

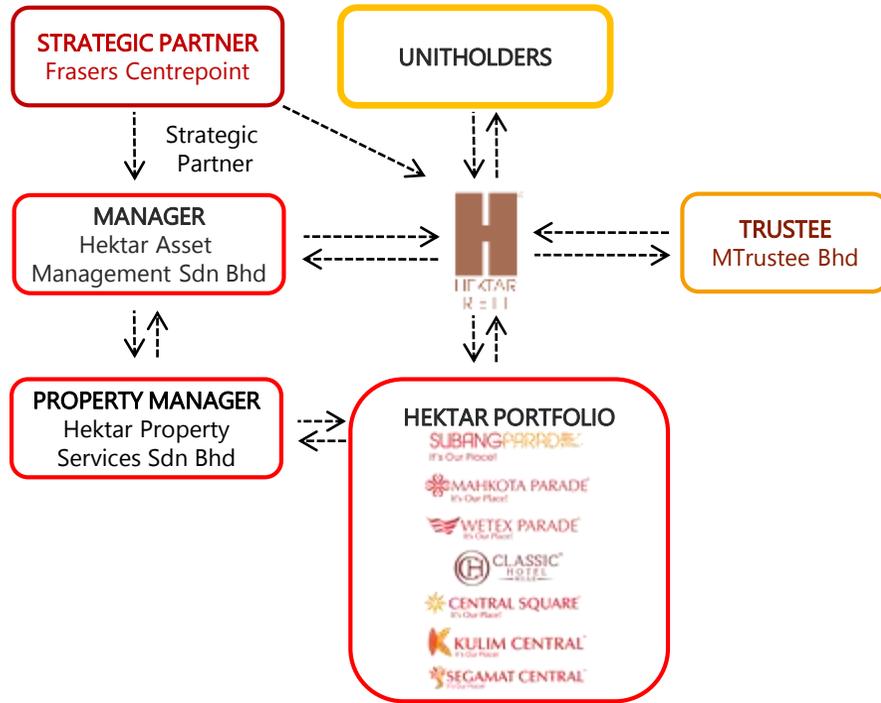


Creating The Places People Love



HEKTAR REAL ESTATE INVESTMENT TRUST
4Q 2021 RESULTS PRESENTATION
25 February 2022

Organisation



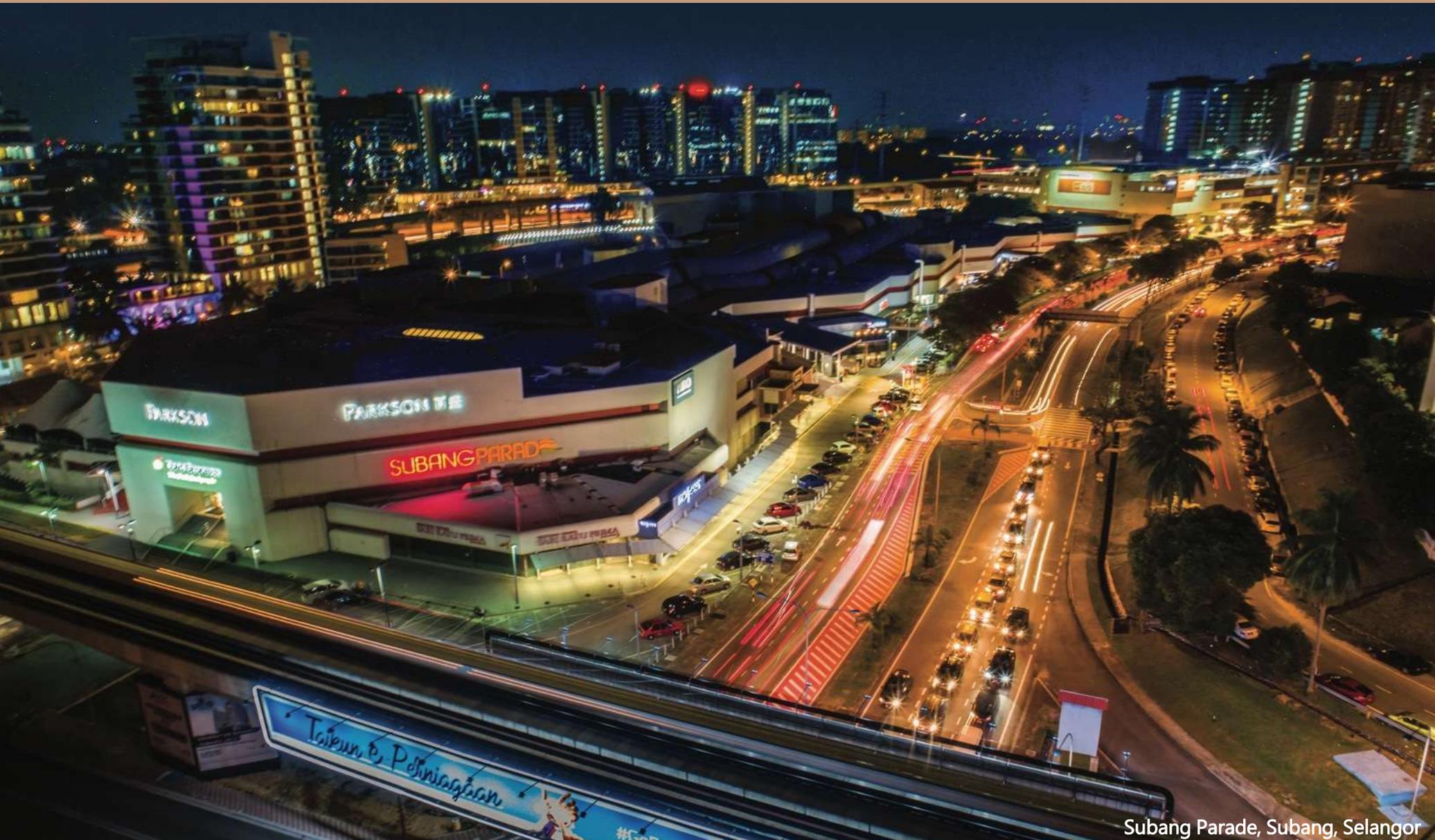
Diverse Portfolio



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.

- 1 4Q21 Overview
- 2 Portfolio Performance
- 3 Financial Results
- 4 Portfolio Updates
- 5 Sustainability
- 6 Prospects
- 7 Corporate Proposal

4Q21 Overview



Hektar REIT's shopping malls have complied and continue to observe the Government and regulatory directives during the various Movement Control Order ("MCO") periods. The Government introduced the National Recovery Plan ("NRP") and the thresholds for transitioning from one phase to another, which were later further adjusted in line with economic recovery and accelerated vaccination amongst adults.

The gradual reopening of all the retail sectors allowed most businesses to operate with strict compliance to Standard Operating Procedures ("SOPs"). Hektar REIT continues to enforce stringent SOPs in line with directives from the Ministry of Health to ensure a safe environment for our tenants, shoppers & employees.

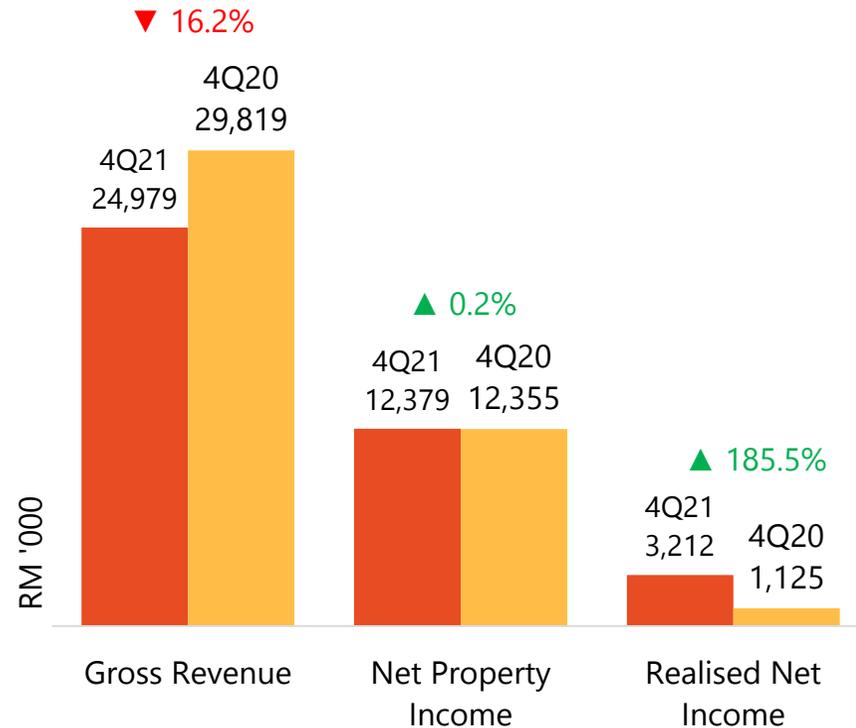
Due to the prolonged COVID-19 pandemic, implementation of lockdowns, mobility restrictions and closure of non-essential retail sectors during the earlier MCO periods, there has been an overall delay in the economic recovery causing a material adverse impact on Hektar REIT's financial results and valuation of investment properties for the year ending 31 December 2021.



Performance Summary

Fourth Quarter 2021 (4Q21): October – December 2021 / 3 Months

Financial Performance



Gross Revenue for 4Q21 was lower than the preceding year by 16% or RM4.8 million in tandem with the decrease of 9% in footfall experienced by all malls. This was partially mitigated by a lower direct cost of 28% or RM4.9 million, mainly due to property maintenance, marketing and promotion expenses, and utilities consumption.

Net Property Income (NPI) for 4Q21 was higher by 0.2% or RM0.023 million

Realised Net Income for 4Q21 was higher by 186% or RM2.1 million on the back of higher administration expenses due to higher provision of doubtful debts in the previous corresponding quarter 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.

Distribution per Unit (DPU) for 4Q21 is 2.53 sen per unit, amounting to RM11,922,883 of income distribution which is to be made on 28 February 2022.

