



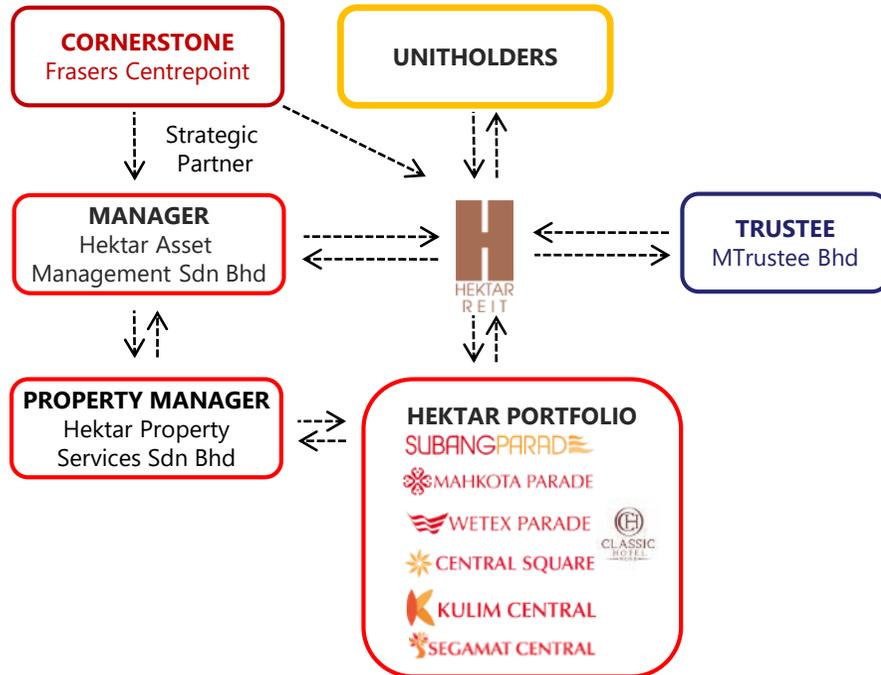
Creating The Places People Love



HEKTAR REAL ESTATE INVESTMENT TRUST
2Q 2019 RESULTS PRESENTATION
28 Aug 2019



Organisation



Diverse Portfolio



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Second Quarter 2019 (2Q19)

April – June 2019 / 3 Months

Financial Performance vs. Previous Period

2Q19 Gross Revenue: RM34.7 million, +2.6%

2Q19 Realised Income: RM9.2 million, -10.0%

Net Property Income dipped - 6.5%

Financing Renewed: 92% of Debt expires in 2024

Cost of Debt: 4.56%

Operational Performance as at 30 June 2019

Portfolio Occupancy: 90.8%

Rent Reversions: -1.6%

Expiry Profile: 32% of Net Lettable Area

Dividend Per Unit

1Q 2019 : 1.93 sen

2Q 2019 : 2.00 sen

3Q 2019 : -

4Q 2019 : -

DPU Yield* : 7.6%

* Based on DPU YTD annualised
over closing price of RM1.03 on 28
June 2019

Distribution Details Second Quarter 2019

Distribution Period: 1 April 2019 – 30 June 2019
 Quarterly DPU: 2.00 sen
 Notice of Entitlement: 29 August 2019
 Ex-Dividend Date: 12 September 2019
 Book Closure Date: 13 September 2019
 Payment Date: 3 October 2019



Hektar REIT offers a competitive **7.6%** dividend yield for 2Q 2019

- Dividend Yield based on annualised average DPU and 2Q 2019 closing price of RM1.03

