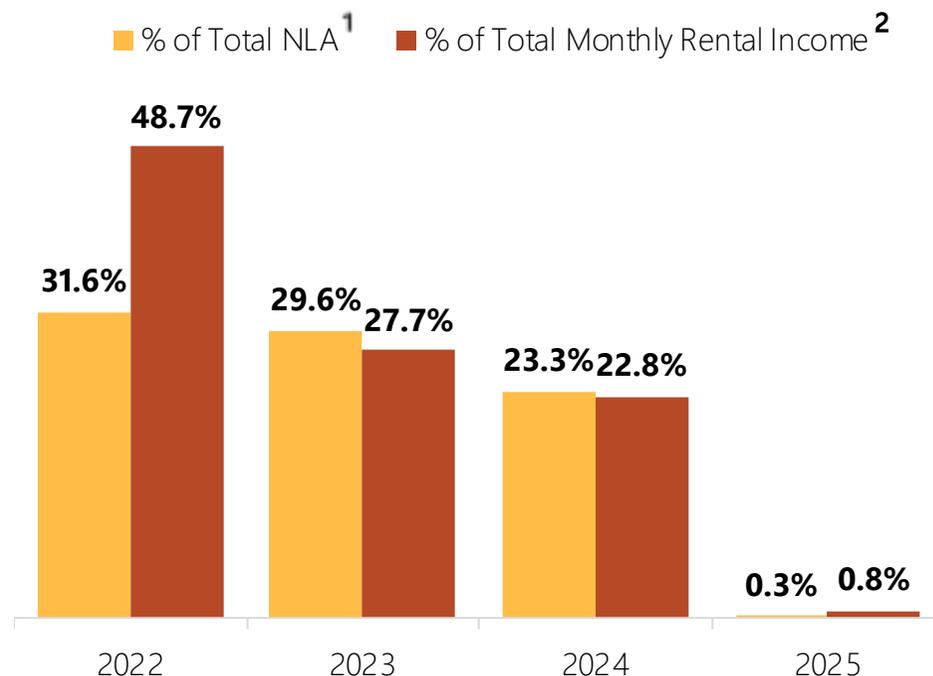


A total of **262** tenancies are expiring in FY2022

- Represents 645,212 sq. ft. or about 31.6% of total NLA.
- Overall, a total of 41 tenancies covering 138,429 sq. ft. have been renewed as at 31 March 2022, representing 6.8% of total NLA.

PORTFOLIO TENANCY EXPIRY PROFILE 2022-2025

Period End March	Number of Tenancies Expiring	Expiring NLA (Sq. Ft.)
2022	262	645,212
2023	56	605,458
2024	58	476,848
2025	6	5,493
Total	382	1,733,011



¹Based on the total Net Lettable Area (NLA) of 2,043,044 sq. ft. as at 31 March 2022.

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

Financial Results

1Q22 Revenue higher by 8.7% ▶

1Q22 Net Property Income higher by 17.9% ▶

1Q22 Realised Net Income higher by 110.8% ▶

97% of Debt expires in 2024-2026 ▶



Income Statement: Quarter Comparative

First Quarter 2022 (Unaudited)	1Q22	1Q21	Variance
	RM '000	RM '000	%
Revenue ¹	29,116	26,781	8.7%
Direct cost & Property expenses ²	(12,492)	(12,683)	1.5%
Net property income (NPI)	16,624	14,098	17.9%
Interest & Other income	1,622	159	919.3%
Trust fees & Expenses ³	(143)	(2,860)	95.0%
Interest expense ⁴	(4,362)	(4,876)	10.6%
Realised income before taxation	13,742	6,520	110.8%
Fair value adjustment of investment properties	-	-	-
Taxation	-	-	-
Net (loss)/income before tax	13,742	6,520	110.8%
Net income per unit (sen)	2.92	1.41	106.6%
- realised	2.92	1.41	106.6%

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

¹ Higher mainly due to tenancy, casual leasing, SAC/RMU and car park income.