Operational Performance as at 31 December 2021

Portfolio Occupancy	: ~84.9%
Rent Reversions	: -7.0%
Expiry Profile	: 34.2% of Net Lettable Area (NLA) expiring in 2022
Footfall	: 13.2 million

Dividend Details

Hektar REIT offers 4.96% dividend yield for FY2021

Distribution Details Fourth Quarter 2021

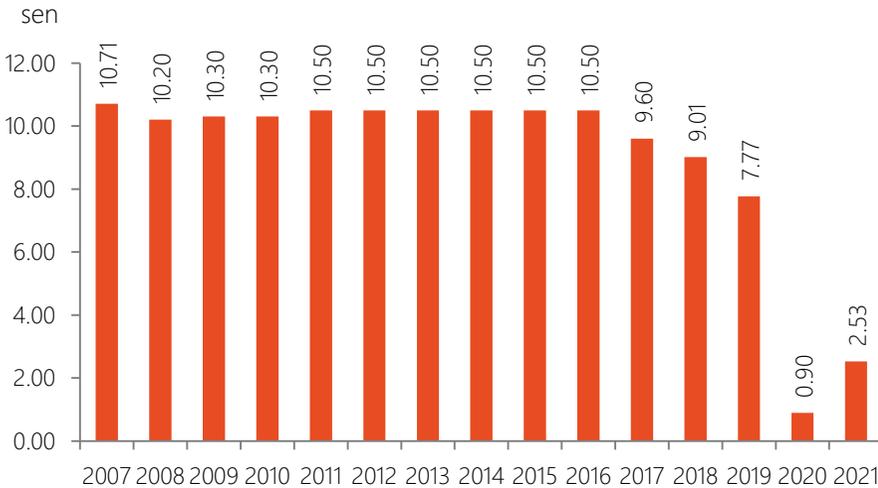
Distribution Period:	1 October 2021 – 31 December 2021
Quarterly DPU:	2.53 sen
Notice of Entitlement:	27 January 2022
Ex-Dividend Date:	14 February 2022
Book Closure Date:	15 February 2022
Payment Date:	28 February 2022

Dividend Per Unit FY21

Total FY 2021 DPU	: 2.53 sen
DPU Yield*	: 4.96%

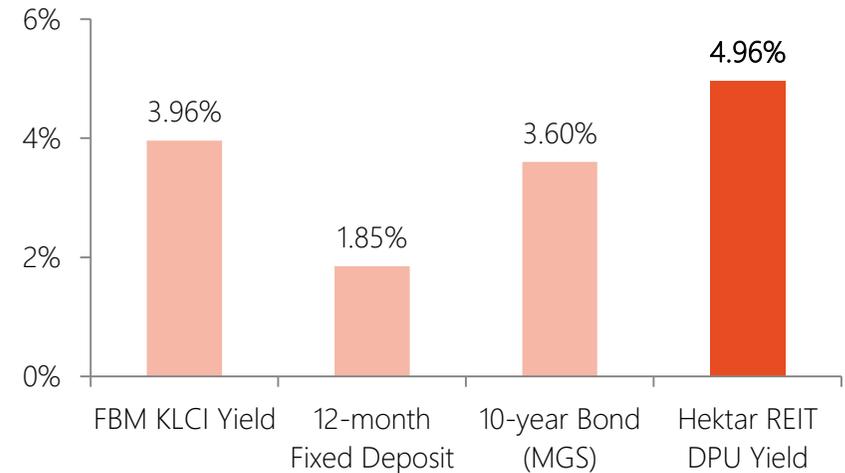
* Based on DPU of 2.53 sen on closing price of RM0.51 on 31 December 2021

Dividend Track Record 2007-2021



Note: The performance of Hektar REIT was significantly affected by the unprecedented COVID-19 pandemic which caused massive disruption to the retail sector in 2020 and 2021.

Comparative Yields



Source: FTSE Russell, Maybank, Bank Negara (2021)

Portfolio Performance

Overall Occupancy at ~84.9% ▶

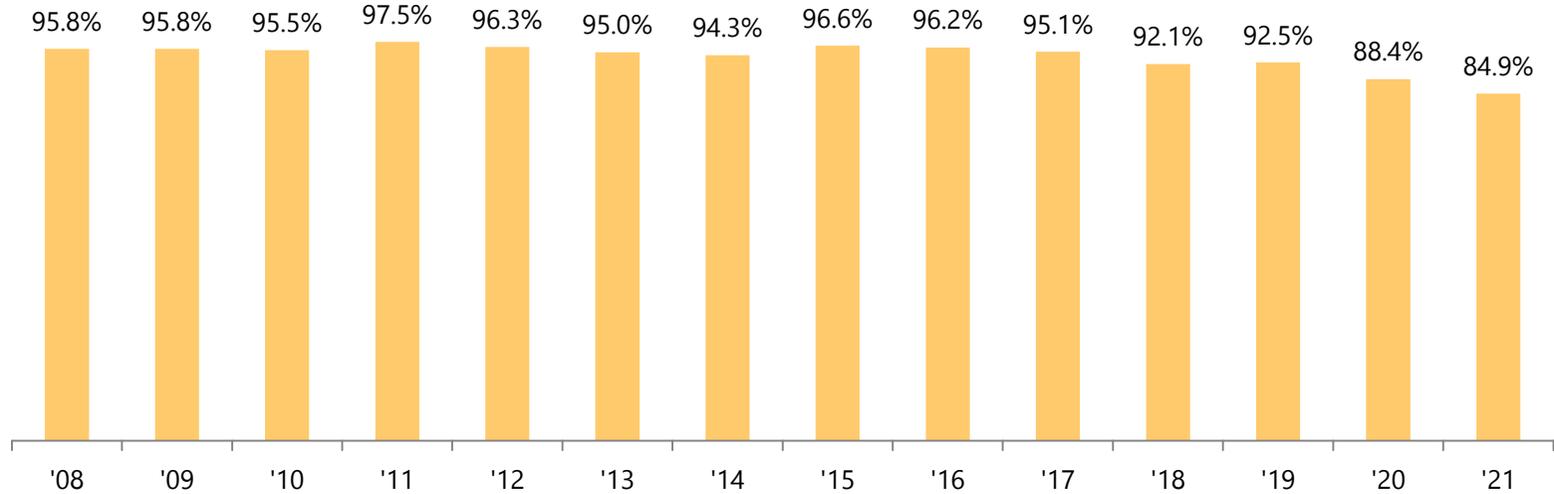
Visitor Traffic 13.2 million for FY2021 ▶

Rental Reversions -7.0% for FY2021 ▶

Expiry Profile: 34.2% NLA expires in 2022 ▶



Average portfolio occupancy has dropped by 3.5% as compared to the preceding quarter to 84.9%. Despite the challenging retail environment, the occupancy rate remained healthy with Kulim Central being more than 90% and Wetex Parade being close to 90% occupied.

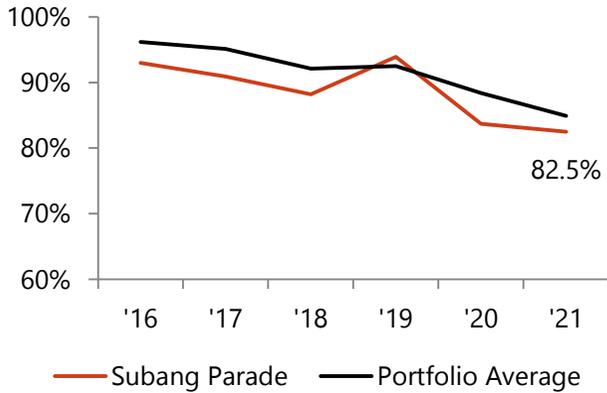


Data Table	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21
Subang Parade	99.8%	100.0%	94.8%	99.9%	99.8%	100.0%	99.3%	94.7%	93.0%	90.9%	88.2%	93.9%	83.7%	82.5%
Mahkota Parade	96.5%	93.6%	96.1%	94.5%	96.1%	97.8%	94.5%	95.5%	96.4%	96.1%	96.0%	96.4%	92.5%	87.1%
Wetex Parade	83.1%	90.1%	95.6%	98.6%	97.8%	96.8%	98.3%	98.7%	100.0%	100.0%	98.5%	96.2%	94.5%	89.9%
Central Square					89.8%	82.5%	80.5%	98.0%	96.6%	95.3%	96.9%	89.7%	87.9%	85.9%
Kulim Central					96.9%	93.7%	97.8%	99.3%	98.9%	98.2%	93.5%	95.0%	93.9%	94.0%
Segamat Central										94.7%	78.6%	77.1%	77.9%	67.3%
Portfolio Average	95.8%	95.8%	95.5%	97.5%	96.3%	95.0%	94.3%	96.6%	96.2%	95.1%	92.1%	92.5%	88.4%	84.9%

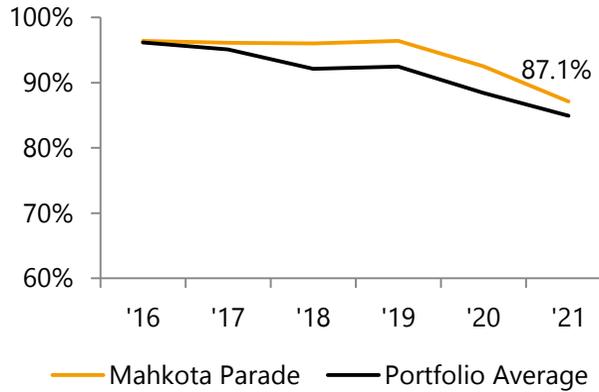
Note: Portfolio Average weighted by NLA

Kulim Central's occupancy remained strong at above 90% while other malls remained occupancies above 80% except for Segamat Central. Hektar REIT continues to implement rental reviews and rebate offers to support eligible tenants and implement strategic marketing initiatives to drive traffic back to our malls.

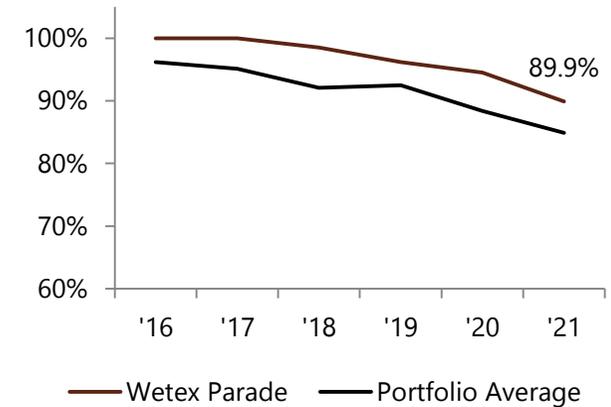
SUBANG PARADE
It's Our Place!



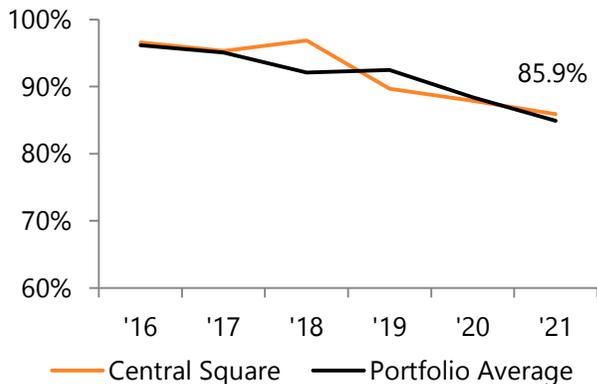
MAHKOTA PARADE
It's Our Place!