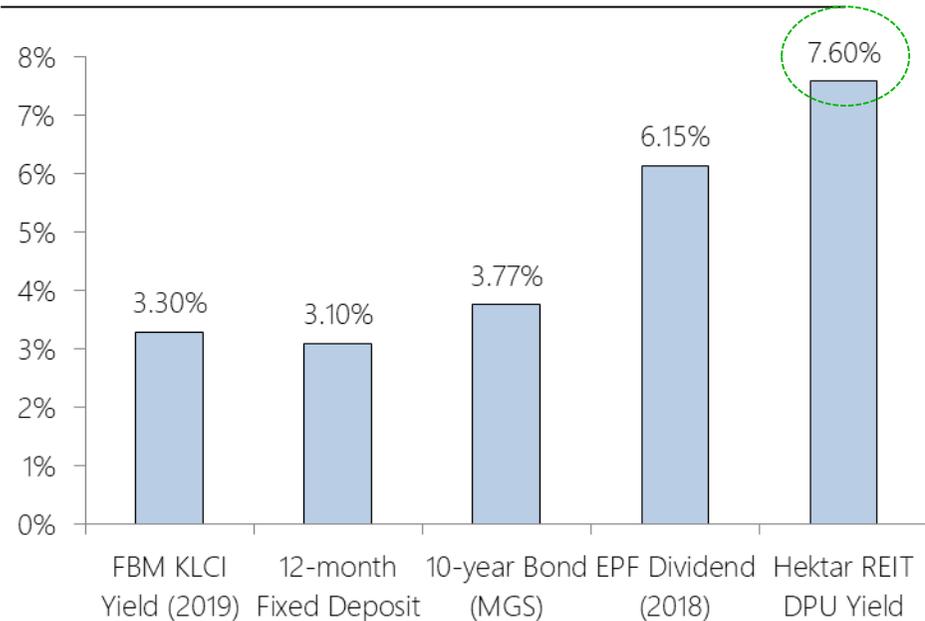
Dividend Per Unit

1Q 2019	: 1.93 sen
2Q 2019	: 2.00 sen
3Q 2019	: -
4Q 2019	: -

DPU Yield* : 7.6%

* Based on DPU YTD annualised over closing price of RM1.03 on 28 June 2019

Comparative Yields



Sources: FTSE Russell (April 2019), Maybank (May 2019), Bank Negara (31 March 2019), EPF

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PARADE
It's Our Place!

MAHKOTA
PARADE
It's Our Place!

WETEX
PARADE
It's Our Place!

CENTRAL
SQUARE
It's Our Place!

KULIM
CENTRAL
It's Our Place!

SEGAMAT
CENTRAL
It's Our Place!

Overall Occupancy at ~90.8% ▶

Rental Reversions -1.6% for 2Q19 ▶

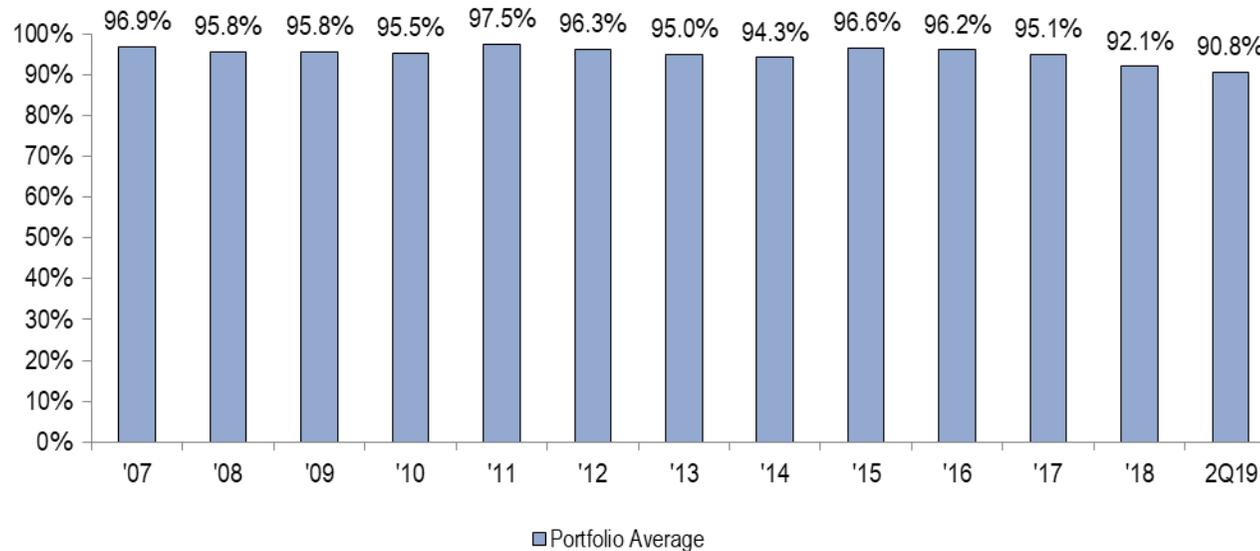
Expiry Profile: 32% NLA expires in 2019 ▶

