

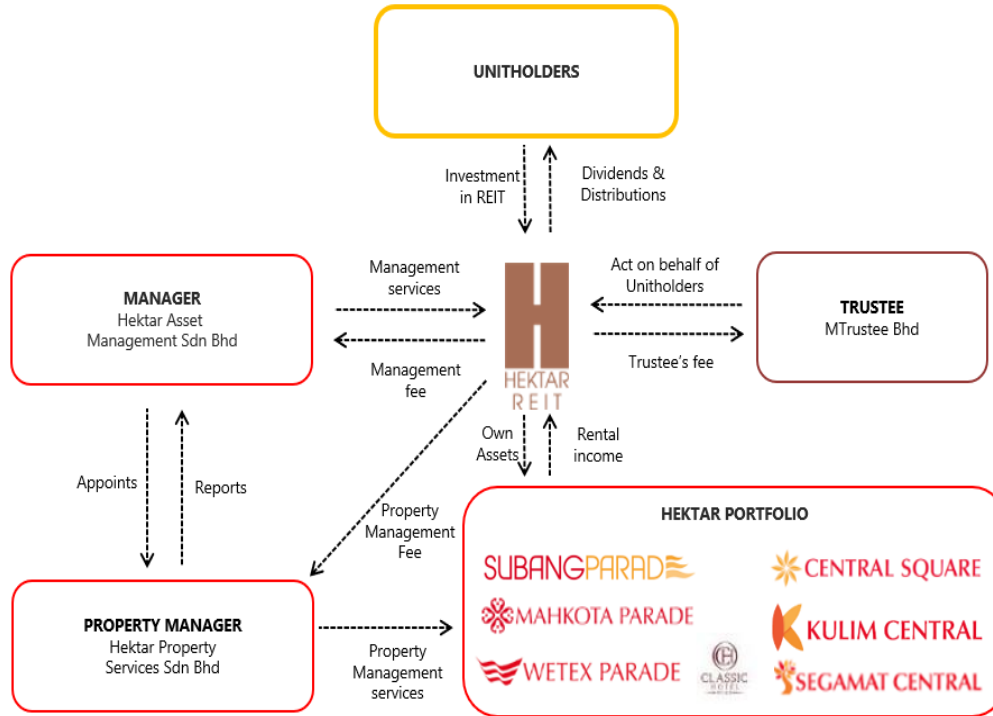


HEKTAR REAL ESTATE INVESTMENT TRUST

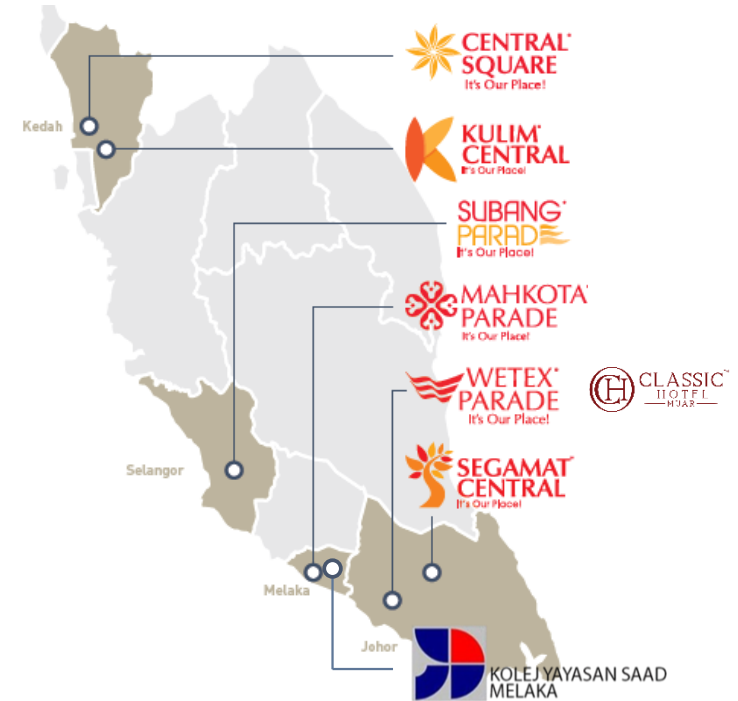
2Q25 Results Presentation

21 August 2025

ORGANISATION



GEOGRAPHICALLY WELL-DIVERSIFIED



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Financial Highlights



Financial & Operational Summary

Financial Performance (2Q2025) vs Previous Year (2Q2024)