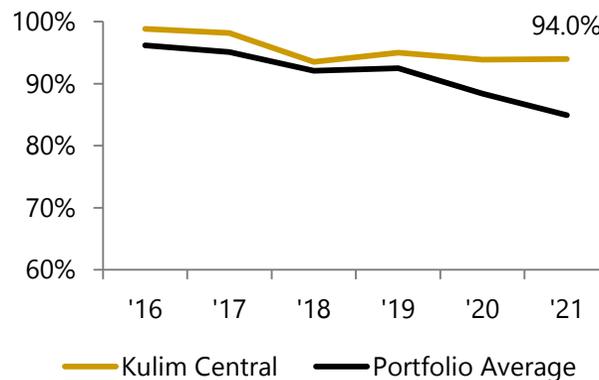
WETEX PARADE
It's Our Place!



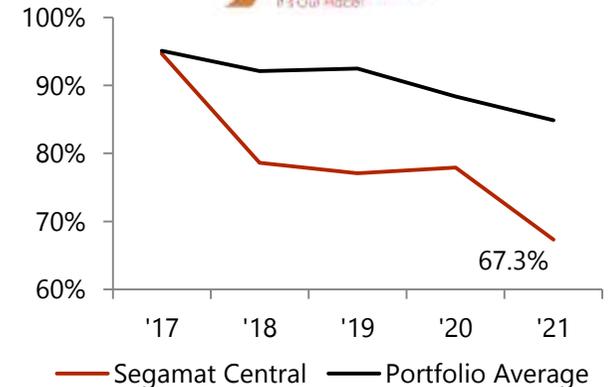
CENTRAL SQUARE
It's Our Place!



KULIM CENTRAL
It's Our Place!



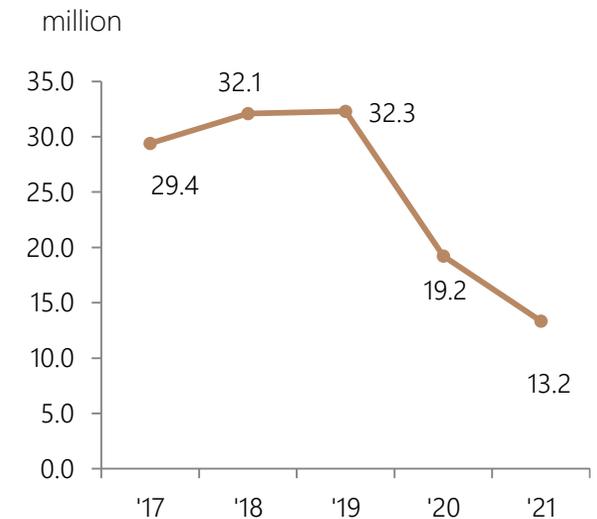
SEGAMAT CENTRAL
It's Our Place!



Portfolio visitor traffic dropped to 13.2 million in FY21 due to the implementation of various Movement Control Order (MCOs) and the introduction of National Recovery Plan (NRP), which came with its own set of SOPs including mobility restrictions & categories of businesses that were allowed to operate based on the transition of phases. The emergence of new COVID-19 variants of concern also impacted the overall sentiment causing a lower footfall.

Visitor Traffic 2017-2021

Property	'17	'18	'19	'20	'21
Subang Parade	9.9 million	7.8 million	7.6 million	4.9 million	4.0 million
% Change in Traffic	7.6%	-21.2%	-2.6%	-36.0%	-18.3%
Mahkota Parade	9.1 million	8.3 million	8.4 million	4.5 million	2.8 million
% Change in Traffic	-3.2%	-8.8%	1.2%	-45.9%	-37.9%
Wetex Parade*	4.4 million	4.3 million	4.2 million	2.5 million	1.9 million
% Change in Traffic	-4.3%	-2.3%	-2.3%	-40.8%	-21.9%
Central Square	3.8 million	4.5 million	4.5 million	2.8 million	1.9 million
% Change in Traffic	-2.6%	18.4%	0.0%	-37.0%	-31.8%
Kulim Central	2.2 million	4.0 million	4.6 million	3.0 million	1.9 million
% Change in Traffic	-26.7%	81.8%	15.0%	-35.2%	-35.1%
Segamat Central		3.2 million	3.0 million	1.5 million	0.7 million
% Change in Traffic			-6.3%	-49.4%	-51.2%
Total	29.4	32.1	32.3	19.2	13.2

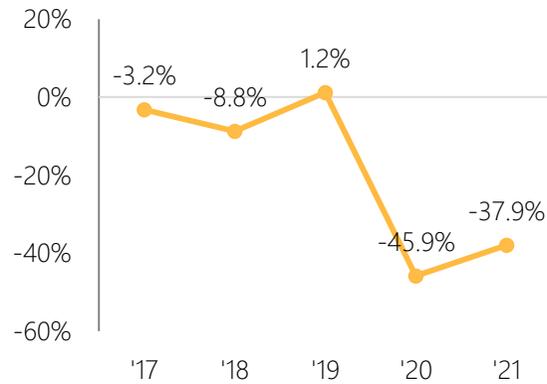


Mall visitor traffic dropped relatively lower compared to the preceding year, showing signs of recovery. However, the recent surge in COVID-19 infection rates are expected to slow down the retail sector recovery for the year 2022.

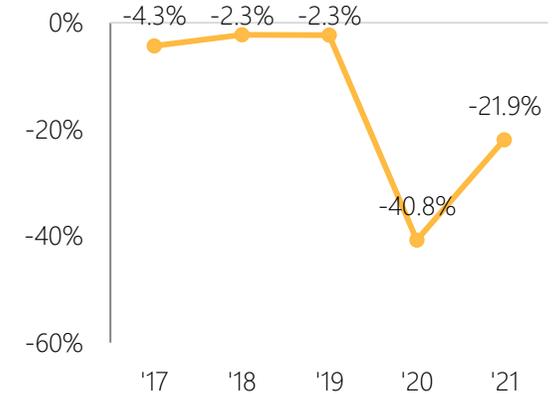
SUBANGPARADE
It's Our Place!



MAHKOTA PARADE
It's Our Place!



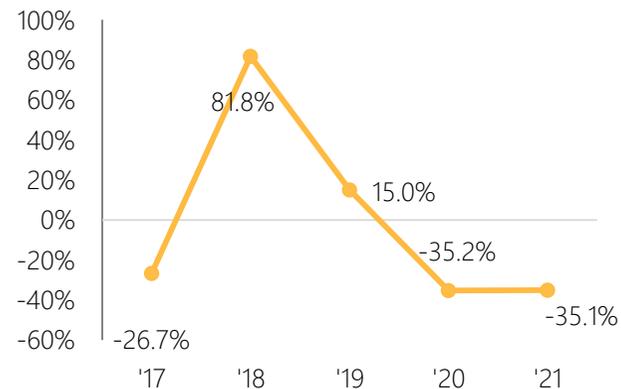
WETEX PARADE
It's Our Place!



CENTRAL SQUARE
It's Our Place!



KULIM CENTRAL
It's Our Place!



Fourth Quarter

Rental Reversions at -15.2%

- 40 new/renewed tenancies consisting of 5.0% of total NLA for the quarter ended 31 December 2021.
- 13 new tenancies obtained throughout the quarter with new tenants in every mall.
- Overall reversions were negative due to negative reversions at all malls except for Mahkota Parade.

Portfolio Rental Reversions 4Q 2021

Fourth Quarter Ended 31 December 2021 (3 months)	Number of New Tenancies/ Renewals	NLA (Sq. Ft.)	Percentage of Total NLA	Percentage Change Over Previous Rent Rates
Subang Parade	6	14,615	2.8%	-20.6%
Mahkota Parade	8	31,915	6.1%	0.1%
Wetex Parade	7	16,552	9.5%	-15.2%
Central Square	4	9,599	3.1%	-36.9%
Kulim Central	2	2,919	1.0%	-25.3%
Segamat Central	13	26,545	12.5%	-36.1%
Total/Average*	40	102,145	5.0%	-15.2%

* Average Weighted by NLA

 **MAHKOTA PARADE** ▲ 0.1%

Key Renewed Tenants: Carlo Rino, Popular Bookstore, Bata, Switch, Guardian, Sasa, Rightway & Sony Centre
New Tenant: Gatti

 **WETEX PARADE** ▼ -15.2%

Key Renewed Tenants: La Image, Sushi King, Lazo Diamond, MR. D.I.Y.
New Tenants: Carlo Rino, OSIM, Original Classic

 **SUBANG PARADE** ▼ -20.6%

Key Renewed Tenants: Mi Store, Restoran Nelayan, Caring Pharmacy, Sachs, Bata
New Tenant: Original Classic

 **KULIM CENTRAL** ▼ -25.3%

Key Renewed Tenant: The Chicken Rice Shop
New Tenant: Xiao Mi

 **SEGAMAT CENTRAL** ▼ -36.1%

Key Renewed Tenants: Paris Optical, Library Optical, BS Gold & Jewellery, SMJ Teratai, Pierre Cardin / Sorella, XES Premium, Popular Bookstore, One Box Family KTV, Game In The City
New Tenants: Original Classic, Miss Spring, R Collection, Switch

 **CENTRAL SQUARE** ▼ -36.9%

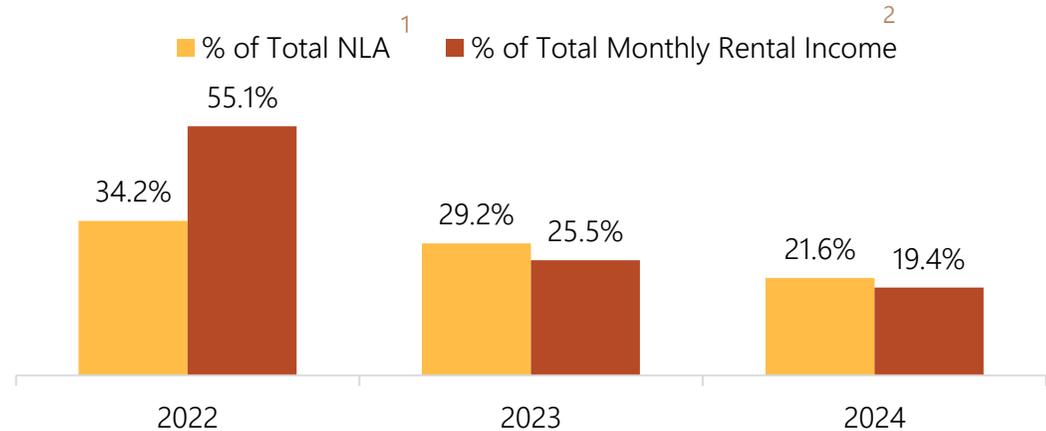
Key Renewed Tenant: Original Classic
New Tenants: Phone Avenue (Samsung), 7-Eleven, AL – IKHSAN

Tenancy Expiry for Portfolio 2022-2024

- A total of 291 tenancies are expiring in FY2022 which represents 698,353 sq. ft. or about 34.2% of total NLA.
- Overall, a total of 121 tenancies covering 801,299 sq. ft. have been renewed as at Year-to-Date (YTD) December 2021, representing 39.2% of total NLA.

