



Creating The Places People Love



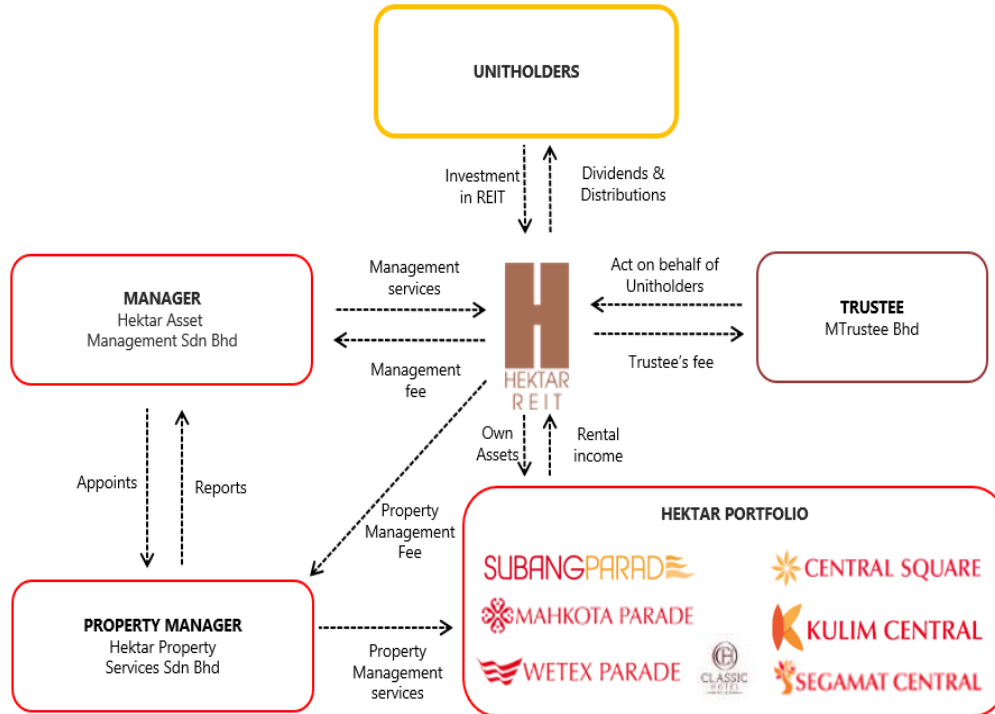
HEKTAR REAL ESTATE INVESTMENT TRUST

4Q24 Results Presentation

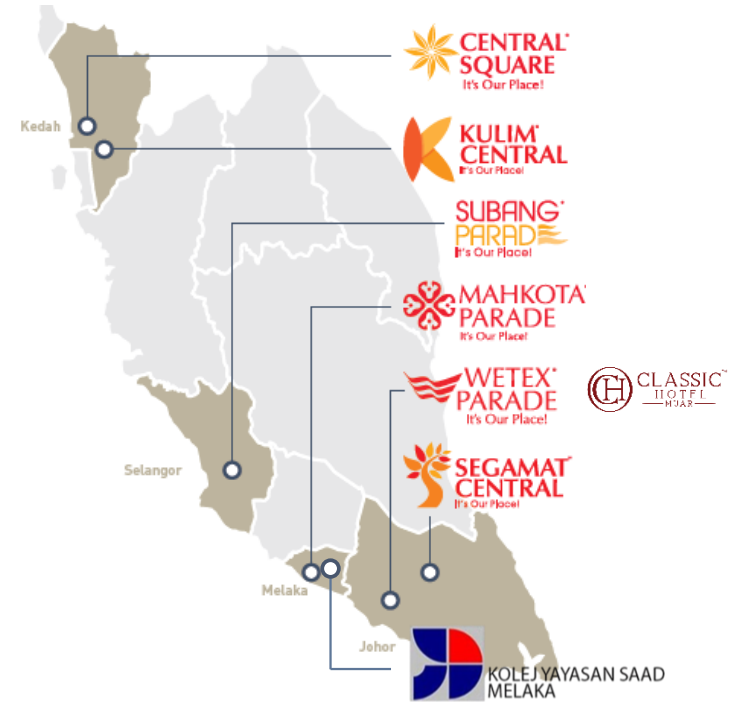
26 February 2025

Diversifying while maintaining our retail-centered niche

ORGANISATION



GEOGRAPHICALLY WELL-DIVERSIFIED



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Financial Highlights



Financial Performance (2024) vs Previous Year (2023)

Gross Revenue	RM124.8 million (+11.9% Y-o-Y)
Net Property Income	RM62.9 million (+4.7% Y-o-Y)
Realised Net Income	RM19.9 million (-20.4% Y-o-Y)
