



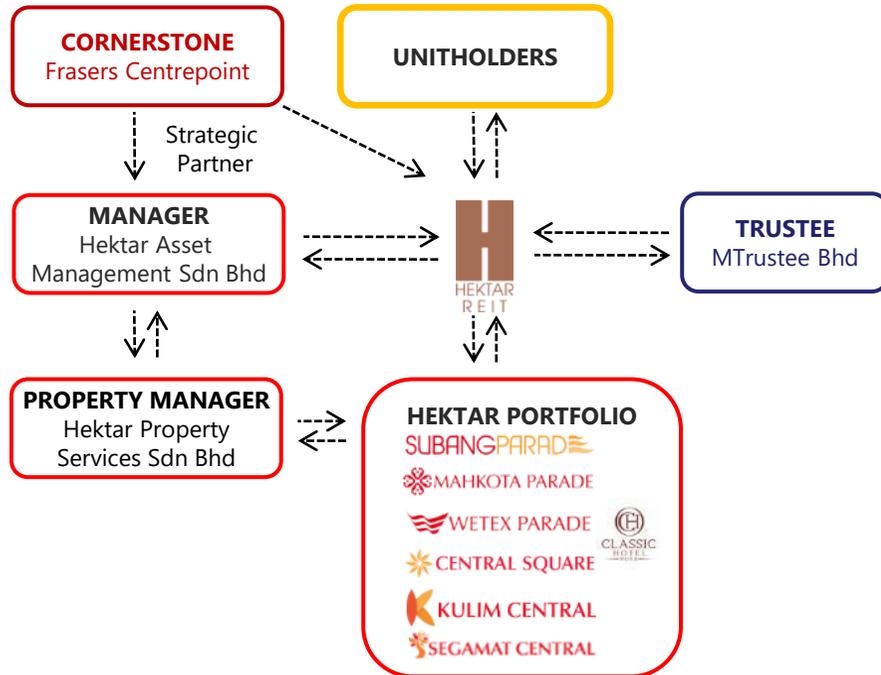
Creating The Places People Love



HEKTAR REAL ESTATE INVESTMENT TRUST
2Q 2020 RESULTS PRESENTATION
26 Aug 2020



Organisation



Diverse Portfolio



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Second Quarter 2020 (2Q20)

April – June 2020 / 3 Months

Financial Performance vs. Previous Period

2Q20 Gross Revenue: RM24.6 million, -29.2%

2Q20 Realised Income: RM1.5 million, -83.8%

Net Property Income dipped – 34.4%

Financing Renewed: 92% of Debt expires in 2024-2025

Cost of Debt: 3.45%

Operational Performance as at 30 June 2020

Portfolio Occupancy: 90.7%

Rent Reversions: +30.3%

Expiry Profile: 32% of Net Lettable Area

Recovery Plans on Track during Recovery MCO Period

- MCO: 18 March
 - Mandatory government order designed to minimise spread of COVID-19
 - Only essential services open (supermarkets, pharmacies, food supply, others)
- Recovery MCO: 10 June
 - Approximately 94% of all tenants throughout portfolio open as at July 2020
 - Visitor traffic recovery varies depending on region
- Tenant Support Program: Hektar to offer support for tenants affected by MCO
 - Assistance applied selectively on a case-by-case basis
- Classic Hotel Month-to-Date (1-23 August): Occupancy at 43% and Average Room Rate of RM126
- Marketing – Sales Promotion Campaigns in all shopping centres
- Subang Parade Anchor Renewal In Progress
 - Parkson LG Floor Refurbishment completed, reopened in July 2020
 - Village Grocer Supermarket in progress, target opening in September 2020

Hektar REIT Dividend Deferment during Moratorium Period

- Hektar REIT granted temporary deferment of interest / profit payment on financing facilities by Malayan Banking Berhad and Maybank Islamic Berhad
- Moratorium Period for 6 months from 1 May to 31 October 2020
- Condition: no dividends to be paid to unitholders until full settlement of deferred interest / profit payment on financing facilities