Gross Revenue	RM32.0 million (-12.5% Y-o-Y)
Net Property Income	RM15.9 million (-23.5% Y-o-Y)
Realised Net Income	RM4.7 million (-44.7% Y-o-Y)
Debt Maturity Profile	90.8% of Debt maturing from 2028 onwards
Effective Cost of Debt	5.01% (FY2024: 5.03%)
Gearing	41.79% (FY2024: 41.7%)

Operational Performance as at 30 June 2025

Portfolio Committed Occupancy:	85.6% (FY2024: 84.0%)
Visitor Traffic:	5.7 million (-2.6% Y-o-Y)
Rent Reversions:	4.3% (FY2024: 5.7%)
Expiry Profile:	31.3% of NLA expiring in 2025

Dividend Per Unit FY2025

1H25	1.05 sen
2H25	TBC
FY25	TBC

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

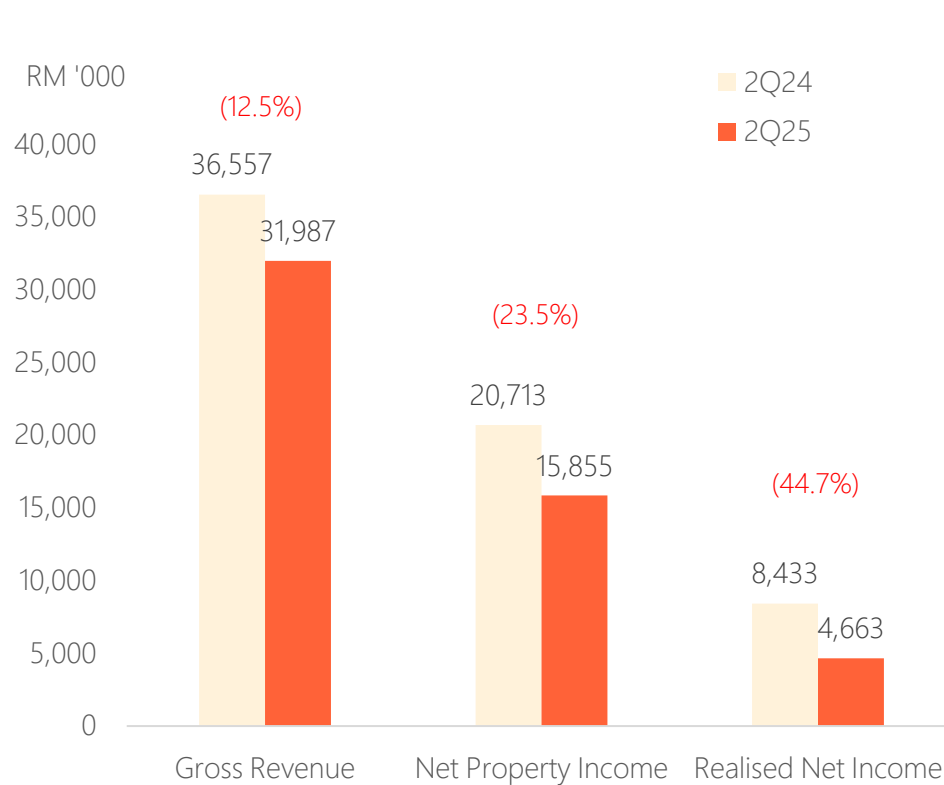
DPU Yield: 4.83%*

*Based on DPU of 1.90 sen on closing price of RM0.435 on 30 June 2025.