Debt Maturity Profile	91.8% of Debt maturing from 2027 onwards
Effective Cost of Debt	5.03% (FY2023: 4.66%)
Gearing	41.7% (FY2023: 42.8%)

Operational Performance as at 31 December 2024

Portfolio Occupancy:	84.0% (FY2023: 86.7%)
Visitor Traffic:	22.6 million (-1.9% Y-o-Y)
Rent Reversions:	+5.7% (FY2023: +0.2%)
Expiry Profile:	37% of NLA expiring in 2025

Dividend Per Unit FY2024

1H24	1.90 sen
2H24	1.25 sen
FY24	3.15 sen*

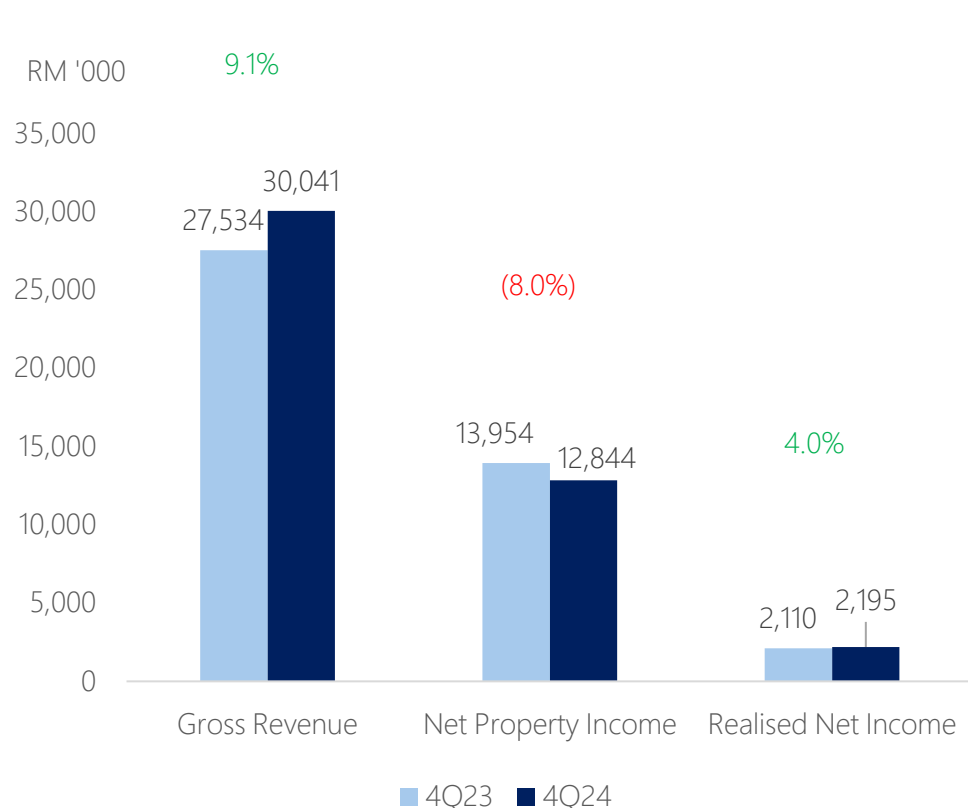
Distribution Policy: Semi-annual basis for each six-month period ending 30 June and 31 December each year.

