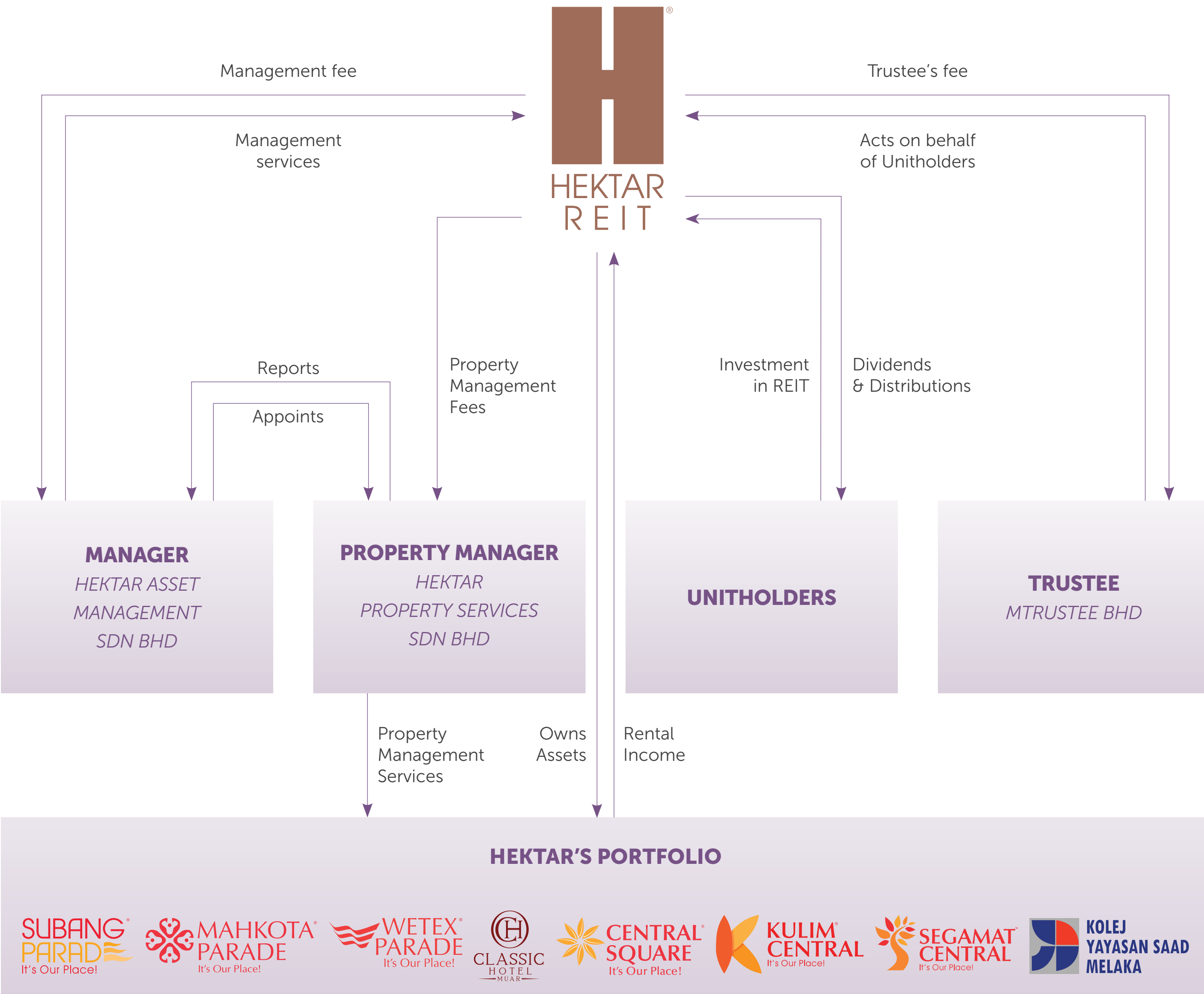
CORPORATE ORGANISATION

Hektar REIT is Real Estate Investment Trust managed by Hektar Asset Management Sdn Bhd. The Trust comprises a diversified portfolio spanning the retail, hospitality, and education sectors. Its retail portfolio consists of six shopping centres strategically located in Peninsular Malaysia. In line with its diversification strategy, Hektar REIT has expanded into the education sector through the acquisition of Kolej Yayasan Saad. The REIT has engaged Hektar Property Services Sdn Bhd under a Property Management Agreement to manage its shopping centres and hotel.



CORPORATE DIRECTORY

MANAGER

Hektar Asset Management Sdn Bhd
Company's Registration No.
200601012511 (732261-T)

Manager's Principal Place of Business
D1-U3-10, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Tel : +6 03 6205 5570
Fax : +6 03 6205 5571
Web : www.HektarREIT.com

Manager's Registered Office
Unit 419, Block A, Kelana Business Centre
No. 97, Jalan SS 7/2 Kelana Jaya
47301 Petaling Jaya Selangor

BOARD OF DIRECTORS OF THE MANAGER

Zainal Iskandar Bin Ismail
Executive Director & Chief Executive Officer

Wan Kamaruddin Bin Wan Mohamed Ali
Independent Non-Executive Director

Sr Zulazman Bin Zulkifli
Independent Non-Executive Director

Chong Kai Wooi
Independent Non-Executive Director

Sandra Tan Pei Ing
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Sandra Tan Pei Ing (Chairperson)
Independent Non-Executive Director