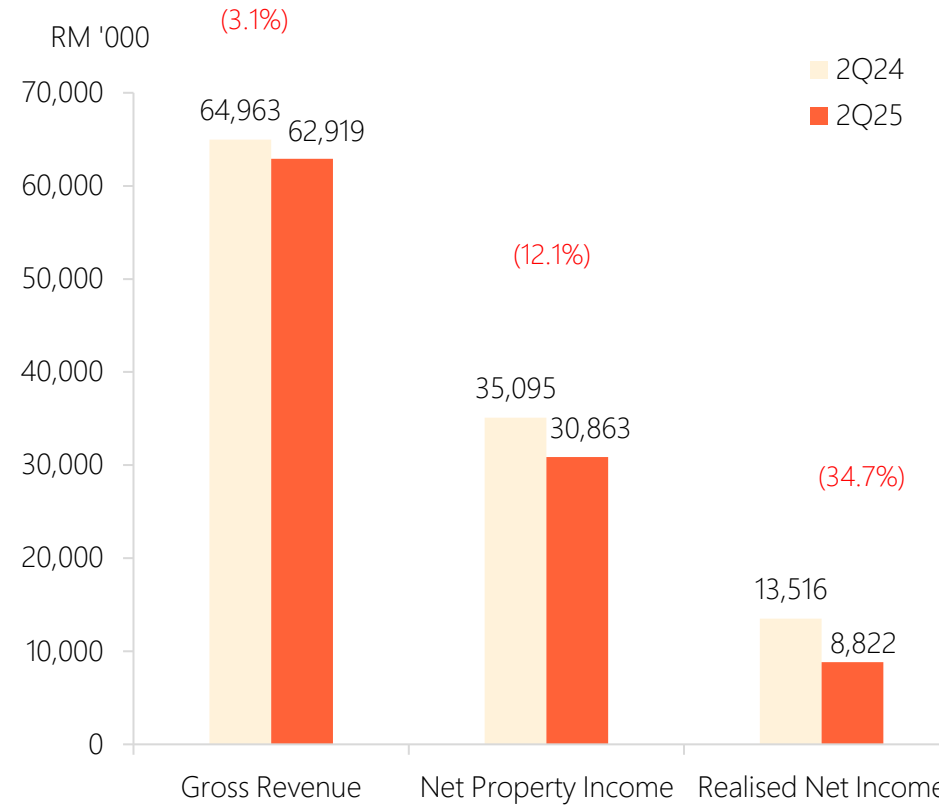


Performance Summary 2Q25

2Q25: Apr - June 2025



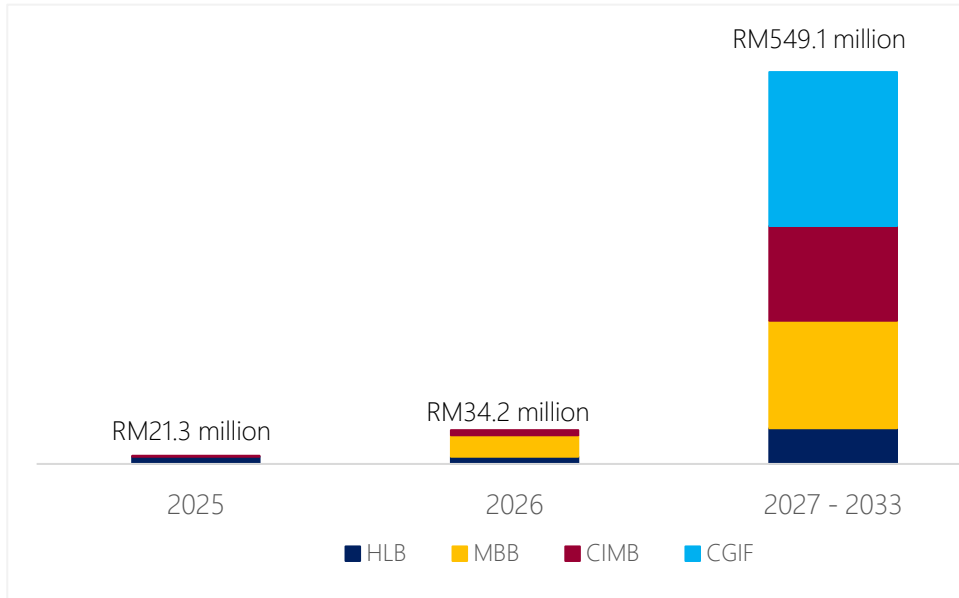
2Q25 YTD: Jan- June 2025



- Y-o-Y: Lower net realised income recorded due to previous inclusion of an additional RM4.0 million from KYS Melaka to reflect the effective date of the lease agreements, lower one-off other income of RM0.82 million recorded in the preceding YTD and an increase in finance costs of RM0.45 million due to additional borrowings drawn down.