Hektar remains committed to paying 90% of distributable income in FY2020

- Management has discretion on dividend payment schedule

Overall Occupancy at ~90.7% ▶

Rental Reversions +30.3% for 2Q20 ▶

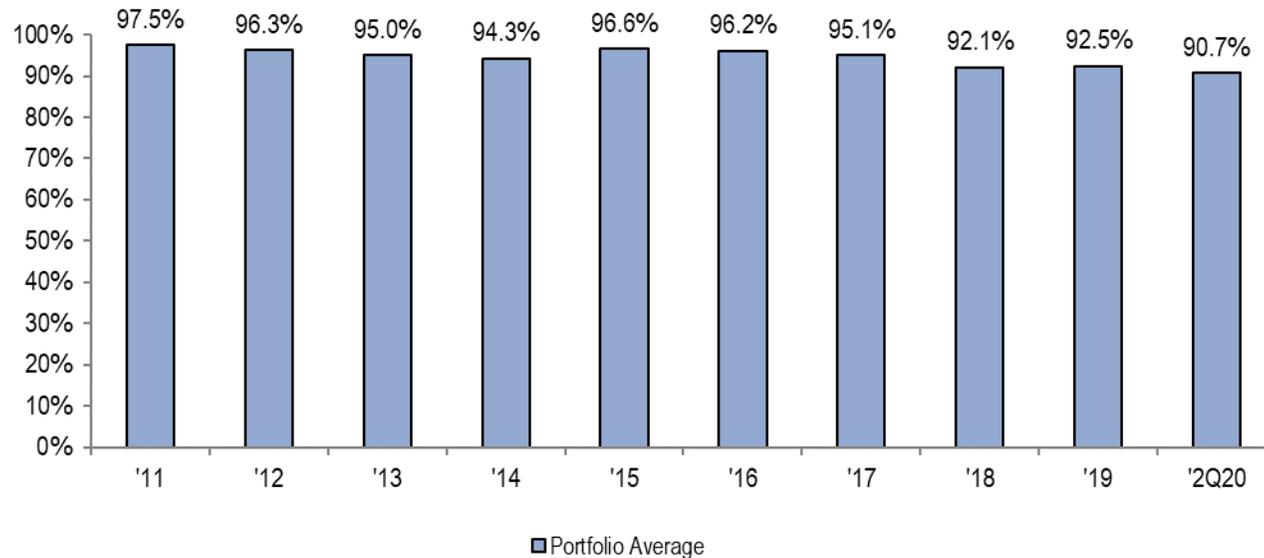
Expiry Profile: 32% NLA expires in 2020 ▶