Portfolio Performance

Average portfolio occupancy steady at **90.8%**

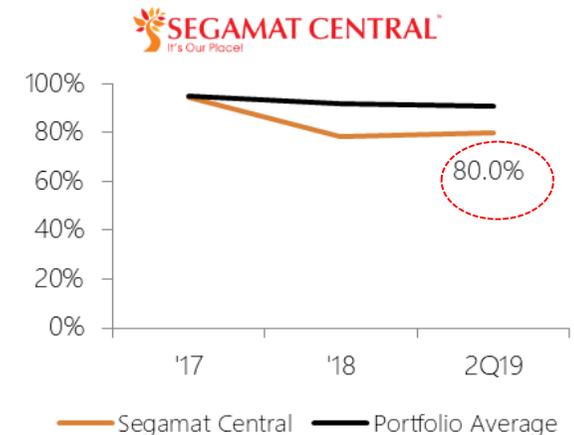
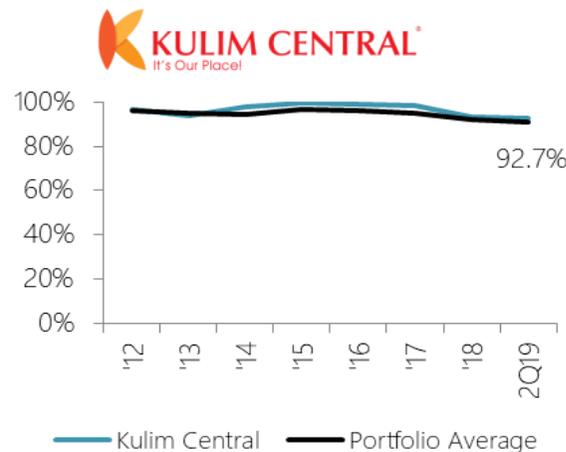
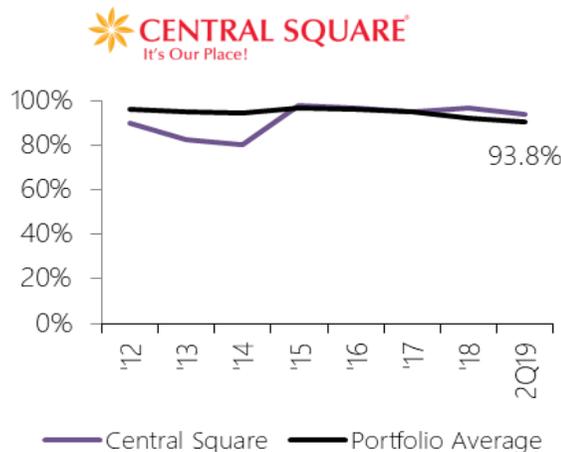
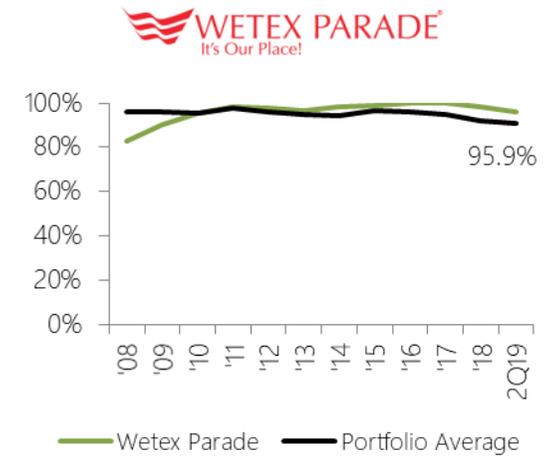
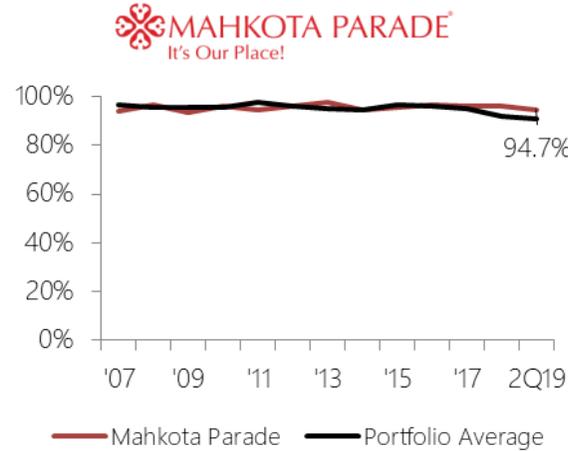
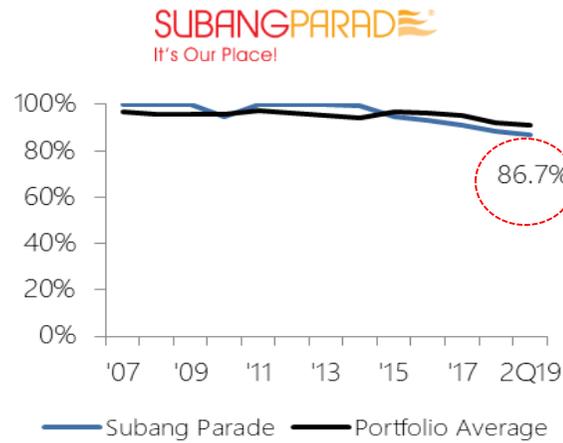
Portfolio Occupancy 2007-2019