EXPIRY PROFILE

2025-2033



DEBT SUMMARY

As at 30 June 2025

Total Debt	RM604.6 million [FY2024: RM598.3 million]
Effective Cost	5.01% [FY2024: 5.03%]
Gearing Ratio	41.79% [FY2024: 41.72%]
Interest Cover	1.59 times [FY2024: 1.66 times]

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

We are actively strengthening the REIT's financial position through continued prudent and proactive capital management via:

- Improving REIT's overall gearing ratio through debt reduction programme.
- Exploring borrowings options to improve rates, longer tenure with staggered maturity dates.
- Managing cash flow effectively, to reduce the monthly interest rate.

Income Statement 2Q25

Income Statement 2Q25	Q2 2024 (RM '000)	Q2 2025 (RM '000)	Variance (%)
Gross Revenue	36,557	31,987	(12.5%)
Direct Cost & Property Expenses	15,844	16,131	1.8%
Net property income (NPI)	20,713	15,855	(23.5%)
Income from Fund Placement & Others	335	103	(69.3%)
Administrative Expenses	(175)	(166)	5.2%
Reversal Gain / (Impairment loss) on trade receivables	(5,009)	(3,505)	30.0%
Finance Cost	(7,431)	(7,624)	(2.6%)
Realised income before taxation	8,433	4,663	(44.7%)

Weighted Number of Units	706.81m	709.29m
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Balance Sheet 2Q25

	As at 31.12.2024 RM (Audited)	As at 30.06.2025 RM (Unaudited)
<u>NON-CURRENT ASSETS</u>		
Investment properties	1,391,644,339	1,394,830,944
Property, plant & equipment ("PPE")	468,977	408,521
	1,392,113,316	1,395,239,465
<u>CURRENT ASSETS</u>		
Trade receivables	4,787,249	7,238,243
Other receivables, deposits and prepayments	18,497,398	33,850,608
Cash and bank balances	18,625,673	10,365,554
	41,910,320	51,454,405
TOTAL ASSETS	1,434,023,636	1,446,693,870
<u>NON-CURRENT LIABILITIES</u>		
Tenancy deposits	26,697,684	29,158,123
Deferred tax liability	31,554,132	31,554,132
Bank borrowings	579,072,566	585,400,000
	637,324,382	646,112,255
<u>CURRENT LIABILITIES</u>		
Trade payables	9,033,990	14,432,713
Other payables and accruals	23,896,221	22,259,589
Tenancy deposits	2,468,045	2,632,800
Bank borrowings	19,200,000	19,200,000
	54,598,256	58,525,102
TOTAL LIABILITIES	691,922,638	704,637,357
NET ASSET VALUE	742,100,998	742,056,513
<u>FINANCED BY:</u>		
Unitholders' capital	632,444,845	632,444,845
Undistributed income - Realised	46,817,461	46,772,976
- Unrealised	62,838,692	62,838,692
TOTAL UNITHOLDERS' FUND	742,100,998	742,056,513