Portfolio Performance

Average portfolio occupancy steady at **90.7%**

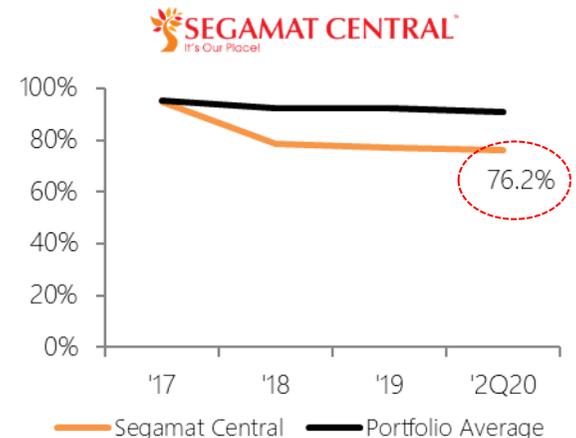
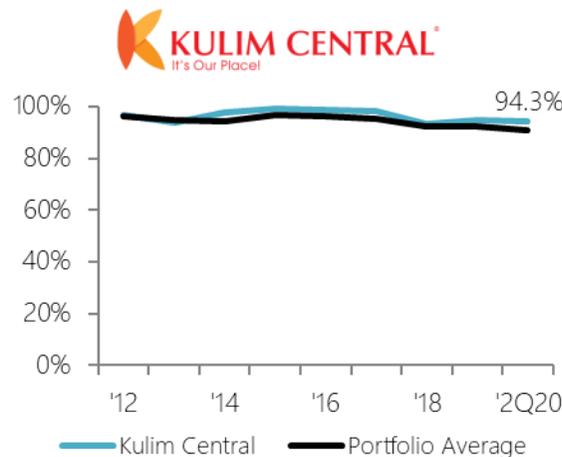
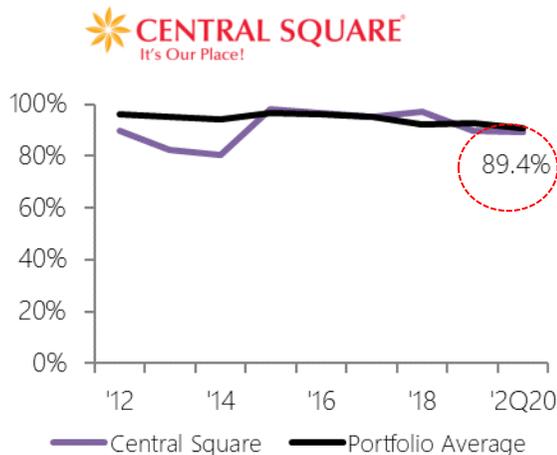
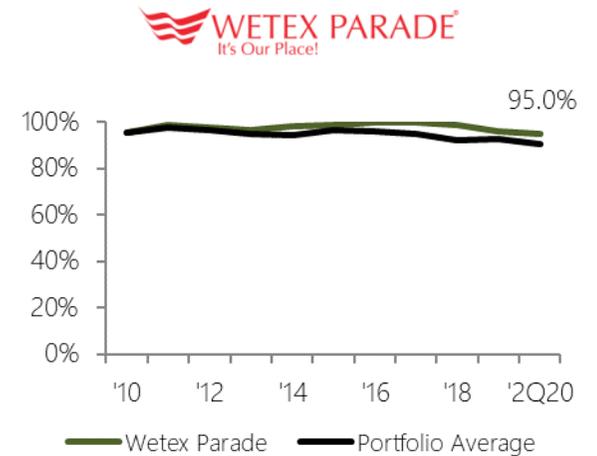
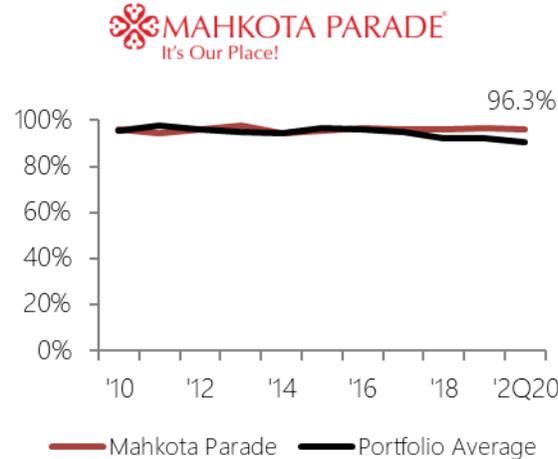
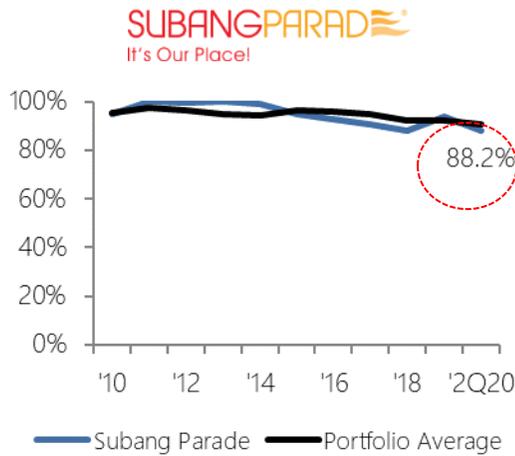
Portfolio Occupancy 2011-2020

Data Table	'11	'12	'13	'14	'15	'16	'17	'18	'19	'2Q20
Subang Parade	99.9%	99.8%	100.0%	99.3%	94.7%	93.0%	90.9%	88.2%	93.9%	88.2%
Mahkota Parade	94.5%	96.1%	97.8%	94.5%	95.5%	96.4%	96.1%	96.0%	96.4%	96.3%
Wetex Parade	98.6%	97.8%	96.8%	98.3%	98.7%	100.0%	100.0%	98.5%	96.2%	95.0%
Central Square		89.8%	82.5%	80.5%	98.0%	96.6%	95.3%	96.9%	89.7%	89.4%
Kulim Central		96.9%	93.7%	97.8%	99.3%	98.9%	98.2%	93.5%	95.0%	94.3%
Segamat Central							94.7%	78.6%	77.1%	76.2%
Portfolio Average	97.5%	96.3%	95.0%	94.3%	96.6%	96.2%	95.1%	92.1%	92.5%	90.7%