² Savings mainly due to lower property maintenance cost partially offset against increase in utilities.

³ Mainly due to reversals of provision for doubtful debt.

⁴ Due to lower OPR rate subsequent to several reductions in 2020 and savings in interest by reorganizing and maximizing available funds accordingly.

Balance Sheet

(Unaudited)

	As at 31.03.2022 (RM '000)	As at 31.12.2021 (RM '000)
Non-Current Assets		
Investment properties	1,164,500	1,164,500
Plant & Equipment	62	68
Capital work In progress	93	63
Fixed deposits with a licensed bank	1,584	1,584
	1,166,239	1,166,215
Current Assets		
Trade receivables	5,355	2,682
Other receivables, deposits and prepayments	3,236	2,726
Cash and bank balances	53,042	59,085
TOTAL ASSETS	1,227,872	1,230,708
Long Term Liabilities		
Tenancy deposits	7,963	9,185
Deferred tax liability	24,888	24,888
Bank borrowings	566,091	566,091
	598,941	600,164
Current Liabilities		
Trade payables	16,898	16,624
Other payables and accruals	23,800	28,183
Tenancy deposits	23,451	22,774
Bank borrowings	15,000	15,000
TOTAL LIABILITIES	678,090	682,745
NET ASSET VALUE	549,782	547,963
Unitholders' capital	496,732	496,732
Retained earnings – realised	57,045	55,226
Retained earnings – unrealised	(3,995)	(3,995)
TOTAL UNITHOLDERS' FUNDS	549,782	547,963

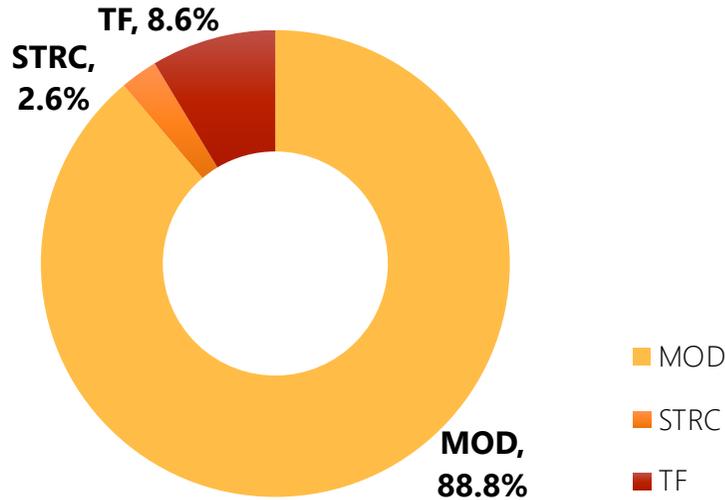
UNIT PRICE STATISTICS

as at 31 March 2022

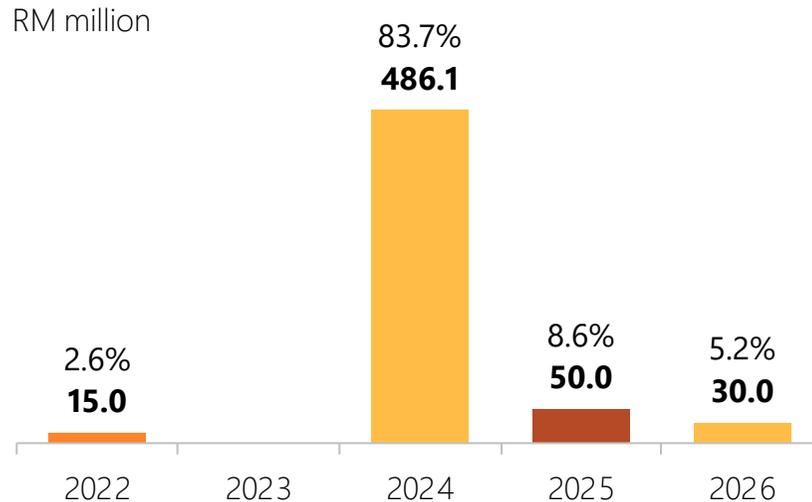
No. of Units	471,260,178
Net Asset Value Per Unit	RM1.167
Unit Price	RM0.505
Market Capitalisation	RM237,986,390
Discount to NAV	-56.7%