DPU Yield: 5.7%

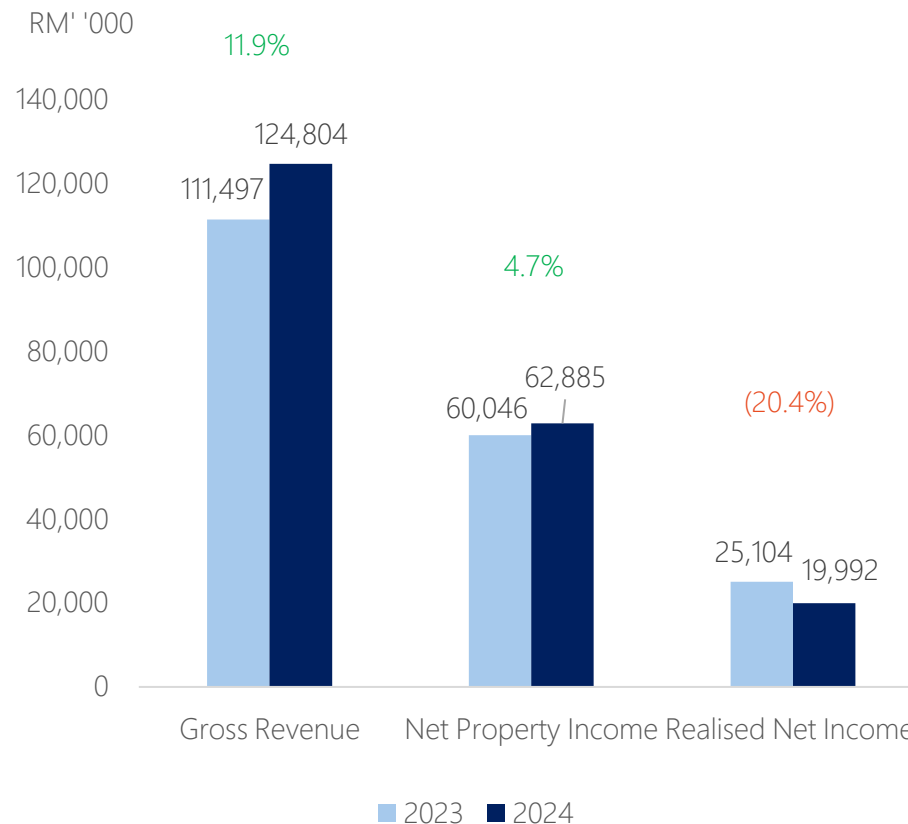
*Note: Based on closing share price of RM0.555 as at 31 December 2024



4Q24: Oct-Dec 2024 | 3 Months



FY24: Jan-Dec 2024 | 12 Months



1. For Full Year 2024 result, fair increase in Revenue and NPI derived from the recognition of rental income upon the completion of acquisition of Kolej Yayasan Saad.
2. Lower Realised Net income resulted due to:-
 - I. the increase in finance costs of RM3.9 million resulting from increase in OPR and new borrowings in the current year.
 - II. reversal of gain on trade receivables recognised in previous year of RM2.35 million.
 - III. one-off acquisition fee amounting of RM1.48 million in relation to KYS Melaka acquisition.