Property	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	2Q19
Subang Parade	93.4%	98.3%	98.5%	99.9%	99.8%	100.0%	94.8%	99.9%	99.8%	100.0%	99.3%	94.7%	93.0%	90.9%	88.2%	86.7%
Mahkota Parade	86.8%	96.9%	94.9%	93.9%	96.5%	93.6%	96.1%	94.5%	96.1%	97.8%	94.5%	95.5%	96.4%	96.1%	96.0%	94.7%
Wetex Parade					83.1%	90.1%	95.6%	98.6%	97.8%	96.8%	98.3%	98.7%	100.0%	100.0%	98.5%	95.9%
Central Square									89.8%	82.5%	80.5%	98.0%	96.6%	95.3%	96.9%	93.8%
Kulim Central									96.9%	93.7%	97.8%	99.3%	98.9%	98.2%	93.5%	92.7%
Segamat Central														94.7%	78.6%	80.0%
Portfolio Average	91.3%	97.6%	96.7%	96.9%	95.8%	95.8%	95.5%	97.5%	96.3%	95.0%	94.3%	96.6%	96.2%	95.1%	92.1%	90.8%



Subang Parade and Segamat Central occupancy still fluctuating due to Asset Enhancement planning & repositioning

- Portfolio Average at 90.8% for 2Q 2019



Second Quarter Rental Reversions negative (-1.6%)

- Represented by only 4.5% of NLA
- Weighed down by Subang Parade due to Asset Enhancement planning and positioning
- Strong performance by Central Square, Kulim Central and Wetex Parade

CENTRAL SQUARE

+53.8%

- Positive reversions for all 5 tenants
- Key Renewed/New Tenants: Seleria Food Court, WS Spring, Watsons, Wow Wonderland Box

KULIM CENTRAL

+16.8%

- Positive reversions for all 4 tenants
- Key Renewed/New Tenants: Poh Sang, De Touch, Ole-Ole Superbowl, DOR Collection

WETEX PARADE

+16.6%

- Positive reversions for all 8 tenants
- Key Renewed/New Tenants: M-Communications, San Teppanyaki, Mumchy Café & See Chuan Seng

MAHKOTA PARADE

-0.3%

- Key Renewed/New Tenants Categories: F&B, Services, Fashion

SUBANG PARADE

-13.9%

- Key Renewed/New Tenant Categories: Services & F&B

SEGAMAT CENTRAL

-15.0%

- Key Renewed/New Tenant Categories: IT & Electronics, Gifts

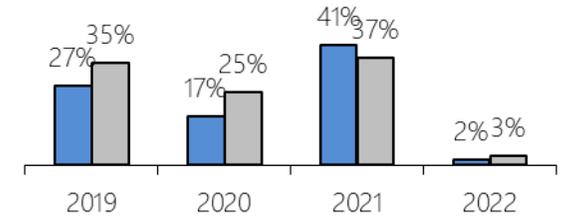
Portfolio Rental Reversions 2Q 2019

Second Quarter (3 months) (Ended 30 June)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	+/- vs Previous Rent Rates
Subang Parade	13	23,828	4.7%	-13.9%
Mahkota Parade	7	12,879	2.5%	-0.3%
Wetex Parade	8	7,453	4.3%	16.6%
Central Square	5	14,074	4.5%	53.8%
Kulim Central	4	26,986	9.0%	16.8%
Segamat Central	7	7,052	3.3%	-15.0%
Total / Average*	44	92,272	4.5%	-1.6%