Unit Statistics

As at 30 June 2025

No. of Unit 709,286,684

Net Asset Value
Per Unit RM1.0357

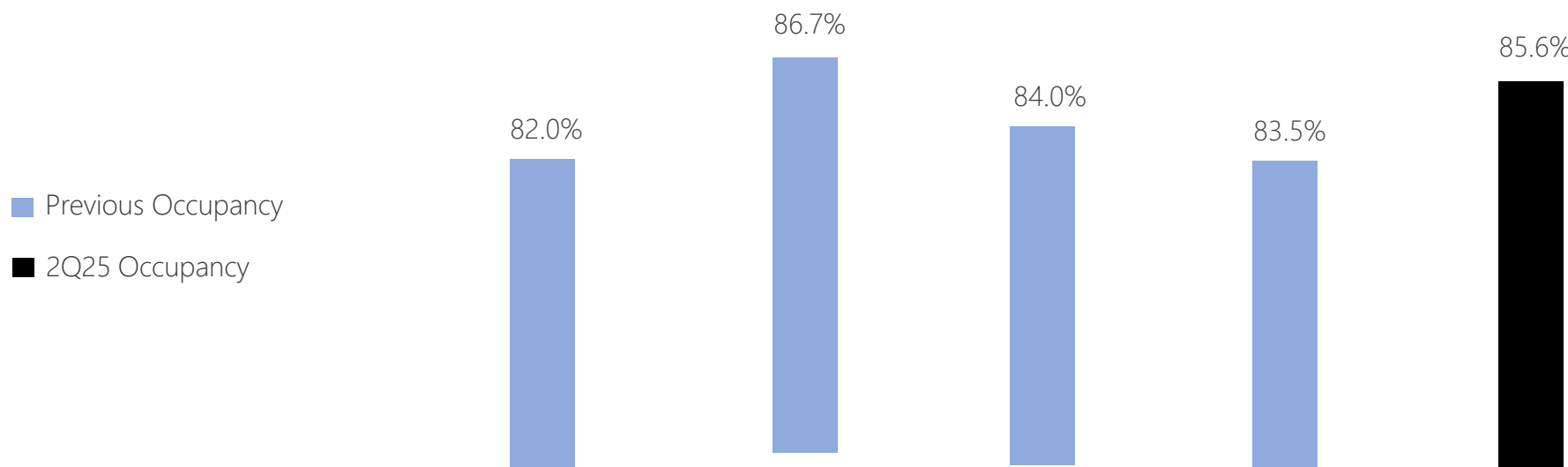
Unit Price RM0.435

Market
Capitalisation RM308.54 million

Portfolio Performance

2Q25 Occupancy at 85.6% ►





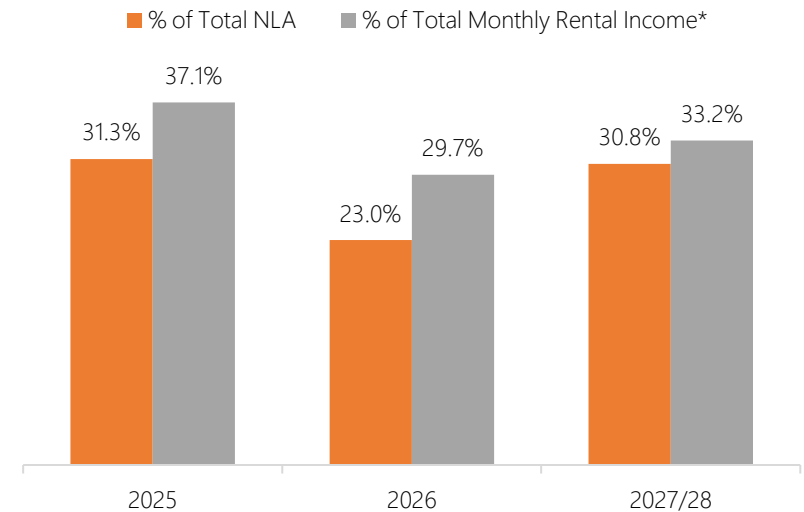
Occupancy	FY22	FY23	FY24	1Q25	2Q25
Subang Parade	70.3%	74.3%	84.1%	84.1%	85.2% ▲
Mahkota Parade	86.9%	93.8%	98.2%	97.1%	96.3% ▼
Wetex Parade	88.1%	97.6%	96.5%	96.5%	95.4% ▼
Central Square	82.3%	87.1%	71.7%	69.5%	76.3% ▲
Kulim Central	96.4%	96.9%	83.9%	84.4%	87.9% ▲
Segamat Central	73.7%	76.6%	58.4%	58.4%	64.5% ▲
Portfolio Average	82.0%	86.7%	84.0%	83.5%	85.6% ▲

- 643,163 sq. ft or about / **31.3%** of total NLA expiring in 2025 which of 90,826 sq. ft / **4.5%** of NLA has been renewed/added as of 30 June 2025.
- YTD June 2025, 164,316 sq. ft / **8.0%** of NLA has been renewed / added.

PORTFOLIO TENANCY EXPIRY PROFILE 2025-2027/28

	Number of Tenancies Expiring	Expiring NLA (Sq. Ft.)
2025	177	643,162
2026	112	471,896
2027/28	104	641,848
Total	392	1,756,905

Portfolio Lease Expiry Profile.



Notes:-

- Based on the total Net Lettable Area (NLA) of 2,053,265 sq. ft. as at 30 Jun 2025
- Based on monthly rental income for Jun 2025. Figures may not round to 100% due to misc. Items.
- Kolej Yayasan Saad, Melaka has been excluded in the calculation above. For reference, it has a remaining 28.25-year lease expiry.