EXPIRY PROFILE

2024-2033



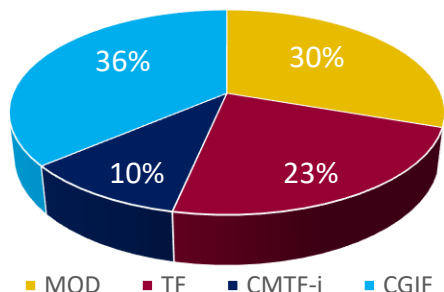
DEBT SUMMARY

As at 31 December 2024

Total Debt	RM598.3 million [FY2023: RM562.2 million]
Effective Cost	5.03% [FY2023: 4.66%]
Gearing Ratio	41.72% [FY2023: 42.76%]
Interest Cover	1.66 times [FY2023: 1.96 times]

Funding Composition:

MBB	Al-Murabahah Overdraft (MOD)	:	RM186.6MIL
CIMB	Term Financing (TF)	:	RM136.2 MIL
HLB	Commodity Murabahah Term Financing-i (CMTF-i)	:	RM60.5 MIL
CGIF	Credit Guarantee & Investment Facility	:	RM215.0 MIL



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

Income Statement FY 24	As at 31.12.2023 (RM '000)	As at 31.12.2024 (RM '000)	Variance (%)
Revenue	111,497	124,804	11.9%
Direct Cost & Property Expenses	(51,451)	(61,919)	(20.3%)
Net property income (NPI)	60,046	62,885	4.7%
Income from Fund Placement & Others	2,261	1,869	(17.4%)
Trust Expenses	(13,361)	(14,667)	(9.8%)
Reversal Gain / (Impairment loss) on trade receivables	2,353	(13)	(>100%)
Finance Cost	(26,203)	(30,076)	(14.8%)
Realised income before taxation	25,096	19,997	(20.3%)
Weighted Number of Units	499.89m	684.51m	

Balance Sheet FY24

Balance Sheet	As at 31.12.2023 (RM '000)	As at 31.12.2024 (RM '000)
Non-current Assets		
Investment properties	1,232,700	1,391,644
Plant & Equipment	414	469
	<u>1,233,114</u>	<u>1,392,113</u>
Current Assets		
Trade receivables	3,511	4,787
Other receivables, deposits and prepayments	14,917	18,497
Cash and bank balances	63,307	18,626
	<u>81,735</u>	<u>41,910</u>
TOTAL ASSETS	1,314,849	1,434,023
Non-Current Liabilities		
Tenancy deposits	25,477	26,698
Deferred tax liability	30,878	31,554
Bank borrowings	559,228	579,073
	<u>615,583</u>	<u>637,325</u>
Current Liabilities		
Trade payables	7,349	9,034
Other payables and accruals	13,832	23,896
Tenancy deposits	2,356	2,468
Bank borrowings	3,000	19,200
	<u>26,537</u>	<u>54,598</u>
TOTAL LIABILITIES	642,120	691,923
NET ASSET VALUE	672,730	742,100
Financed by:		
Unitholders' capital	560,887	632,445
Retained earnings-realised	53,628	46,817
Retained earnings-unrealised	58,215	62,838
TOTAL UNITHOLDERS' FUND	672,730	742,100