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

97% of debt is due in 2024-2026



EXPIRY PROFILE 2022-2026



DEBT SUMMARY

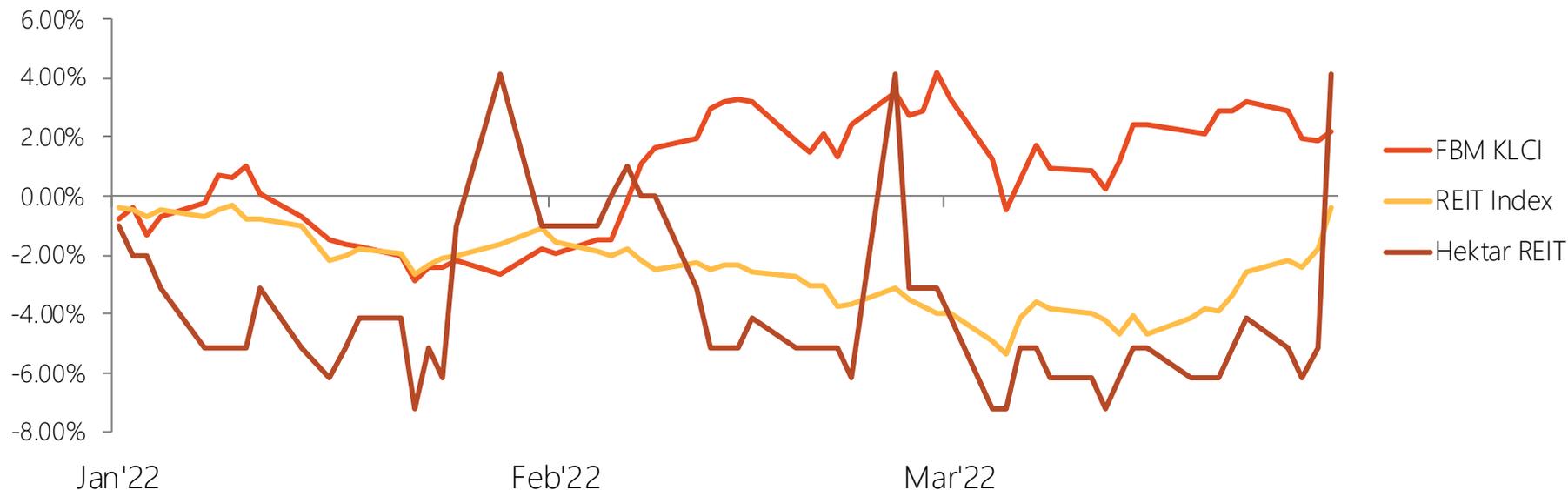
March 2022

Facilities	<ul style="list-style-type: none"> Al-Murabahah Overdraft (MOD) Term Financing (TF) Short-Term Revolving Credit (STRC)
Financiers	Maybank, CIMB
Total Debt	RM581.1 million
Cost Structure	Cost of Funds + (1.00%-1.50%)
Weighted Cost	3.30%
Gearing Ratio ¹	47.3%
Interest Cover ²	4.15 times

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

² Based on 3 months ended 31 March 2022.