Portfolio Expiry Profile 2022-2024

Period End December	Tenancies Expiring	Expiring NLA (Sq. Ft.)
2022	291	698,353
2023	50	596,002
2024	43	440,421
Total	384	1,734,775

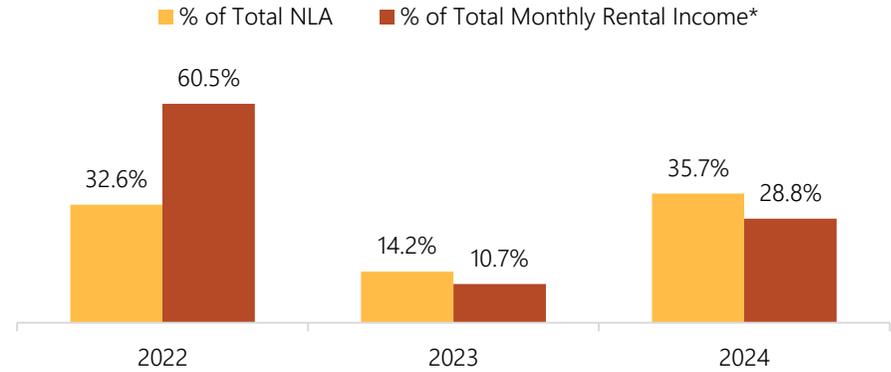


¹ Based on the total Net Lettable Area (NLA) of 2,041,898 sq. ft. as at 31 December 2021

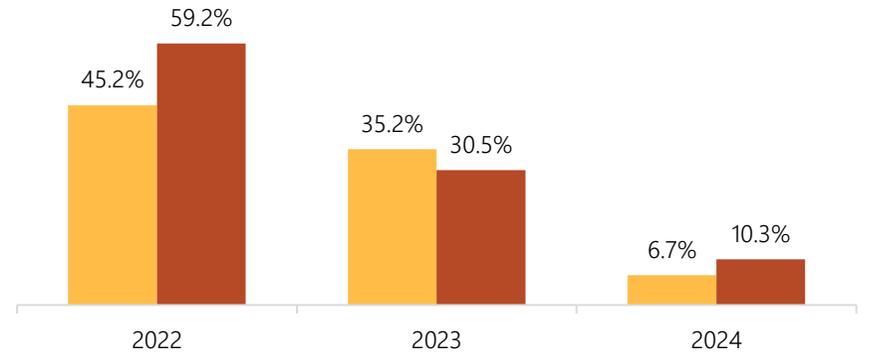
² Based on monthly rental income for December 2021. Figures may not round to 100% due to misc. items



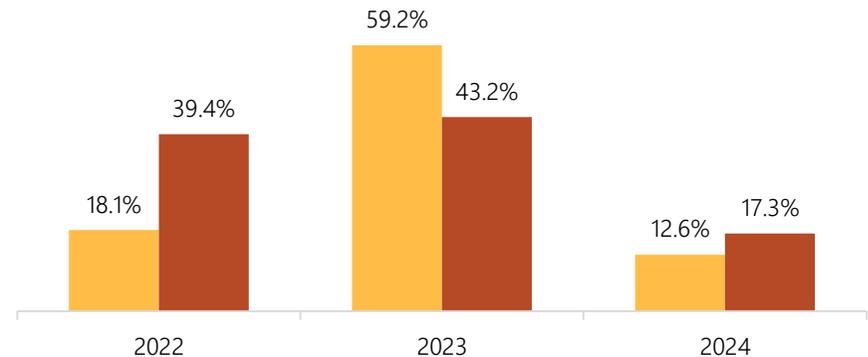
Period End December	Tenancies Expiring	Expiring NLA (Sq. Ft.)
2022	75	170,824
2023	9	74,139
2024	5	186,954



Period End December	Tenancies Expiring	Expiring NLA (Sq. Ft.)
2022	69	235,396
2023	12	183,673
2024	9	35,084



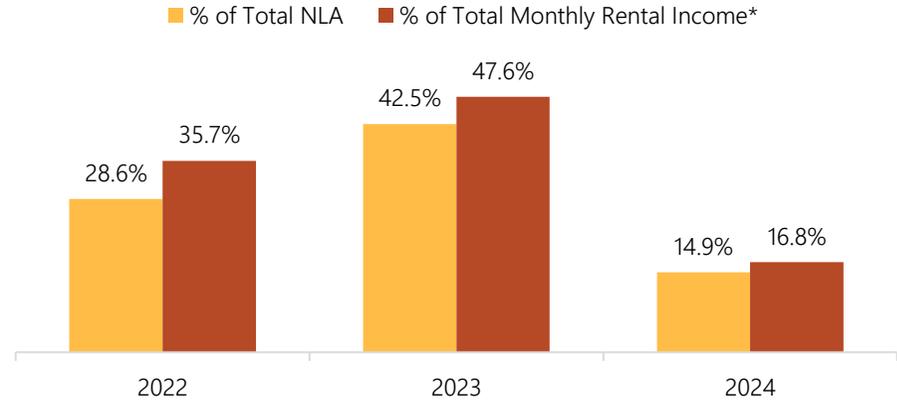
Period End December	Tenancies Expiring	Expiring NLA (Sq. Ft.)
2022	32	31,628
2023	15	103,664
2024	13	22,043



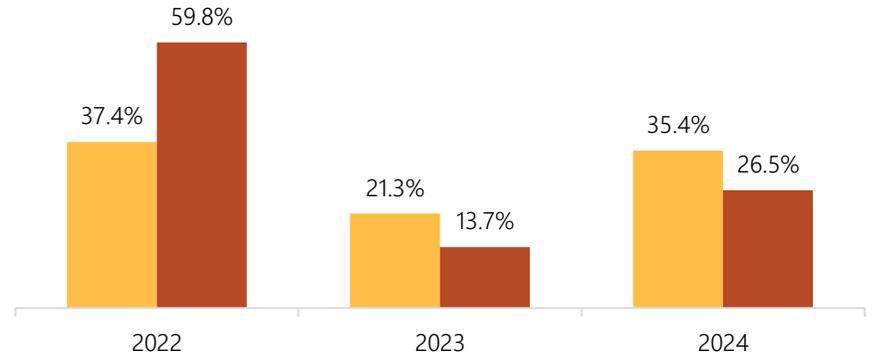
*Based on monthly rental income for December 2021. Figures may not round to 100% due to misc. items



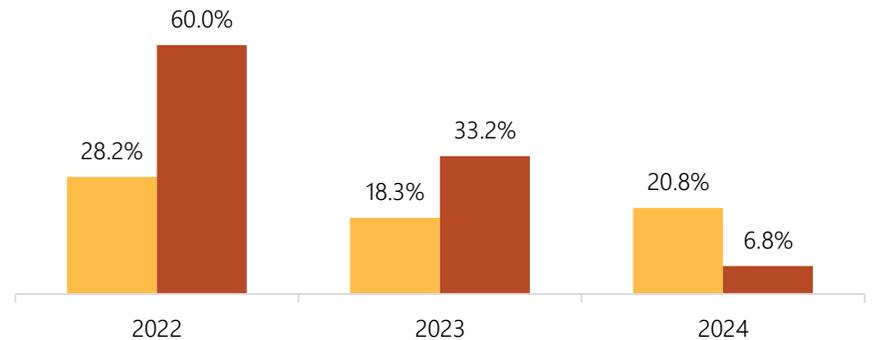
Period End December	Tenancies Expiring	Expiring NLA (Sq. Ft.)
2022	35	88,710
2023	5	131,915
2024	5	46,271



Period End December	Tenancies Expiring	Expiring NLA (Sq. Ft.)
2022	54	111,977
2023	5	63,796
2024	8	106,077



Period End December	Tenancies Expiring	Expiring NLA (Sq. Ft.)
2022	26	59,818
2023	4	38,815
2024	3	43,992



*Based on monthly rental income for December 2021. Figures may not round to 100% due to misc. items

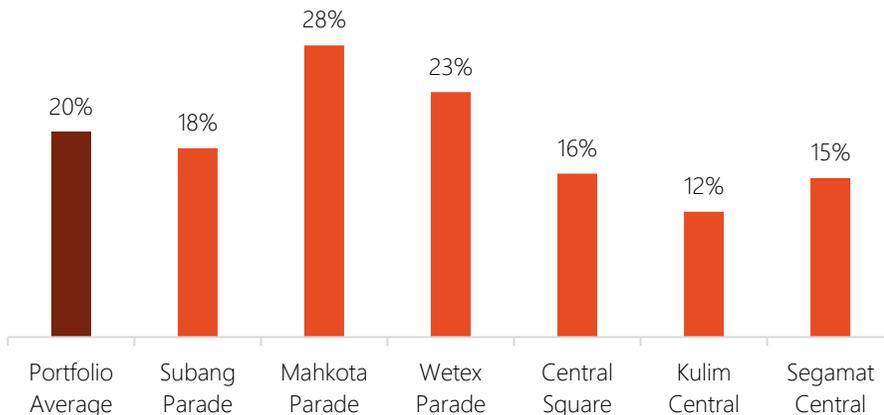
Hektar adopts step-up and turnover rent provisions

- Step-Up Provisions for fixed rental increase are present in 20% of all tenancies
- Turnover Rent provisions exist in 91% of all tenancies

Note: Data for NLA-tenants only (384 in December 2021)

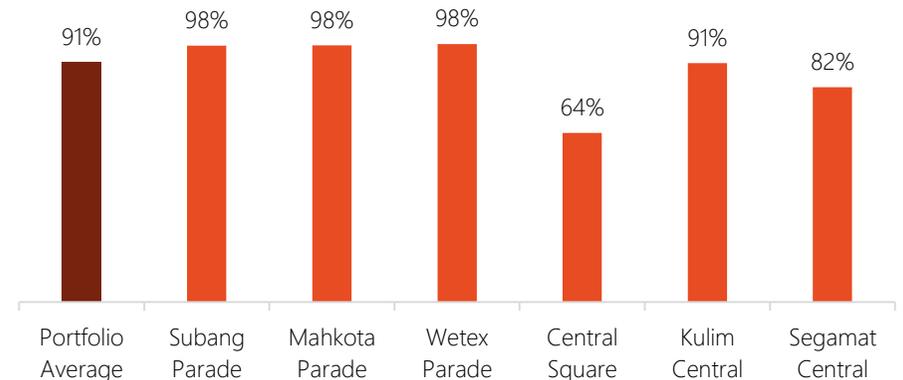
Step-Up Provisions

Centre	Tenants	No. of Tenants	% of Total Tenants
Portfolio Average	384	75	20%
Subang Parade	89	16	18%
Mahkota Parade	90	25	28%
Wetex Parade	60	14	23%
Central Square	45	7	16%
Kulim Central	67	8	12%
Segamat Central	33	5	15%