Unit Statistics

As at 31 Dec 2024

No. of Unit 709,286,684

Net Asset Value Per Unit RM1.034

Unit Price RM0.555

Market Capitalisation RM393.65 million

Discount to NAV 46.31%

Portfolio Performance

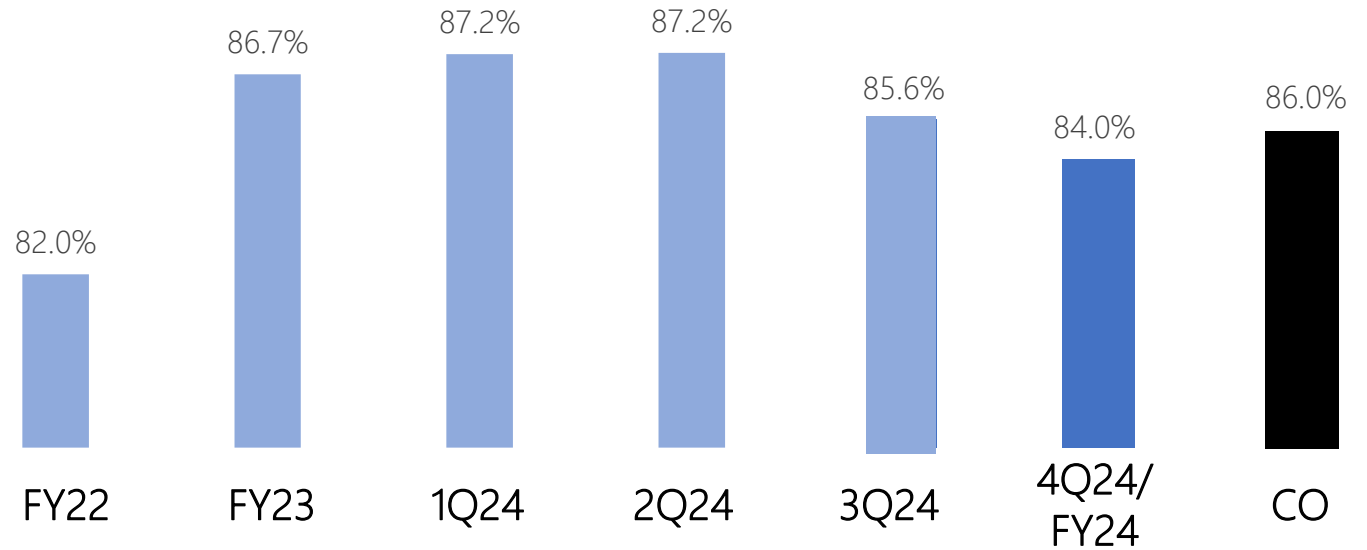
Committed Occupancy at 86.0% ▶

Positive Rental Reversion of 6.3% in Q42024 ▶

Positive rental reversion was recorded for the second consecutive year, with a 5.7% increase reported for FY 2024. ▶



- Previous Occupancy
- Actual Occupancy 4Q24
- Committed Occupancy 4Q24



Occupancy	FY22	FY23	1Q24	2Q24	3Q24	4Q24/ FY24	CO
Subang Parade	70.3%	74.3%	75.0%	75.5%	77.5%	84.1% ▲	88.1%
Mahkota Parade	86.9%	93.8%	94.8%	95.0%	95.5%	98.2% ▲	98.2%
Wetex Parade	88.1%	97.6%	97.1%	96.7%	96.5%	96.5%	96.5%
Central Square	82.3%	87.1%	87.1%	87.6%	75.4%	71.7% ▼	77.4%
Kulim Central	96.4%	96.9%	97.2%	96.2%	96.5%	83.9% ▼	84.4%
Segamat Central	73.7%	76.6%	76.0%	75.9%	72.4%	58.4% ▼	58.4%
Portfolio Average	82.0%	86.7%	87.2%	87.2%	85.6%	84.0% ▼	86.0%

- 44 new/renewed tenancies consisting of 12.7% of total NLA for the quarter ended 31 December 2024.
- Strong positive reversions were observed at all malls, except for Central Square due to different tenancy structure versus the lot's outgoing tenant.

Quarter Ended 31 December 2024	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent Rates
Subang Parade	13	183,812	35.2%	7.2%
Mahkota Parade	13	28,674	5.5%	10.5%
Wetex Parade	3	10,945	6.4%	14.3%
Central Square	5	17,064	5.5%	-27.6%
Kulim Central	4	6,793	2.3%	8.2%
Segamat Central	6	13,530	6.4%	6.0%
Total/Average	44	260,818	12.8%	6.3%

5.7% Rental Reversion for FY24 Showing a Robust Growth

- For the year 2024, a total of **144** tenancies consisting of **34.1%** of total NLA were added/ renewed. All malls recorded an increase over previous rent rates.
- The strong positive rental reversion highlights our strategic leasing effort.