Comparative 3-Months Price Performance Trend



PERFORMANCE STATISTICS

Opening Unit Price (3 Jan 2022)	: RM0.485
Closing Unit Price (31 Mar 2022)	: RM0.505
Highest Price	: RM0.52
Lowest Price	: RM0.44
Unit Price Change¹	: 4.12%
REIT Index Price Change	: (0.39%)
FBM KLCI Price Change	: 2.17%

TOTAL RETURN

Unit Price Change ¹	: 4.12%
DPU (sen)	: -
DPU Yield ²	: -
Total Return³	: 4.12%

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

²Based on DPU over closing price of the respective quarter

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

Portfolio Updates



Refreshed retail offerings at Hektar Malls



Switch, Kulim Central



GSC, Central Square



KS Mart Signature, Segamat Central



Mi Store, Segamat Central



Siam Restaurant, Segamat Central



GSC, Subang Parade



V2 Opticare, Central Square



GSC, Kulim Central

Corporate Development



DETAILS OF CORPORATE PROPOSAL

Involve issuance of new type/class of securities?	No
Types of corporate proposal	Private 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
Issue price per share	RM 0.455
No. of units as of 31 March 2022	471,260,178 units
Issued Share Capital	RM 496,731,949.00

Bursa Securities had, via its letter dated 17 May 2022, resolved to grant Hektar REIT an extension of time up to 23 November 2022 to complete the implementation of the Private Placement.

The status of utilization of the gross proceeds from the private placement was as follows:

Proposed Utilization	Proposed amount for utilization (RM)	Actual utilization (RM)	Balance unutilized (RM)
Working capital and capital work in progress	4,145,640	4,145,640	-
Defray expenses for the Proposed Private Placement	85,860	85,860	-
Total	4,231,500	4,231,500	-

Sustainability



Subang Parade, Subang Jaya, Selangor

ENERGY MANAGEMENT	1Q21	1Q22
Indirect Energy Consumption, MWh	8,604,909	8,758,814
Building Energy Intensity (BEI)	1.85	1.88
WATER MANAGEMENT		
Water Usage, m ³	142,650	148,766
Water Use Intensity (WUI)	0.031	0.032
WASTE MANAGEMENT		
Waste Disposal (tonnes)	719	563

CLIMATE CHANGE MANAGEMENT

Scope	CO ₂ e ¹ Emitted	CO ₂ e Avoided
Scope 1	Direct emissions from stationary combustion of diesel used for generators.	To be identified
Scope 2	Indirect emissions from purchase electricity using the location-based and market-based methods.	Energy savings
Scope 3	Indirect emissions from our employees' fuel consumption for the purpose of their work commute.	To be identified

¹ According to the U.S. Environmental Protection Agency (US EPA), carbon dioxide equivalent or CO₂e means the number of metric tons of CO₂ emissions with the same global warming potential (GWP) as one metric ton of another greenhouse gas, and is calculated using Equation A-1 in 40 CFR Part 98 (a common unit of measurement).

CARBON FOOTPRINT

1Q22

CO ₂ e ¹ Emissions (tonnes)	
Scope 1	47
Scope 2	5,124
Scope 3	47
All Scopes	5,218

Emissions Intensity
(kg/sq.ft.)

1.1

Social: CSR Activities



Re-fabricate Recycle

Subang Parade continues to partner with DRB-HICOM and Kloth in its textile waste recycling initiative with 1,405 kg of fabric collected to date.



Pameran Denggi: "Mobile Truck Dengue Buster"

A promotional campaign to prevent the reproduction of the Aedes mosquito was organised by the Ministry of Health Melaka through an exhibition held in Mahkota Parade.



Blood Donation Drives

A total of 1,840 blood bags were collected through various Blood Donation Drives held in Wetex Parade, Central Square, Kulim Central and Segamat Central.



Movie Treat for Kids with Disabilities

Sponsored by Central Square's new tenant, Golden Screen Cinemas (GSC), Central Square organised a movie outing for 60 kids of Bengkel Daya Sungai Petani, a closed workshop established for disabled people.

Creating The Places People Love



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