Turnover Rent Provisions

Centre	Tenants	No. of Tenants	% of Total Tenants
Portfolio Average	384	351	91%
Subang Parade	89	87	98%
Mahkota Parade	90	88	98%
Wetex Parade	60	59	98%
Central Square	45	29	64%
Kulim Central	67	61	91%
Segamat Central	33	27	82%



Portfolio Top Ten Tenants

Top 10 Tenants contributed 37.7% of the total monthly rental income

- Top 2 anchors: Parkson and The Store contributes 11.7% and 8.8%, respectively
- No other tenant contributes more than 5% of monthly rental income

Tenant	Trade Sector	NLA (sq. ft.)	% of Total NLA	% of Monthly Rental Income*
Parkson	Department Store/Supermarket	252,515	12.4%	11.7%
The Store	Department Store/Supermarket	273,198	13.4%	8.8%
GSC	Leisure & Entertainment/Sports & Fitness	88,670	4.3%	2.5%
MR. D.I.Y.	Homewares & Furnishing	74,301	3.6%	2.4%
Seleria Food Court	Food & Beverage/Food Court	42,105	2.1%	2.4%
Watson's	Health & Beauty	11,965	0.6%	2.3%
Guardian	Health & Beauty	12,164	0.6%	2.1%
Giant Superstore	Department Store/Supermarket	72,140	3.5%	2.0%
MM Cineplexes	Leisure & Entertainment/Sports & Fitness	75,928	3.7%	1.8%
KFC	Food & Beverage/Food Court	15,792	0.8%	1.7%
Top 10 Tenants (By Monthly Rental Income)		918,778	45.0%	37.7%
Other Tenants		1,123,120	55.0%	62.3%
Total		2,041,898	100.0%	100.0%

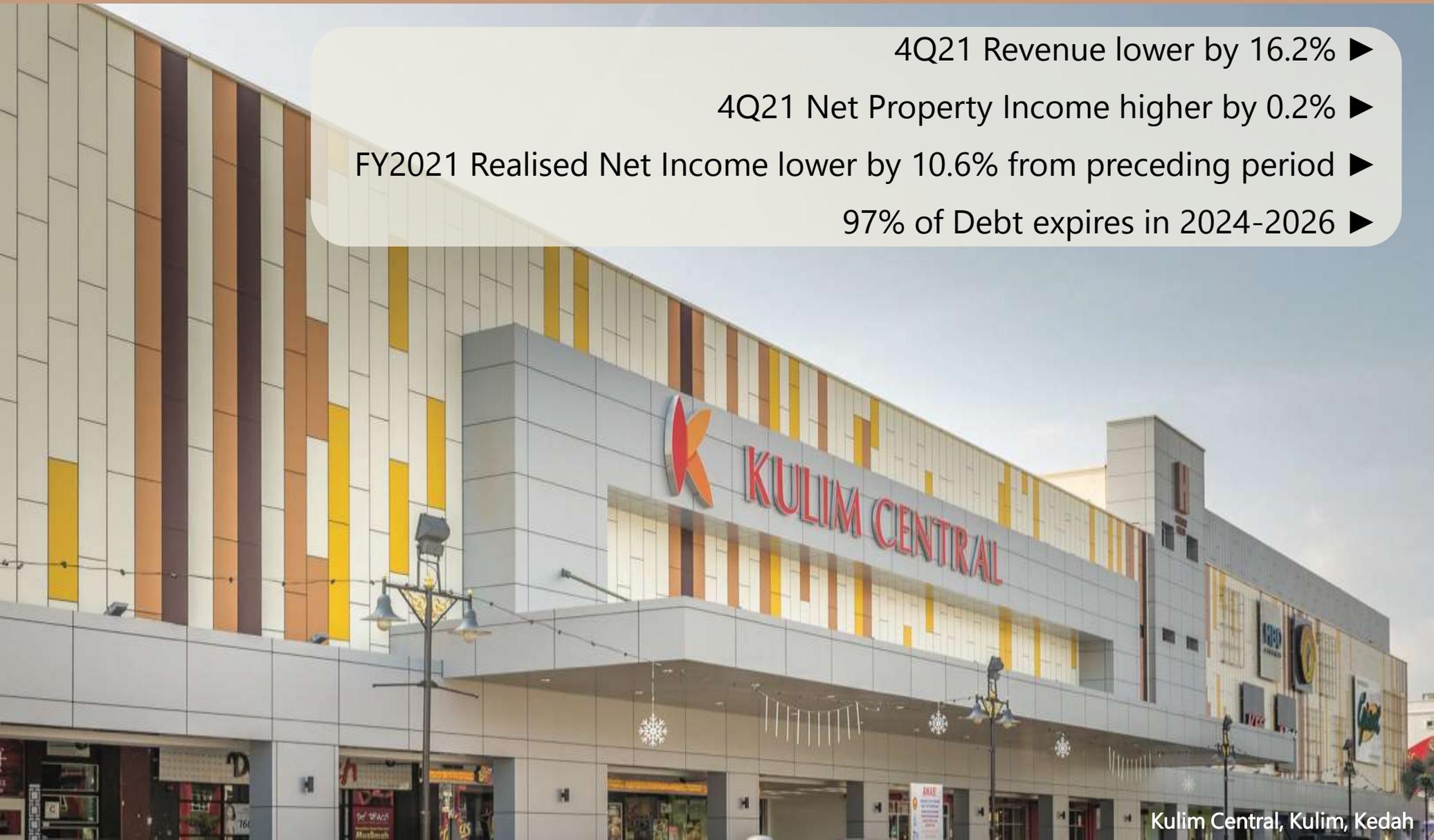
Financial Results

4Q21 Revenue lower by 16.2% ▶

4Q21 Net Property Income higher by 0.2% ▶

FY2021 Realised Net Income lower by 10.6% from preceding period ▶

97% of Debt expires in 2024-2026 ▶



Income Statement Fourth Quarter 2021 (Unaudited)	4Q21 (RM '000)	4Q20 (RM '000)	Variance (%)
Revenue ¹	24,979	29,819	(16.2%)
Direct cost & Property expenses ²	(12,600)	(17,464)	27.9%
Net property income (NPI)	12,379	12,355	0.2%
Interest & Other income	141	225	(37.3%)
Trust fees & Expenses ³	(4,786)	(6,705)	28.6%
Interest expense ⁴	(4,522)	(4,750)	4.8%
Realised income before taxation	3,212	1,125	>100%
Fair value adjustment of investment properties	(44,213)	(38,309)	(15.4%)
Taxation	3,035	249	>100%
Net (loss)/income before tax	(37,966)	(36,936)	(2.8%)
Net income per unit (sen)	(8.21)	(8.00)	(2.6%)
- realised	0.69	0.24	>100%

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

¹ Mainly due to lower tenancy, SAC/RMU and casual leasing .

² Mainly due to lower property maintenance, utilities and marketing & promotion.

³ Mainly due to provision for doubtful debts.

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

Income Statement	FY21	FY20	Variance
Year-To-Date Fourth Quarter 2021 (Unaudited)	(RM '000)	(RM '000)	(%)
Revenue ¹	96,599	111,139	(13.1%)
Direct cost & Property expenses ²	(49,581)	(58,168)	14.8%
Net property income (NPI)	47,018	52,971	(11.2%)
Interest & Other income	761	639	19.1%
Trust fees & Expenses ³	(16,399)	(18,490)	11.3%
Interest expense ⁴	(18,668)	(20,896)	10.7%
Realised income before taxation	12,712	14,223	(10.6%)
Fair value adjustment of investment properties	(44,213)	(38,309)	(15.4%)
Taxation	3,035	249	>100%
Net (loss)/income before tax	(28,466)	(23,838)	(19.4%)
Net income per unit (sen) *	(6.16)	(5.16)	(19.4%)
- realised	2.75	3.08	(10.7%)

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

¹ Mainly due to lower tenancy, SAC/RMU, casual leasing and carpark income

² Savings mainly due to lower property maintenance cost and marketing & promotion.

³ Mainly due to provision for doubtful debts.

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 31.12.2021 (RM '000)	As at 31.12.2020 (RM '000)
Non-Current Assets		
Investment properties	1,164,500	1,207,000
Plant & Equipment	68	91
Capital work In progress	63	1,380
Fixed deposits with a licensed bank	1,584	1,552
	<u>1,166,215</u>	<u>1,210,022</u>
Current Assets		
Trade receivables	2,685	4,251
Other receivables, deposits and prepayments	2,726	17,356
Cash and bank balances	59,085	27,346
TOTAL ASSETS	<u>1,230,708</u>	<u>1,258,975</u>
Long Term Liabilities		
Tenancy deposits	9,185	9,081
Deferred tax liability	24,888	27,922
Borrowings	566,091	536,091
	<u>600,164</u>	<u>573,094</u>
Current Liabilities		
Trade payables	16,624	16,353
Other payables and accruals	28,183	25,672
Tenancy deposits	22,774	22,502
Borrowings	15,000	45,000
TOTAL LIABILITIES	<u>682,745</u>	<u>682,620</u>
NET ASSET VALUE	<u>547,963</u>	<u>576,355</u>
Unitholders' capital	496,732	492,500
Retained earnings – realised	55,226	46,672
Retained earnings – unrealised	(3,995)	37,183
TOTAL UNITHOLDERS' FUND	<u>547,963</u>	<u>576,355</u>

Unit Price Statistics As at 31 December 2021

No. of Units

471, 260, 178

Net Asset Value Per Unit

RM 1.16

Unit Price

RM 0.51

Market Capitalisation

RM 237, 986, 390

Premium / Discount to NAV

-56.0%

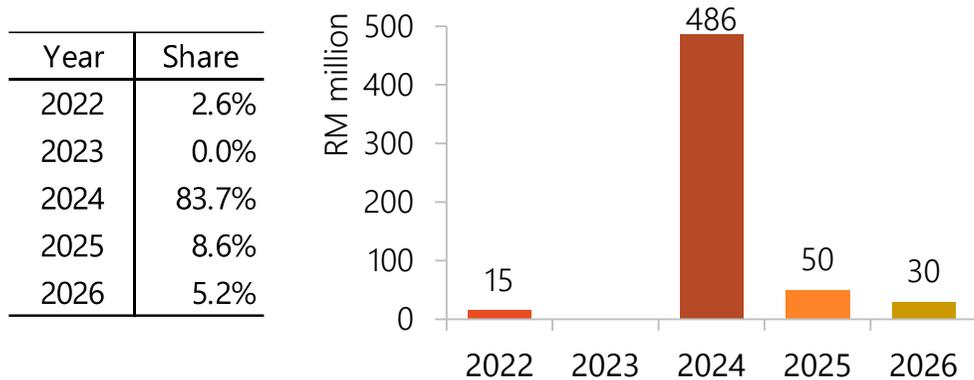
Note: Please refer to the Quarterly Results Announcement for further details.