YTD 31 December 2024	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent Rates
Subang Parade	41	243,104	46.6%	6.5%
Mahkota Parade	41	88,156	16.9%	6.7%
Wetex Parade	18	110,053	64.6%	3.6%
Central Square	13	30,109	9.7%	6.1%
Kulim Central	20	108,386	36.8%	8.9%
Segamat Central	11	115,795	51.9%	0.8%
Total/Average	144	695,603	34.1%	5.7%

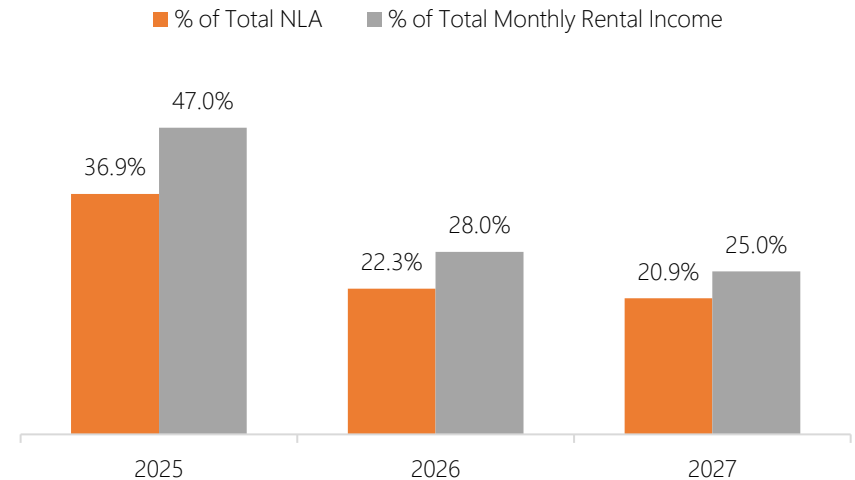
Tenancies Expiry Well Distributed

- In 4Q24, a total of **44** tenancies this year covering **260,818** sq. ft. have been renewed / added representing **12.8%** of total NLA.
- 1,052,729 sq. ft. or about **51.7 %** of total NLA expiring in 2024, of which 695,603 sf sq. ft / **34.1%** of NLA has been renewed / added as of 31 December 2024.
- 752,905 sq. ft or about / **36.9%** of total NLA expiring in 2025

PORTFOLIO TENANCY EXPIRY PROFILE 2025-2027

	Number of Tenancies Expiring	Expiring NLA (Sq. Ft.)
2025	219	752,905
2026	103	455,751
2027	65	426,484
Total	387	1,635,140

Portfolio Lease Expiry Profile.



Notes:-

1. Based on the total Net Lettable Area (NLA) of 2,041,902 sq. ft. as at 31 December 2024.
2. Based on monthly rental income for Dec 2024. Figures may not round to 100% due to misc. items.
3. Kolej Yayasan Saad, Melaka has been excluded in the calculation above. For reference, it has a remaining 28.75-year lease expiry.