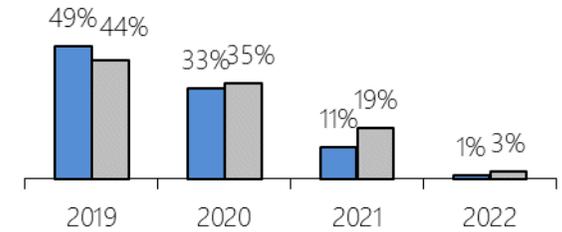
Tenancy Expiry by Property



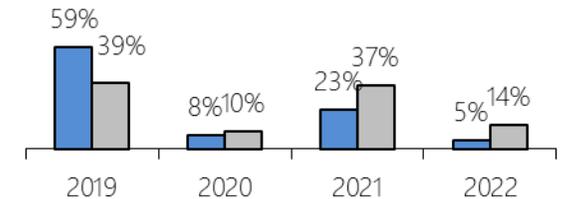
Period End	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
June 2019	51	138,199	27%	35%
June 2020	31	86,196	17%	25%
June 2021	28	210,651	41%	37%
June 2022	7	8,691	2%	3%



Period End	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
June 2019	45	253,472	49%	44%
June 2020	27	172,141	33%	35%
June 2021	27	59,612	11%	19%
June 2022	5	6,624	1%	3%



Period End	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
June 2019	20	103,934	59%	39%
June 2020	10	14,244	8%	10%
June 2021	31	40,655	23%	37%
June 2022	10	8,936	5%	14%

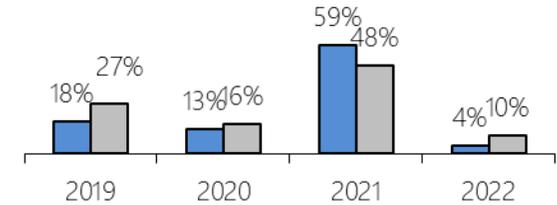


*Based on total NLA and monthly rental income for Jun 2019. Figures may not round to 100% due to misc. items

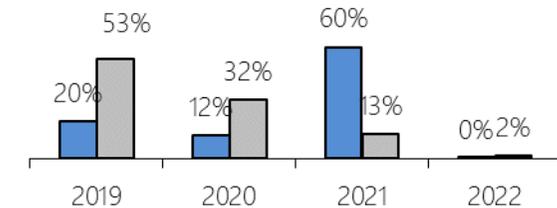
Tenancy Expiry by Property



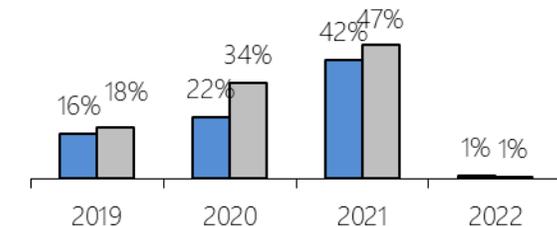
Period End	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
June				
2019	22	54,626	18%	27%
2020	21	41,231	13%	16%
2021	17	182,610	59%	48%
2022	3	12,825	4%	10%



Period End	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
June				
2019	28	60,082	20%	53%
2020	23	36,541	12%	32%
2021	25	179,944	60%	13%
2022	1	1,034	0%	2%



Period End	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
June				
2019	15	34,022	16%	18%
2020	15	47,123	22%	34%
2021	22	90,222	42%	47%
2022	1	1,776	1%	1%



*Based on total NLA and monthly rental income for Jun 2019. Figures may not round to 100% due to misc. items

■ By Total NLA ■ By Monthly Rental Income

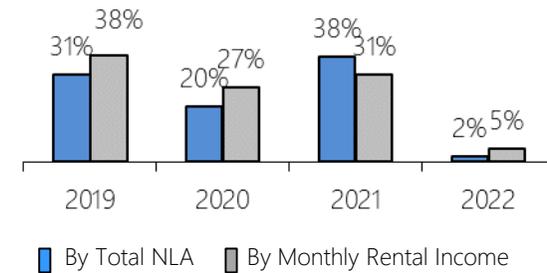
Tenancy Expiry for Portfolio 2019-2022

- For FY 2019, the total amount of tenancies due for expiry was 181 which represented 644,335 sq. ft. or 32% of Total NLA.
- For 2Q 2019, a total of 44 tenancies covering 92,272 sq. ft. were renewed, representing 4.5% of Total NLA