Debt Summary December 2021

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	: 3.27%
Gearing Ratio ¹	: 47.2%
Interest Cover ²	: 1.68

¹ Gearing ratio calculated by financing liabilities over Gross Asset Value (GAV).
² Based on 12 months ended 31 December 2021

Expiry Profile 2022-2026

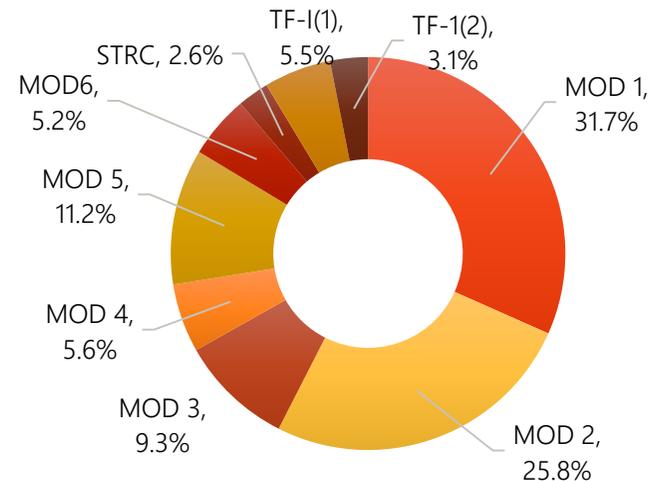


Facilities

	Facility	Amount (RM'000)	% Total Debt	Expiry
1	MOD 1	184,000	31.7%	Feb-24
2	MOD 2	150,000	25.8%	Feb-24
3	MOD 3	54,300	9.3%	Feb-24
4	MOD 4	32,800	5.6%	Feb-24
5	MOD 5	64,991	11.2%	Feb-24
6	MOD6	30,000	5.2%	Mar-26
7	STRC	15,000	2.6%	Apr-22
8	TF-I(1)	32,000	5.5%	Jan-25
9	TF-1(2)	18,000	3.1%	Jun-25
Total		581,091	100.0%	

Note: STRC is reviewed annually, Cost of Funds based on Floating Rate

Funding Composition



Comparative Price Performance as at 31 December 2021



Performance statistics

Opening Unit Price (4 Jan 2021)	: RM0.63
Closing Unit Price (31 Dec 2021)	: RM0.51
Highest Price	: RM0.64
Lowest Price	: RM0.45

Unit Price Change¹ : (19.8%)

REIT Index Price Change : (5.3%)

FBM KLCI Price Change : (3.8%)

Total Return

Unit Price Change¹ : (19.8%)

DPU (sen) : 2.53

DPU Yield² : 5.0%

Annual Total Return³ : (15.8%)

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

²Based on DPU over closing price of the respective financial year

³Based on DPU and unit price change over opening market price for respective financial year

Portfolio Updates



Original Classic, Segamat Central

18 October 2021



The Coffee Bean & Tea Leaf, Kulim Central

3 November 2021



7 Eleven, Central Square

10 December 2021



Switch, Segamat Central

18 December 2021

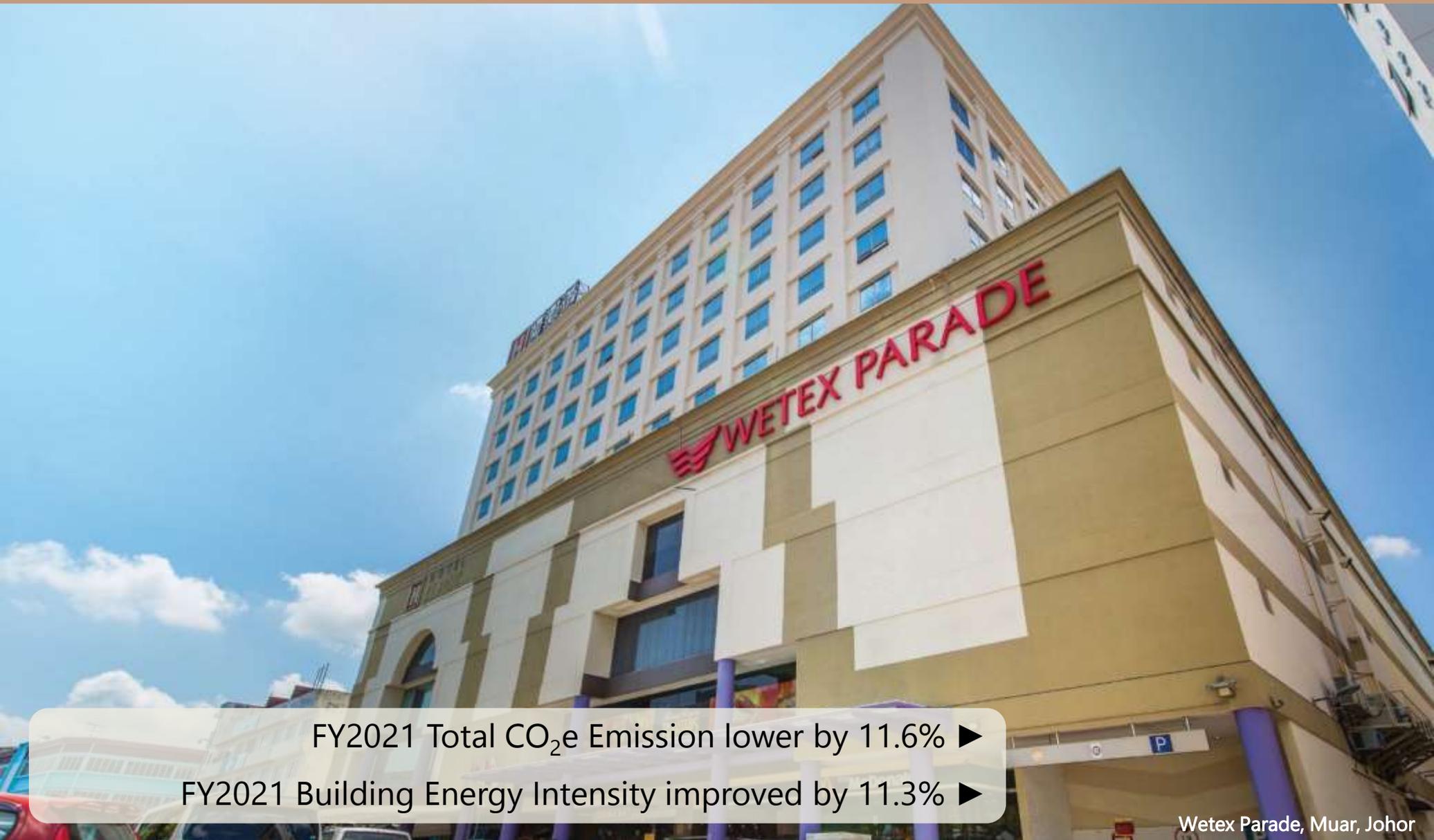


Boost Juice, Wetex Parade

24 December 2021



Sustainability



FY2021 Total CO₂e Emission lower by 11.6% ▶

FY2021 Building Energy Intensity improved by 11.3% ▶

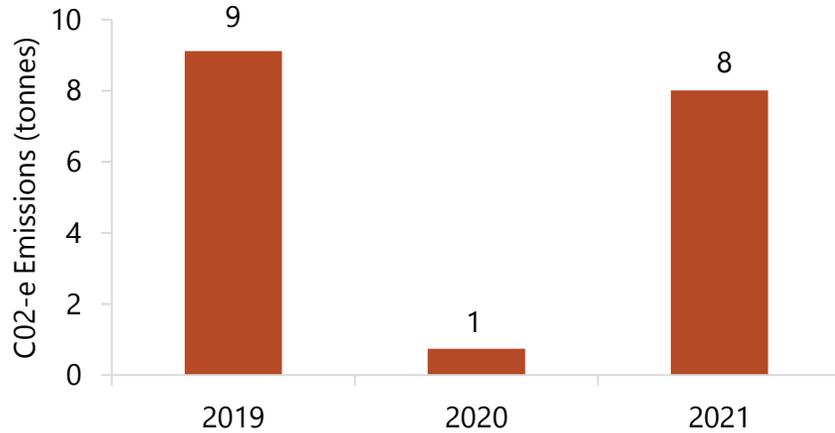
Hektar REIT is committed towards ensuring that our business activities are performed to high standards of environmental, social and governance conduct. We have put in place various energy utilisation and optimisation initiatives since 2017 for all our shopping malls and have achieved significant reduction in energy usage over the last five years. Moving forward, we intend to expand measurement and monitoring of our GHG emissions (recorded as CO₂e¹) to facilitate regular monitoring with the intention of establishing long-term targets. The proposed scope used to measure our emissions are as follows:

Scope	CO ₂ e Emitted	CO ₂ e Avoided ¹
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).

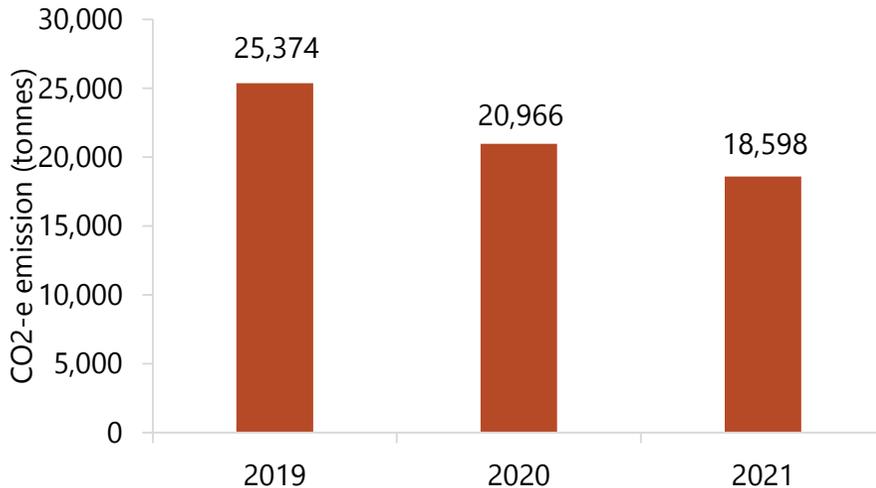
Note: Please refer to the Sustainability Statement 2021 for further details.

Scope 1 Emissions



CO₂ emissions from the consumption of diesel were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.