2Q25 rental reversions at **4.3%** against previous rent.

- 33 new/renewed tenancies consisting of 4.5 % of total NLA for the quarter ended 30 June 2025.
- The decline in rental reversion at both Subang Parade and Kulim Central was mainly due the placement of new tenants at long vacated lots (SP since 2017, KC since 2021).
- Hektar REIT recorded 3 positive reversions (MP, CS & SC) and 3 negative reversion (SP, WP, KC) within its retail portfolio. Despite the negative reversions at these malls, the occupancy has improved and contributed positively to the mall's revenue.

Quarter Ended 30 th June 2025	No. of New Tenancies / Renewals	NLA (sq ft)	% of Total NLA	% Increase / (Decrease) Over Previous Rent Rates
Subang Parade	8	14,570	2.8%	-4.9%
Mahkota Parade	9	15,838	3.0%	5.5%
Wetex Parade	3	2,690	1.6%	-8.6%
Central Square	3	14,253	4.6%	17.2%
Kulim Central	3	2,888	1.0%	-32.7%
Segamat Central	7	40,587	19.1%	47.0%
Total/Average	33	90,826	4.5%	4.3%



Skechers, Kulim Central



Thai Odyssey, Mahkota Parade



Gamer's Hideout, Mahkota Parade



Chan Rak BBQ , Subang Parade



The Farm, Subang Parade



BS Gold & Jewellery, Segamat Central



Coolblog, Segamat Central



Guardian, Wetex Parade



Robotic Challenge 2025, Central Square



Muay Thai Competition, Subang Parade



K Rise Korean Festival, Mahkota Parade



Karaoke Raya, Segamat Central



Chess Competition, Kulim Central



3 on 3 Basketball Competition,
Wetex Parade

2025 Acquisition Update



Summary of Proposed Investments



Factory in Bayan Lepas, Penang
(Sale & Leaseback arrangement with
Microlead Precsion technology Sdn Bhd)

Purchase Consideration	RM30 million
Timeline	To be Completed by Q4 2025
Category of Land Use	Building
Title	Leasehold
Indicative Value	RM32.0 million
Lease structure	Long Term Triple-Net-Lease with 5% escalation every 3 years
Lease Term	15 + 15 Years
Income yield	Indicative Average Yield (15Y): 8.1%



Terramark Sdn Bhd
(Asset backed company with
Land in Chuping, Perlis)

Purchase Consideration	RM26 Million
Timeline	To be Completed by Q4 2025
Category of Land Use	Agricultural Use (Existing) (To be converted to Industrial Land)
Title	Leasehold
Land Indicative Value	RM3.83 psf / RM33.0 million
Lease structure	Long Term Triple-Net-Lease with 10% escalation every 3 years
Lease Term	25 Years
Income yield	Indicative Average Yield (25Y): 9.55%



KYSM Adjacent Land
Sales (KYS College Sdn Bhd) &
lease (KYSA Education Sdn Bhd) arrangement

Purchase Consideration	RM40 Million
Timeline	To be Completed by Q4 2025
Category of Land Use	Building
Title	Leasehold
Land Indicative Value	RM 22 psf / RM40.0 million
Lease structure	Long Term Triple-Net-Lease with 10% escalation every 3 years
Lease Term	30 Years
Income yield	Average Yield (30Y): 8.45%

2. New Acquisition – 90% equity interest in Terramark Sdn Bhd

Property Information

Data

Land Area	197.76 Acres / ~8,614,358 sq ft
Title	60 Years Leasehold with remaining lease expiry of 49 years
Indicative Value	RM3.83 psf / RM33.0 million (Based on the independent valuation by Raine & Horne)
Transacted Value	RM26.0 million
Category of Land Use	Agricultural Use (Existing) (To be converted to Industrial Land)

Strategic Rationale

- The acquisition of a 90% equity stake in Terramark Sdn Bhd presents a **strategic investment opportunity** for Hektar REIT due to the following key factors:
 - Ownership and control over strategic land bank** by acquiring majority / controlling stake in Terramark Sdn Bhd. Equity ownership allows greater flexibility in future redevelopment, leasing, and value appreciation strategies
 - To secure a **long-term income stream (ground lease) with escalating returns**. The recurring rental with periodic escalations further enhances cash flow stability, making it a highly attractive financial arrangement.
 - To **acquire industrial land at competitive price**, this is a rare advantage that positions Hektar REIT for significant future capital appreciation.
 - To participate in the **growing renewable energy sector**, aligning with the Company's vision of supporting renewable energy initiatives.