Portfolio Expiry Profile 2019-2022

Period End June	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2019	181	644,335	31%	38%
2020	127	397,476	20%	27%
2021	150	763,694	38%	31%
2022	27	39,886	2%	5%

*Based on total NLA and monthly rental income for Jun 2019. Figures may not round to 100% due to misc. items



2Q19 Gross Revenue up 2.6% from preceding period ▶

2Q19 NPI down 6.5% from preceding period ▶

Financing Renewed: 92% of Debt expires in 2024 ▶

Financial Results



Revenue up by 2.6% in 2Q19

- Net Property Income lower by 6.5%
- Realised Income declined 10% vs previous quarter due to higher interest fees

Income Statement Second Quarter 2019 (unaudited)	2Q19 (RM '000)	2Q18 (RM '000)	Variance (%)
Revenue	34,738	33,848	2.6%
Direct Cost & Property Expenses	(16,490)	(14,332)	-15.1%
Net Property Income (NPI)	18,248	19,516	-6.5%
Interest & Other Income	138	181	-23.8%
Trust Fees & Expenses	(2,833)	(3,166)	10.5%
Interest Expense	(6,309)	(6,260)	-0.8%
Realised Income Before Taxation	9,244	10,271	-10.0%
Fair Value Adjustment of Investment Properties	-	-	-
Fair Value Change on Derivatives	-	-	-
Net Income Before Tax	9,244	10,271	-10.0%
Net Income per Unit (sen)	2.00	2.22	-9.9%
- realised	2.00	2.22	-9.9%

Please refer to the Quarterly Results Announcement for further details.

For Period 1 January – 30 June 2019
(versus previous comparable period)

Income Statement Year-To-Date 2019 (unaudited)	1H19 (RM '000)	1H18 (RM '000)	Variance (%)
Revenue	68,087	67,807	0.4%
Direct Cost & Property Expenses	(31,264)	(28,869)	-8.3%
Net Property Income (NPI)	36,823	38,938	-5.4%
Interest & Other Income	451	273	65.2%
Trust Fees & Expenses	(6,443)	(6,111)	-5.4%
Interest Expense	(12,673)	(12,419)	-2.0%
Realised Income Before Taxation	18,158	20,681	-12.2%
Fair Value Adjustment of Investment Properties	-	-	-
Fair Value Change on Derivatives	-	266	N/A
Net Income Before Tax	18,158	20,947	-13.3%
Net Income per Unit (sen)	3.93	4.53	-13.2%
- realised	3.93	4.48	-12.3%

Please refer to the Quarterly Results Announcement for further details.

Balance Sheet (Unaudited)	As at 30.6.2019 (RM '000)	As at 31.12.2018 (RM '000)
Non-Current Assets		
Investment Properties	1,221,500	1,221,500
Plant & Equipment	116	141
Capital Work in Progress	11,584	6,129
Fixed Deposit with a licensed bank	1,491	1,447
	<u>1,234,691</u>	<u>1,229,217</u>
Current Assets		
Trade Receivables	19,170	18,217
Other Receivables, Deposits, Prepayments	5,682	7,504
Cash and Bank Balances	10,076	13,335
TOTAL ASSETS	<u>1,269,619</u>	<u>1,268,273</u>
Long Term Liabilities		
Tenancy Deposits	15,131	15,902
Borrowings	548,072	548,072
Derivative Financial Instrument	-	-
	<u>563,203</u>	<u>563,974</u>
Current Liabilities		
Trade Payables	7,988	5,588
Other Payables and Accruals	32,600	30,488
Tenancy Deposits	16,942	17,907
Borrowings	15,000	15,000
TOTAL LIABILITIES	<u>635,733</u>	<u>632,957</u>
NET ASSET VALUE	633,886	635,316
Unitholders' Capital	492,500	492,500
Retained Earnings - realised	41,711	43,140
Retained Earnings – unrealised	99,675	99,675
TOTAL UNITHOLDERS' FUND	<u>633,886</u>	<u>635,315</u>

Unit Price Statistics

As at 30 June 2019

No. of Units Outstanding
461,960,178

Net Asset Value Per Unit
RM 1.37

Unit Price
RM 1.03

Market Capitalisation
RM475,818,983

Premium / Discount to NAV
-24.9%

Please refer to the Quarterly Results Announcement for further details.