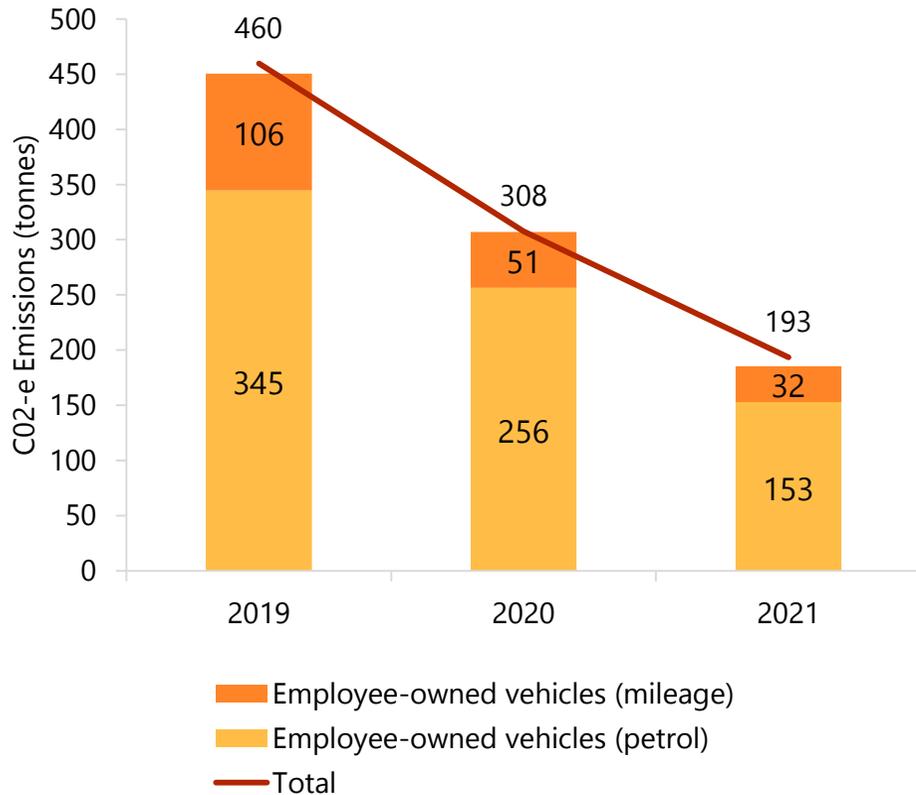
Scope 2 Emissions



CO₂ emissions from electricity use were derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid.

Note: Please refer to the Sustainability Statement 2021 for further details.

Scope 3 Emissions



GHG emissions resulting from employee commuting consisted of both fuel and mileage claims for employee-owned vehicles:

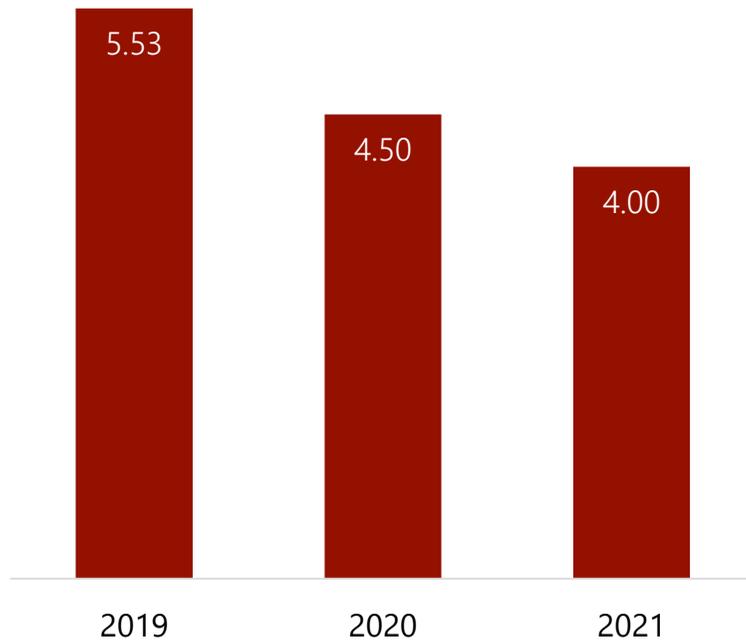
- Mileage claims for employee-owned vehicles were calculated using the World Resources Institute GHG Protocol tool for mobile combustion. Version 2.6.
- Petrol claims were calculated using the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories. Employee on the ground travel/commuting only

Note: Please refer to the Sustainability Statement 2021 for further details.

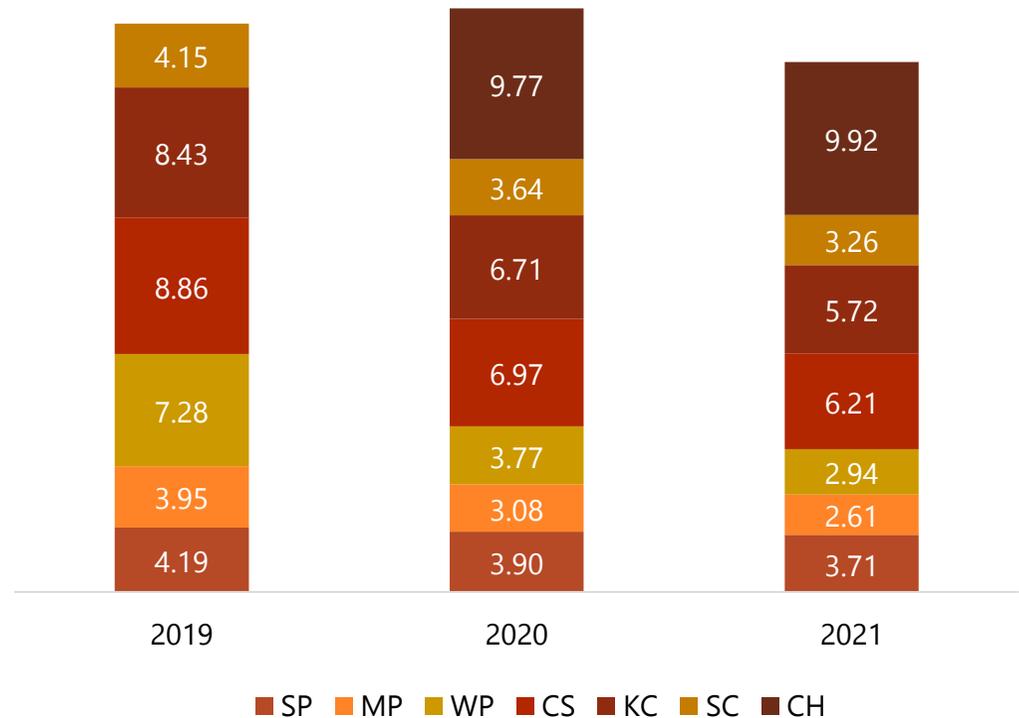
Emissions Intensity

- Emissions intensity, or carbon intensity, is a better measure of the emissions efficiency of our assets.
- It is expressed as the amount of CO₂e emitted per gross floor area (kgCO₂e/sq.ft.).

CO₂e Emissions Intensity



CO₂e Emissions Intensity by Mall

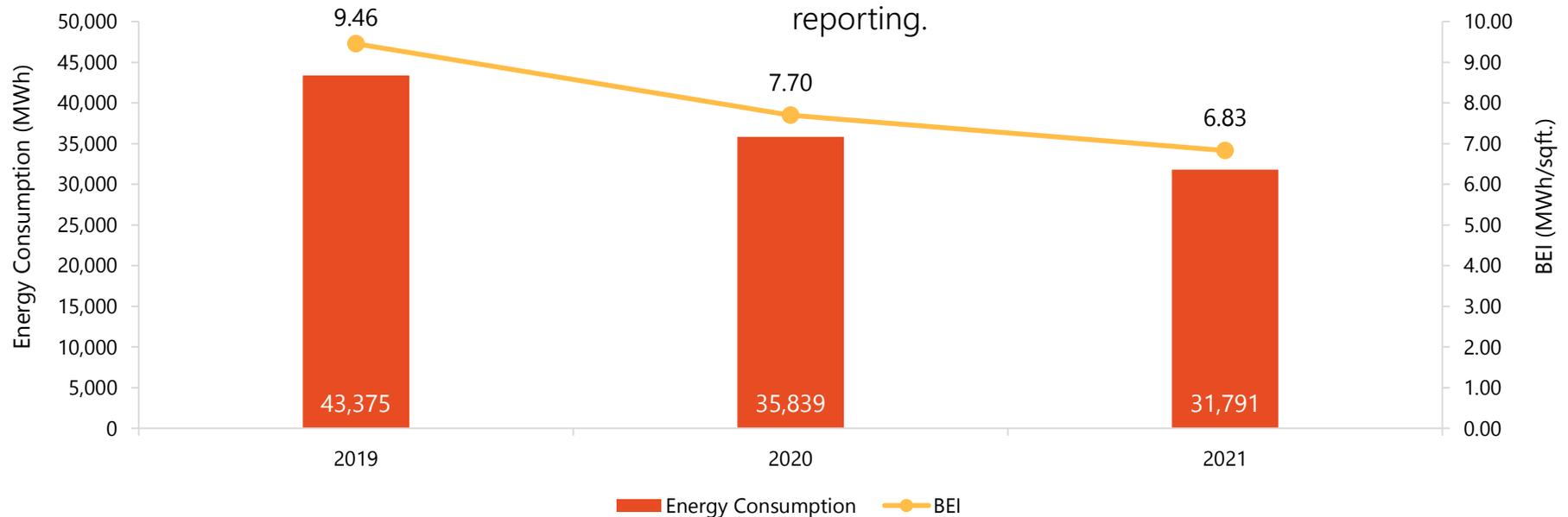


Note: Please refer to the Sustainability Statement 2021 for further details.

Energy Consumption and Building Energy Intensity (BEI) 2017-2021

Financial year	Usage (kWh)	Building Energy Intensity (BEI)
2017	48,684,551	11.88
2018	44,981,988	9.81
2019	43,374,532	9.46
2020	35,838,636	7.70
2021	31,791,199	6.83

A significant decrease in energy consumption was attributed mainly to the closure of some retail outlets during the various phases of movement control orders to combat the COVID-19 pandemic. However, we continuously seek ways to improve energy efficiency, increase renewable energy within the energy mix and increase the coverage of energy consumption reporting.