Zubir Khan Artist Performance, Segamat Central



Dart Master, Segamat Central



Christmas Celebration, Subang Parade



Muda Mudi Festival, Central Square



Basketball Competition, Kulim Square



Hobbies Festival, Mahkota Parade



Game On Theme Park, Subang Parade



Mokky's Pizza, Subang Parade



Padi House, Subang Parade



Cha Tra Mue, Mahkota Parade



Rasa Sayang, Kulim Central



Syok Kart, Central Square



Chagee, Mahkota Parade



Mica, Subang Parade



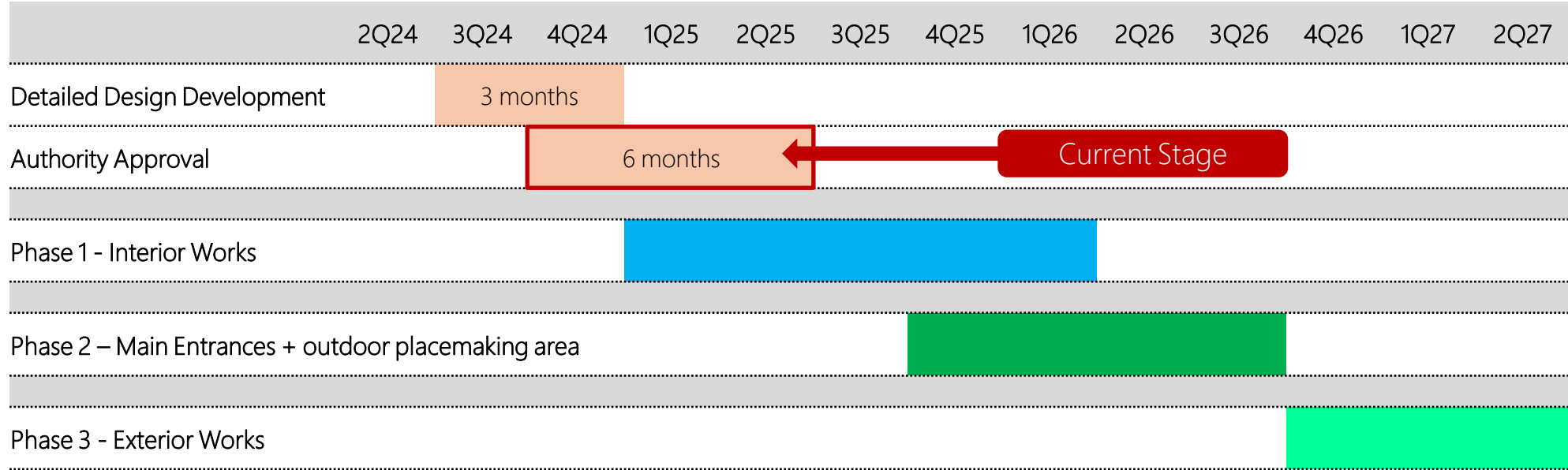
Back To School CSR Program,
Subang Parade

2025 Key Initiatives



Subang Parade Asset Enhancement Initiatives (AEIs)

AEIs targeted to be completed by 1H2027



1. Design Development has been concluded with the appointed Architect, Urban Agenda Design
2. For Phase 1 (Interior Works), it is currently at the tender stage to appoint a contractor with works targeted to commence on-site before end Q2 2025.
3. Phase 1 works will cover all interior works ranging from lift lobbies, corridors, toilets, common space, event space and wayfinding / signages.

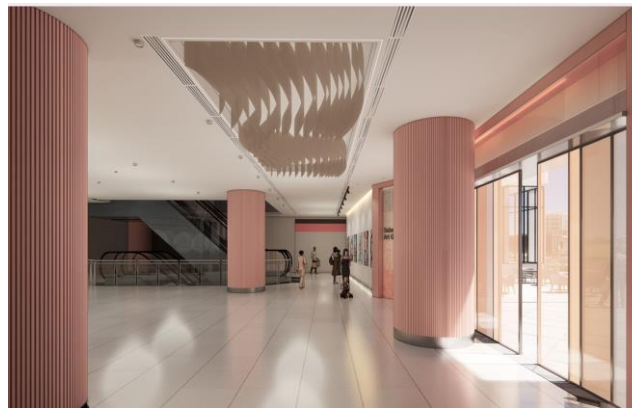
Subang Parade Repositioning – Phase 1 (Interior Works)

- The renders below are Post Design Development Stage, in which works are expected to be completed by 1Q26

Toilets



Art Gallery / Entrances



Subang Parade Repositioning – Phase 1 (Interior Works) - Continue

- The renders below are Post Design Development Stage, in which works are expected to be completed by 1Q26

Corridors / Event Spaces



Lift Lobbies



Business Development (Acquisition Pipeline)