3. New Acquisition – KYSM Adjacent Land

Background

- The acquisition of Kolej Yayasan Saad Melaka was completed in July 2024 at the purchase price of RM148.5 million.
- The school sits on a 121-acre land held under one master title, of which 86 acres already acquired by Hektar REIT under the previous transaction.

Strategic Rationale

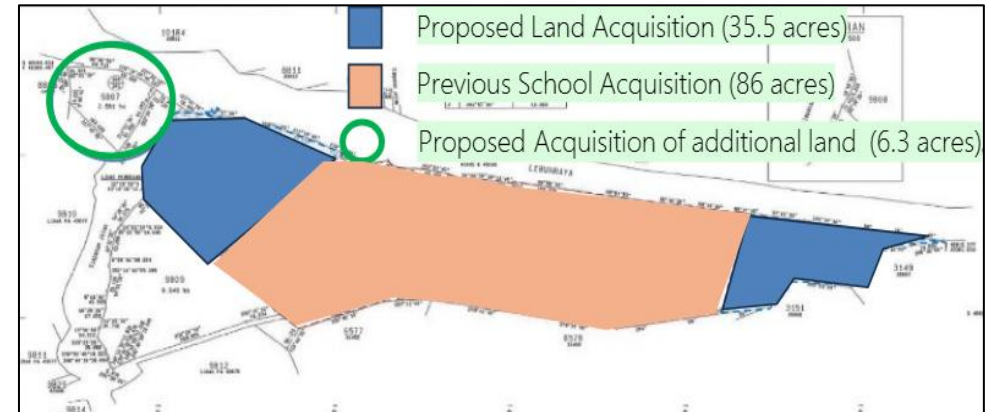
- As the acquired 86-acres land is sandwiched between the subject lands, it is a strategic move by Hektar REIT to acquire and take control of the whole master land.
- Demand for KYS has always surpassed supply, with the latest Form 1 intake saw more than 1,500 applications for 150 spots offered. Hektar REIT can leverage on this by planning for the school's expansion on the vacant lands. Once the expansion is completed, the school's total capacity can be considerably increased, generating more income for the school and Hektar REIT.
- Additionally, the acquisition of KYS adjacent land has potential for capital appreciation, supported with ground lease arrangement with KYSA Education Sdn Bhd for highest and best use.

Property Information

Data

Land Area	41.8 acres
Title	Leasehold with remaining lease expiry of 75 years
Indicative Price	RM 22 psf / RM40.0 million <i>(Based on the Valuation report prepared by Raine & Horne)</i>
Initial Yield	5.3%
Average Yield	8.45% (30 Years)
Category of Land Use	Building

Entire Plot of Land (Demarcation)



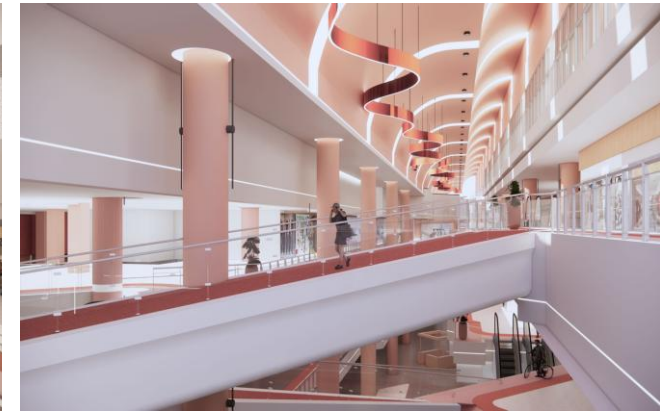
Asset Enhancement Initiative Update



Subang Parade - Phase 1 progress on track and to be completed by 1H26

Phase 1 (Interior Upgrade)

Work In Progress



Subang Parade - Phase 2 to be completed by 4Q26

Phase 2 (Exterior Upgrade)





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