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

- Portfolio Average at 90.7% for 2Q 2020



Second Quarter Rental Reversions (+30.3%)

- Only 7 tenants renewed in 2Q 2020, representing 0.3% of NLA
- Impact due to Movement Control Order - only essential services opened from 18 March to 31 May 2020

Portfolio Rental Reversions 2Q 2020

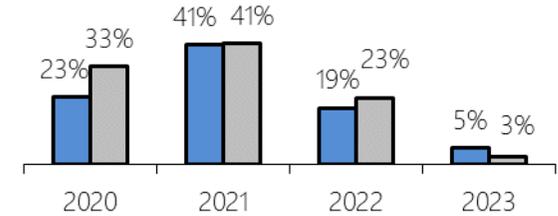
Second Quarter (3 months) (Ended 30 June)	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	+/- vs Previous Rent Rates
Subang Parade	1	734	0.1%	0.0%
Mahkota Parade	3	3,400	0.7%	33.7%
Wetex Parade	1	851	0.5%	10.0%
Central Square	1	338	0.1%	6.8%
Kulim Central	1	1,033	0.3%	69.8%
Segamat Central	0	-	0.0%	-
Total / Average*	7	6,356	0.3%	30.3%

<p>KULIM CENTRAL</p> <ul style="list-style-type: none"> ▪ Key Renewed/New Tenants: Fashion & Footwear 	<p>+69.8%</p>
<p>MAHKOTA PARADE</p> <ul style="list-style-type: none"> ▪ Key Renewed/New Tenants Categories: Specialty 	<p>+33.7%</p>
<p>WETEX PARADE</p> <ul style="list-style-type: none"> ▪ Key Renewed/New Tenants: Specialty 	<p>+10.0%</p>
<p>CENTRAL SQUARE</p> <ul style="list-style-type: none"> ▪ Key Renewed/New Tenants: Telecoms 	<p>+6.8%</p>
<p>SUBANG PARADE</p> <ul style="list-style-type: none"> ▪ Key Renewed/New Tenant Categories: Health & Wellness 	<p>+0.0%</p>

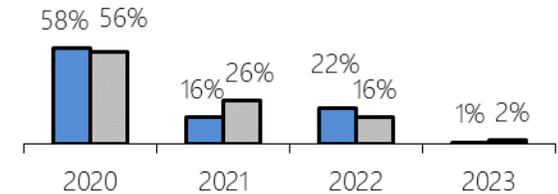
Tenancy Expiry by Property



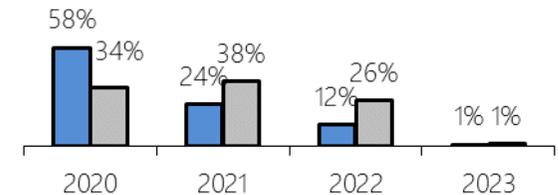
Period End Jun	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2020	50	119,531	23%	33%
2021	31	212,794	41%	41%
2022	31	99,899	19%	23%
2023	2	28,112	5%	3%



Period End Jun	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2020	54	302,935	58%	56%
2021	34	82,918	16%	26%
2022	20	113,081	22%	16%
2023	2	2,808	1%	2%



Period End Jun	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2020	15	101,014	58%	34%
2021	31	42,623	24%	38%
2022	21	21,452	12%	26%
2023	2	1,249	1%	1%

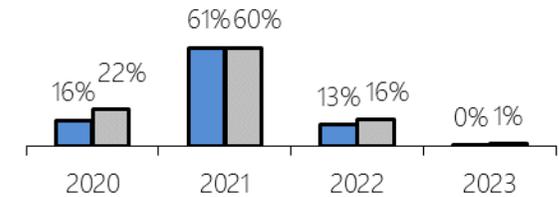


*Based on total NLA and monthly rental income for Jun 2020. Figures may not round to 100% due to misc. items