REQUIREMENTS FOR ACQUISITION

Retail

- Average 7.0% yield
- < 15 years of building age
- ≥ 90% occupancy rate

Industrial

- Average 7.0% yield
- Triple Net Lease
- ≥ 15 years lease
- Step-up rental

Education

- Average 7.0% yield
- Triple Net Lease
- ≥ 15 years lease
- Step-up rental

TARGET AUM*:-
RM 3 BILLION
BY 2027

*Note: AUM abbreviation for Asset Under Management

New Acquisition – Industrial Property Located in Penang



- The industrial asset is located within Bayan Lepas Free Industrial Zone, Phase IV and located about 17km to the southwest of George town City Centre. In addition, the asset is located within the free industrial zone in Penang.
- The industrial property is strategically located due to its close proximity to Penang Airport and the Penang Bridge with accessibility to a wide customer base and talent pool with vast experience in electronic and semi-conductor industry
- This industrial premise consist of two (2) blocks of Factories annexed with office space and one block of three-storey production area.

Property Information

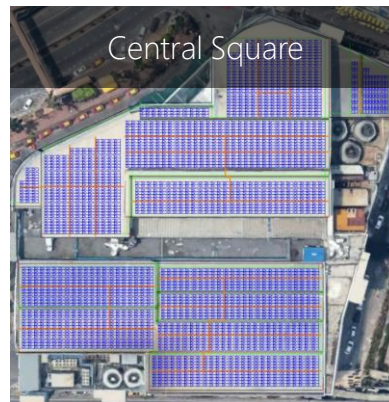
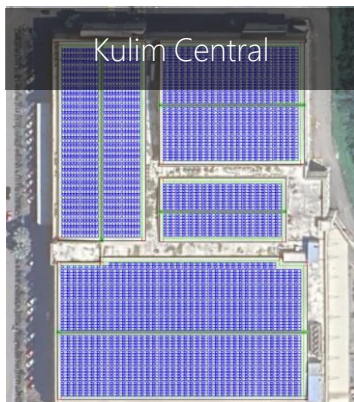
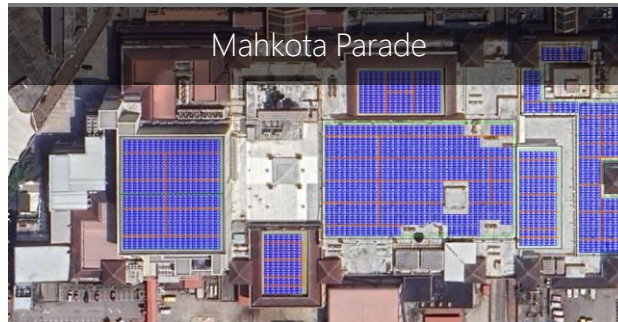
Data	
Gross Floor Area	48,607 sq ft
Building Age	16 Years (Block 1), 2 Year (Block 2), In construction (Block 3)
No of Storey	Three-storey for all blocks
Type of Industry	Light (Electrical & Electronics)

Transaction Details

Data	
Type of Lease	Triple Net Lease
Acquisition Price	RM30,000,000
Rental (per annum)	RM2,250,000
Rental Escalation	5% every 3 years
Initial Yield	7.5%
Average yield over 15 years	8.1%

Solar Panels Implementation from Q3 2025 onwards

- Hektar REIT partners with a Solar Panels Investor for 20-Year Zero-Capex Solar Initiatives across Portfolio.
- The signing of agreement is expected to be completed in 1Q25.



Transaction Details

Data	Details
Type of Agreement	Zero Capex Model PPA
Upfront Cost	Zero
Total Solar Capacity	5.0 MW / ~5,013 KwP
Average Operation Savings	RM 2.05 million per annum (8.67% of current utilities bill)
Coverage of Assets	<ol style="list-style-type: none"> 1. Subang Parade 2. Mahkota Parade 3. Kulim Central 4. Central Square 5. Segamat Central

H HEKTAR REIT

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