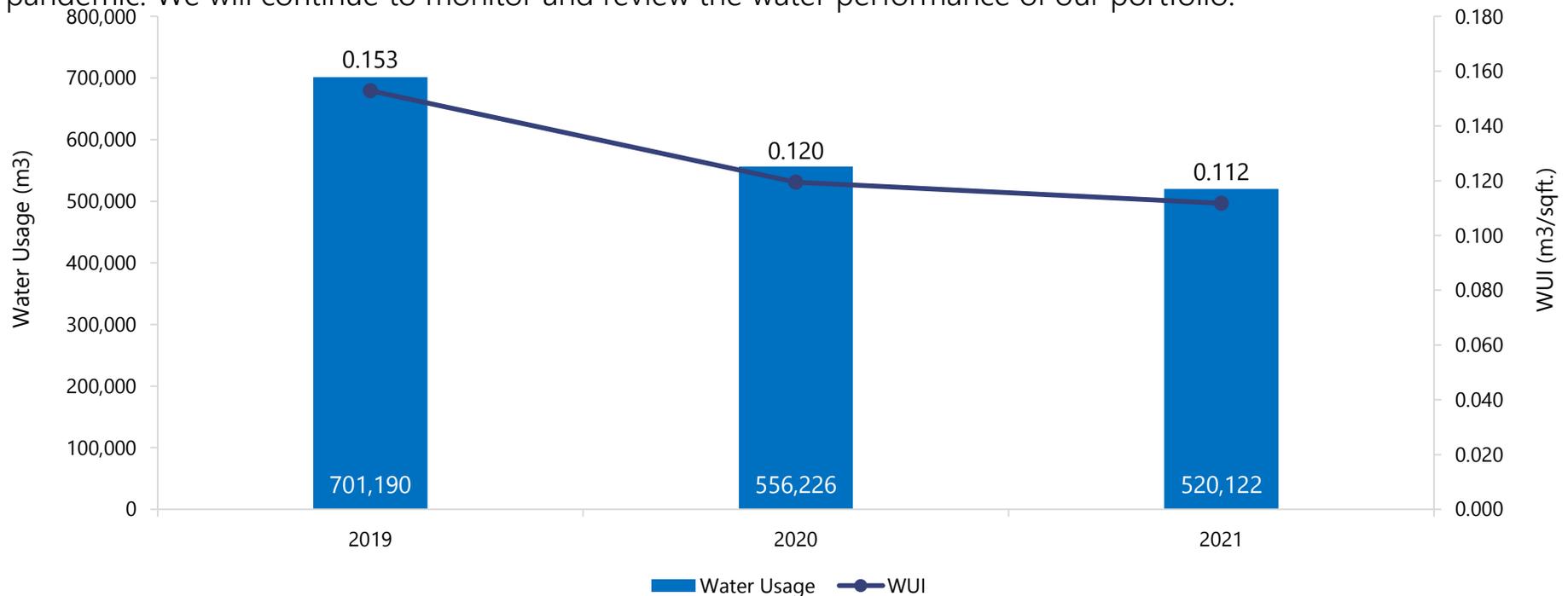


Note: Please refer to the Sustainability Statement 2021 for further details.

Water Usage and Water Use Intensity (WUI)

We advocate the responsible use and management of water and improve efficiency across all properties. Working with property managers, we educate tenants and raise awareness of its conservation as they consume most water.

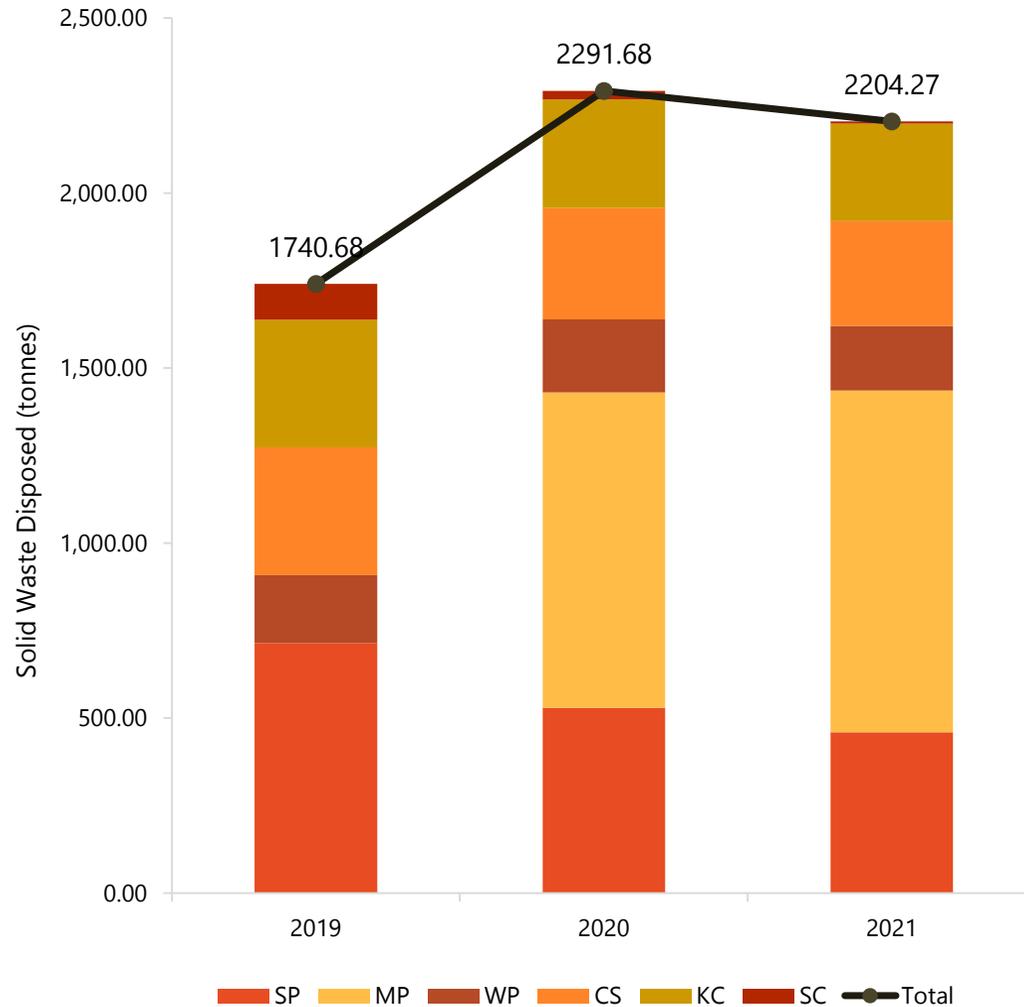
The water consumption intensity of our properties reduced by 7% in 2021 compared to the previous year. Primarily, this decrease was attributed to the significant reduction in building usage during the COVID-19 pandemic. We will continue to monitor and review the water performance of our portfolio.



Note: Please refer to the Sustainability Statement 2021 for further details.

Waste Management

Waste Generation



Majority of waste generated at our malls and hotel is domestic waste from day-to-day activities with authorised third-party contractors collecting and disposing of the waste accordingly. Our solid waste disposed of in 2021 reduced by 87 tonnes from 2020. Periodically, we run recycling campaigns across our properties to encourage the public to protect the environment. Recycling bins are also available at our properties for shoppers, guests and tenants.

Several blood donation drives were held during the quarter at Wetex Parade, Kulim Central and Segamat Central, organised by various associations and hospitals like Tabung Darah Hospital Muar, Hospital Kulim and Hospital Segamat. Wetex Parade managed to receive 239 donors, Kulim Central 60 donors and Segamat Central 236 donors which added up to a total of 535 blood donors throughout October to December 2021.

Blood Donation Drives



On the 31st of October, Wetex Parade had partnered with YB Syed Saddiq, the MP of Muar, to distribute its food bank collection to needy families around Muar. The food bank were donated by shoppers in Wetex Parade through a public dropbox to help families who were struggling in the COVID-19 pandemic ([see here on Instagram](#))

“Lets Share Because We Care”



To spread the love during Christmas, Wetex Parade shoppers were encouraged to donate or buy Christmas gifts for the Students of PDK Maharani Muar according to their wish list hung on the Christmas tree ([see here on Instagram](#))

“Be a Santa in Someone’s Life”



Prospects



Classic Hotel, Muar, Johor

The Malaysian economy is projected to grow between 5.5% and 6.5% in 2022*. This is largely attributable to the easing of restrictions such as allowing all sectors of the economy & retail sector to operate, permitting inter-state travel for leisure and opening up of borders for international tourism via the Langkawi Tourism Bubble. As the country continues to transition into an endemic phase, Malaysia's growth trajectory is expected to improve given the resumption of economic activities, further improvement in the labour market, continued policy support and expansion in external demand. The progress and efficacy of booster vaccinations, compliance with SOPs, as well as the ability to effectively contain outbreaks from any new COVID-19 variants of concern ("VOCs") will be key to the expected recovery.



Baskin Robbins @ Wetex Parade, Muar, Johor

Retail Group Malaysia ("RGM") projected a 6% growth for retail sales in 2022. Although Malaysia is experiencing a fourth wave due to Omicron at the time of writing, the percentage of serious cases requiring hospitalization is still manageable. The bulk of Covid-19 daily cases is from Category 1 & 2. Therefore, unless this situation changes, whereby hospital bed capacity is put under strain or other VOC emerge, which could dampen the retail sentiment. Malaysia's economic recovery is expected to improve with the reopening of international borders which according to the Ministry of Health is realistically expected to open early in the second quarter of this year subject to approval by the Government. Meantime, the Management maintains a cautious outlook for the coming quarters and will vigilantly monitor this evolving situation and remain focused on ensuring the safety and well-being of shoppers, tenants, employees and communities at all its properties.

*Source: Bank Negara Malaysia

Corporate Proposal



The Manager had on 15 November 2021 made an announcement to Bursa Malaysia that Hektar REIT proposes to undertake a private placement of up to 23,098,000 new units of Hektar REIT (“Proposed Private Placement”), representing up to 5% of its total issued Units of 461,960,178 Units as at 12 November 2021, being the latest practicable date prior to the announcement (“LPD”) and the following approvals in relation to the Proposed Private Placement were obtained:

The Proposed Private Placement is subject to the following approvals:

- i. MTrustee Berhad, being the Trustee of Hektar REIT, which was obtained on 3 November 2021; and
- ii. Bursa Securities, for the listing of and quotation for the Placement Units on the Main Market of Bursa Securities which was obtained on 25 November 2021

On 13 December 2021, the REIT fixed the issue price for the first tranche of the Proposed Private Placement (“Price-Fixing Date”) at RM0.455 per Placement Units (“Issue Price”). The Issue Price represents a discount of RM0.0467 or approximately 9.31% to the 5-day volume weighted average market price of units of Hektar REIT up to and including 10 December 2021, being the last market day immediately preceding the Price-Fixing Date of RM0.5017 per unit of Hektar REIT. The REIT completed the issuance and listing of the first tranche of 6,300,000 new units On 24 December 2021, which increased the number of units from 461,960,178 to 468,260,178.

On 23 December 2021, the REIT fixed the issue price for the second tranche of the Proposed Private Placement at RM0.455 per Placement Units (“Issue Price”). The Issue Price represents a discount of RM0.045 or approximately 9.00% to the 5-day volume weighted average market price of units of Hektar REIT up to and including 22 December 2021, being the last market day immediately preceding the Price-Fixing Date of RM0.500 per unit of Hektar REIT. The REIT completed the issuance and listing of the second tranche of 3,000,000 new units in Hektar REIT on 29 December 2021, which further increased the number of units from 468,260,178 to 471,260,178.

Creating The Places People Love



Investor Communications
Hektar Asset Management Sdn Bhd
D1-U3-10, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
MALAYSIA



Tel: +6 03 6205 5570

Fax: +6 03 6205 5571

Web: www.HektarREIT.com

Email: ir@HektarREIT.com