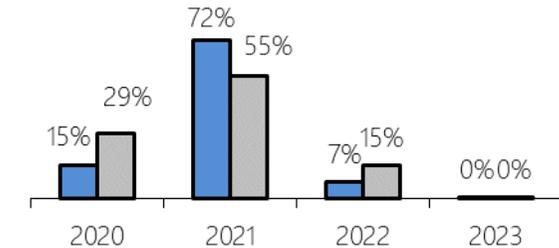
Tenancy Expiry by Property



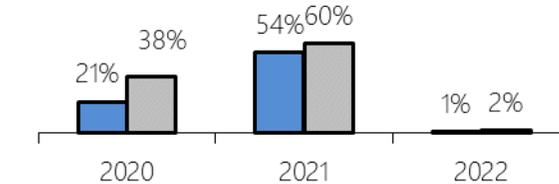
Period End	Tenancies	Expiring NLA	Expiring NLA as	% of Monthly
Jun	Expiring	(sq ft)	% of Total NLA	Rental Income*
2020	23	48,672	16%	22%
2021	20	188,179	61%	60%
2022	8	39,886	13%	16%
2023	2	806	0%	1%



Period End	Tenancies	Expiring NLA	Expiring NLA as	% of Monthly
Jun	Expiring	(sq ft)	% of Total NLA	Rental Income*
2020	26	45,425	15%	29%
2021	32	214,556	72%	55%
2022	13	22,069	7%	15%
2023	1	689	0%	0%



Period End	Tenancies	Expiring NLA	Expiring NLA as	% of Monthly
Jun	Expiring	(sq ft)	% of Total NLA	Rental Income*
2020	17	44,401	21%	38%
2021	27	114,776	54%	60%
2022	2	2,357	1%	2%



*Based on total NLA and monthly rental income for Jun 2020. Figures may not round to 100% due to misc. items

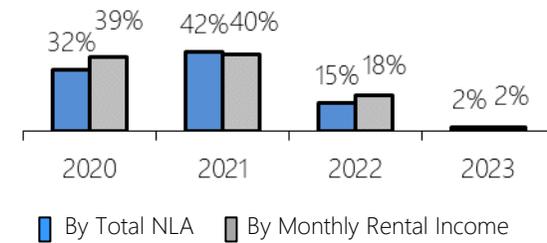
Tenancy Expiry for Portfolio 2020-2023

- For FY 2020, the total amount of tenancies due for expiry was 185 which represented 661,978 sq. ft. or 32% of Total NLA
- For 2Q 2020, a total of 7 tenancies covering 6,356 sq. ft. were renewed, representing 0.3% of Total NLA

Portfolio Expiry Profile 2020-2023

Period End Jun	Tenancies Expiring	Expiring NLA (sq ft)	Expiring NLA as % of Total NLA	% of Monthly Rental Income*
2020	185	661,978	32%	39%
2021	175	855,846	42%	40%
2022	95	298,744	15%	18%
2023	9	33,664	2%	2%

*Based on total NLA and monthly rental income for Jun 2020. Figures may not round to 100% due to misc. items



Financial Results

- ▶ 2Q20 Gross Revenue down 29.2% from preceding period
- ▶ 2Q20 NPI down 34.4% from preceding period
- ▶ Financing Renewed: 92% of Debt expires in 2024-2025

Revenue declined by 29.2% in 2Q20

- Net Property Income lower by 34.4%
- Realised Income declined 83.8% vs previous quarter due to Movement Control Order

Income Statement	2Q20	2Q19	Variance
Second Quarter 2020 (unaudited)	(RM '000)	(RM '000)	(%)
Revenue	24,601	34,738	-29.2%
Property Operating Expenses	-12,628	-16,490	23.4%
Net Property Income (NPI)	11,973	18,248	-34.4%
Interest & Other Income	127	138	-7.8%
Trust Expenses	-5,089	-2,833	-79.7%
Interest Expense	-5,512	-6,309	12.6%
Realised Income Before Taxation	1,499	9,244	-83.8%
Fair Value Adjustment of Investment Properties	-	-	-
Fair Value Change on Derivatives	-	-	-
Taxation	-	-	-
Net Income Before Tax	1,499	9,244	-83.8%
Net Income per Unit (sen)	0.32	2.00	-83.8%
- realised	0.32	2.00	-83.8%

Trust Expenses Higher loss provisions provided
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For Period 1 January – 30 June 2020 (versus previous comparable period)