Debt Summary August 2019

- Facilities: Al-Murabahah, Term Loan (TL), Short-Term Revolving Credit (STRC)
- Financier: [Maybank](#)
- Total Debt: [RM563.1 million](#)
- Cost Structure: [Cost of Funds +1.00%](#)
- Weighted Cost: [4.56%](#)
- Gearing Ratio¹: [44.3%](#)
- Interest Cover²: [2.47](#)

¹ Gearing ratio calculated by financing liabilities over Gross Asset Value (GAV). ² Based on 3 months ended 30 Jun 2019

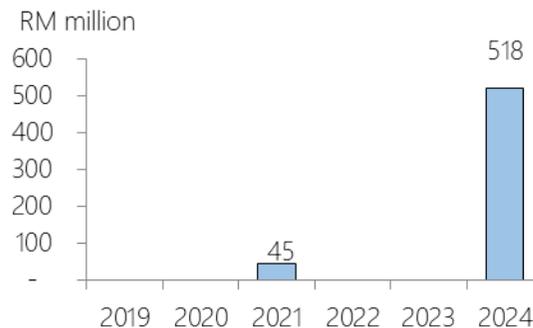
Facilities

#	Facility	Amount (RM'000)	% Total Debt	Security	Expiry	Cost
1	MOD 1	184,000	32.7%	Subang Parade	Feb-24	4.51%
2	MOD 2	150,000	26.6%	Mahkota Parade	Feb-24	4.53%
3	STRC	15,000	2.7%	Mahkota Parade	Mar-21	4.57%
4	Term Loan	30,000	5.3%	Mahkota Parade	Mar-21	4.67%
5	MOD 3	54,300	9.6%	Wetex Parade	Feb-24	4.63%
6	MOD 4	32,800	5.8%	Wetex Parade	Feb-24	4.63%
7	MOD 5	64,972	11.5%	Kulim Central	Feb-24	4.63%
8	MOD 6	32,000	5.7%	Central Square	Feb-24	4.63%
Total		563,072	100%			4.56%

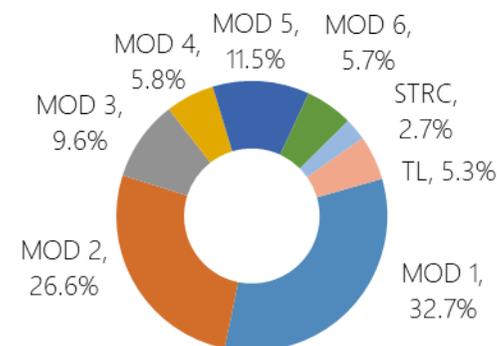
Note: STRC is reviewed annually. Cost of Funds based on floating rate.

Expiry Profile 2019-2024

Year	% Debt
2019	0.0%
2020	0.0%
2021	8.0%
2022	0.0%
2023	0.0%
2024	92.0%



Funding Composition



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Portfolio Updates



New & Refurbished Tenants



New & Refurbished Tenants



New & Refurbished Tenants



New & Refurbished Tenants



New & Refurbished Tenants





Home & Living



PARKSON 百盛
SUBANG PARADE
CONCEPT PRESENTATION

Pictures for illustrative purposes
Concept to be finalised

Hektar Honoured at Multiple Awards in 2019

- Hektar REIT scored bronze at 11th Annual Global CSR Summit & Awards 2019
 - Best Environmental Excellence Category
- Hektar Property Services honoured at CSR Malaysia Awards 2019
 - Company of the Year Award for Property Management Category
- Hektar REIT's Subang Parade wins at National Energy Awards 2019
 - Energy Efficiency Building – Retrofitted Building Category

National Energy Awards 2019



YB Yeo Bee Yin, Minister of Energy, Science, Technology, Environment and Climate Change, presented the award to Dato' Hisham bin Othman, Chief Executive Officer of Hektar Asset Management

CSR Malaysia Awards 2019



YB Hannah Yeoh, Deputy Minister of Ministry of Women, Family and Community Development, presented the award to Dato' Hisham bin Othman, Chief Executive Officer of Hektar Asset Management

Creating The Places People Love



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