- Year-to-date, realised net income has declined 52.8%

Income Statement	1H20	1H19	Variance
Year-To-Date (unaudited)	(RM '000)	(RM '000)	(%)
Revenue	55,315	68,087	-18.8%
Property Operating Expenses	-27,627	-31,264	11.6%
Net Property Income (NPI)	27,688	36,823	-24.8%
Interest & Other Income	223	451	-50.6%
Trust Expenses	-8,180	-6,443	-26.9%
Interest Expense	-11,157	-12,673	12.0%
Realised Income Before Taxation	8,574	18,158	-52.8%
Fair Value Adjustment of Investment Properties	-	-	-
Fair Value Change on Derivatives	-	-	-
Taxation	-	-	-
Net Income Before Tax	8,574	18,158	-52.8%
Net Income per Unit (sen)	1.86	3.93	-52.8%
- realised	1.86	3.93	-52.8%

Trust Expenses
Higher loss provisions provided

Balance Sheet (Unaudited)	As at 30.6.2020 (RM '000)	As at 31.12.2019 (RM '000)
Non-Current Assets		
Investment Properties	1,236,500	1,236,500
Plant & Equipment	102	113
Capital Work in Progress	5,459	1,158
Fixed Deposit with a licensed bank	1,532	1,527
	<u>1,243,593</u>	<u>1,239,298</u>
Current Assets		
Trade Receivables	19,967	19,995
Other Receivables, Deposits, Prepayments	8,027	6,317
Cash and Bank Balances	24,177	10,467
TOTAL ASSETS	<u>1,295,764</u>	<u>1,276,076</u>
Long Term Liabilities		
Tenancy Deposits	11,327	13,290
Deferred tax liability	28,171	28,171
Bank Borrowings	566,091	548,091
	<u>605,589</u>	<u>589,552</u>
Current Liabilities		
Trade Payables	18,017	9,135
Other Payables and Accruals	27,578	31,336
Tenancy Deposits	20,814	21,621
Bank Borrowings	15,000	15,000
TOTAL LIABILITIES	<u>686,998</u>	<u>666,645</u>
NET ASSET VALUE	608,767	609,432
Unitholders' Capital	492,500	492,500
Retained Earnings - realised	41,023	41,688
Retained Earnings – unrealised	75,244	75,244
TOTAL UNITHOLDERS' FUND	<u>608,767</u>	<u>609,432</u>

Unit Price Statistics As at 30 June 2020

No. of Units Outstanding
461,960,178

Net Asset Value Per Unit
RM 1.32

Unit Price
RM 0.65

Market Capitalisation
RM300,274,116

Premium / Discount to NAV
-50.7%

Please refer to the Quarterly Results Announcement for further details.

Hektar granted temporary deferment of interest / profit payment on financing facilities by Maybank from May to October 2020

Debt Summary August 2020

- Facilities: Al-Murabahah, Term Loan (TL), Short-Term Revolving Credit (STRC)
- Financiers: [Maybank, CIMB](#)
- Total Debt: [RM581.1 million](#)
- Cost Structure: [Cost of Funds +1.00%](#)
- Weighted Cost: [3.45%](#)
- Gearing Ratio¹: [44.9%](#)
- Interest Cover²: [1.75](#)

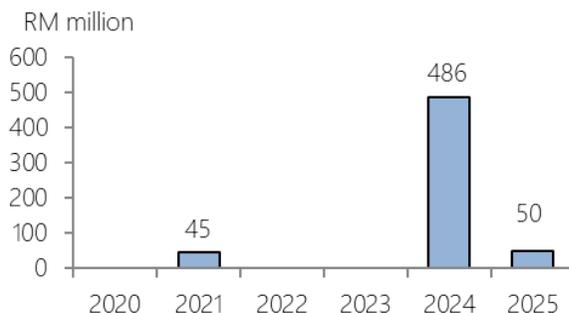
¹ Gearing ratio calculated by financing liabilities over Gross Asset Value (GAV). ² Based on 3 months ended 30 Jun 2020

Facilities

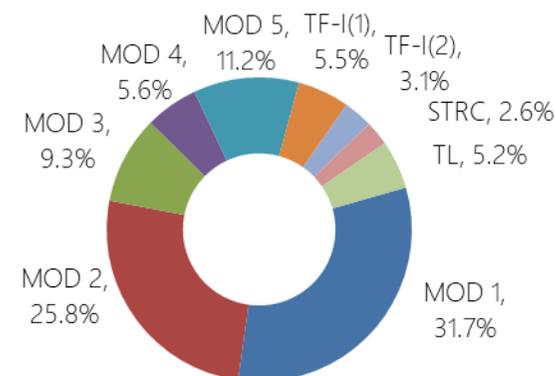
#	Facility	Amount (RM'000)	% Total Debt	Security	Expiry	Cost
1	MOD 1	184,000	31.7%	Subang Parade	Feb-24	3.62%
2	MOD 2	150,000	25.8%	Mahkota Parade	Feb-24	3.22%
3	STRC	15,000	2.6%	Mahkota Parade	Apr-21	3.69%
4	Term Loan	30,000	5.2%	Mahkota Parade	Mar-21	3.59%
5	MOD 3	54,300	9.3%	Wetex Parade	Feb-24	3.26%
6	MOD 4	32,800	5.6%	Wetex Parade	Feb-24	3.26%
7	MOD 5	64,991	11.2%	Kulim Central	Feb-24	3.27%
8	TF-I(1)	32,000	5.5%	Central Square	Jan-25	3.89%
9	TF-I(2)	18,000	3.1%	Central Square	Jun-25	3.89%
Total		581,091	100.0%			3.45%

Expiry Profile 2020-2025

Year	% Debt
2020	0.0%
2021	7.7%
2022	0.0%
2023	0.0%
2024	83.7%
2025	8.6%



Funding Composition



Hotel
CLASSIC

Portfolio Updates

SUBANG
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!

Parkson Refurbishment at Subang Parade LG Floor: Reopened in July 2020



New & Refurbished Tenants



New & Refurbished Tenants



New & Refurbished Tenants



Marketing: Sales-Driven Promotion Programs at all shopping centres

SUBANG PARADE
It's Our Place!

1 AUGUST - 14 SEPTEMBER 2020

SUBANG PARADE SHOPPING PRIVILEGES

A MERDEKA CELEBRATION

SPEND, SPIN & WIN!

VOUCHERS WORTH **RM50,000** UP FOR GRABS WHEN YOU SPEND **RM 200** AND ABOVE (MAX 3 RECEIPTS)

*Terms & Conditions Apply

MAHKOTA PARADE
It's Our Place!

1 AUGUST - 11 OCTOBER 2020

MAHKOTA PARADE SPEND MIN

A MERDEKA CELEBRATION

Spend **RM150** (max 3 receipts) in any shops and get 1 entry for the Prize Draw

Spend **RM180** in Fashion category (max 3 receipts) and get 2 entries for the Prize Draw

WETEX PARADE
It's Our Place!

WETEX PARADE SHOPPING PRIVILEGES

21 AUGUST - 20 SEPTEMBER 2020

SPEND RM100.00 TO RM499.99 IN A SINGLE RECEIPT OR ACCUMULATED RECEIPTS (MAXIMUM 2 COMBINED RECEIPTS) TO REDEEM RM10 CASH VOUCHER*

SPEND RM500.00 AND ABOVE IN A SINGLE RECEIPT OR ACCUMULATED RECEIPTS (MAXIMUM 2 COMBINED RECEIPTS) TO REDEEM RM50.00 CASH VOUCHER*

*Terms & Conditions Apply

1 AUGUST - 30 OCTOBER 2020

CENTRAL SQUARE SHOPPING PRIVILEGES

A MERDEKA CELEBRATION

KULIM CENTRAL

1 AUGUST - 30 OCTOBER 2020

KULIM CENTRAL SHOPPING PRIVILEGES

A MERDEKA CELEBRATION

FREE PARKING!

Parking is on us when you spend **RM50** and above (max 2 receipts)*
(Only valid from Monday - Thursday)

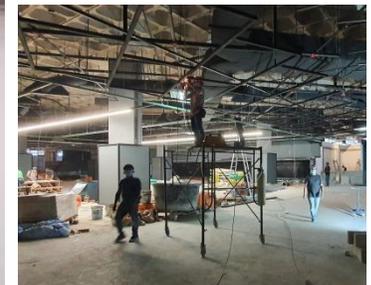
WIN A CAR

WITH SEGAMAT CENTRAL

A MERDEKA CELEBRATION

Coming Soon

Subang Parade Village Grocer on track for opening in September 2020



Creating The Places People Love



Investor Communications
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