Chong Kai Wooi
Independent Non-Executive Director

Wan Kamaruddin Bin Wan Mohamed Ali
Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Wan Kamaruddin Bin Wan Mohamed Ali
(Chairman)

Chong Kai Wooi
Independent Non-Executive Director

JOINT COMPANY SECRETARIES OF THE MANAGER

Dato' Muhammad Hafidz Bin Nuruddin
(MAICSA 7005820)
SSM PC NO. 202008001132

Lim Seck Wah (MAICSA 0799845)
SSM PC NO. 202008000054

TRUSTEE

MTrustee Berhad
Company's Registration No.
198701004362 (163032-V)
2nd Floor, Plaza Armada
Lot 6, Lorong Utara C, Section 52
46200 Petaling Jaya

PROPERTY MANAGER

Hektar Property Services Sdn Bhd
Company's Registration No.
200901025275 (868376-K)
Lot A, Basement, Subang Parade
No. 5, Jalan SS 16/1
47500 Subang Jaya, Selangor

PRINCIPAL BANKER OF THE FUND

Maybank Islamic Berhad
Company's Registration No.
196001000142 (3813-K)
Menara Maybank, 100 Jalan Tun Perak
50050 Kuala Lumpur

CIMB Islamic Bank Berhad
Company's Registration No.
197201001799 (13491-P)
CBC KL1, Level 9, Menara CIMB, No. 1
Jalan Stesen Sentral 2, Kuala Lumpur Sentral
50470 Kuala Lumpur

Hong Leong Islamic Bank Berhad
Company's Registration No.
193401000023 (97141-X)
Menara Hong Leong
No. 6, Jalan Damanlela, Bukit Damansara
50490 Kuala Lumpur

Affin Islamic Bank Berhad
Company's Registration No.
200501027372 (709506-V)
Level 19, Menara Affin, Lingkaran TRX,
Tun Razak Exchange,
55188 Kuala Lumpur.

AUDITOR (EXTERNAL)

BDO PLT
Level 8 BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur

AUDITOR (INTERNAL)

KPMG Management & Risk Consulting Sdn Bhd
Company's Registration No.
198601000916 (150059-H)
Level 10, KPMG Tower, 8, First Avenue,
Bandar Utama 47800 Petaling Jaya,
Selangor

TAX AGENT

BDO Tax Services Sdn Bhd
Company's Registration No.
198401002347 (114863-K)
Level 8 BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur

REGISTRAR

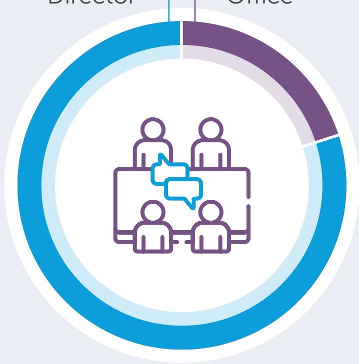
Mega Corporate Services Sdn Bhd
Company's Registration No.
198901010682 (187984-H)
Level 15-2, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : +6 03 2692 4271
Fax : +6 03 2732 5388

STOCK EXCHANGE LISTING

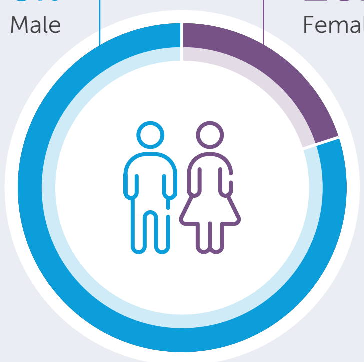
BURSA MALAYSIA SECURITIES BERHAD
Company's Registration No.
200301033577 (635998-W)
Board : Main Market
Sector : Real Estate Investment Trusts
Short Name : HEKTAR
Stock Code : 5121

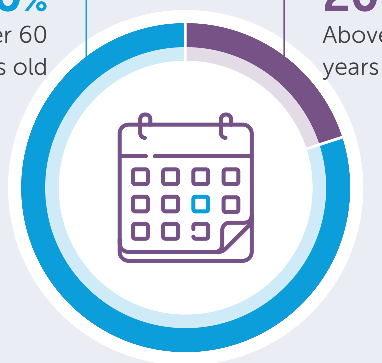
THE BOARD OF DIRECTORS

Board Composition



Diversity





Zainal Iskandar Bin Ismail

Executive Director and Chief Executive Officer

Wan Kamaruddin Bin Wan Mohamed Ali

Independent Non-Executive Director

Sr Zulazman Bin Zulkifli

Independent Non-Executive Director

Chong Kai Wooi

Independent Non-Executive Director

Sandra Tan Pei Ing

Independent Non-Executive Director

THE BOARD OF DIRECTORS

Zainal Iskandar Bin Ismail

Executive Director and Chief Executive Officer

51

Male

Malaysian

Date of Appointment:
12 July 2024

Number of Board Meetings Attended:

6/6

Encik Zainal Iskandar is the Executive Director and Chief Executive Officer of Hektar Asset Management Sdn Bhd, listed on the Main Market of Bursa Malaysia. With over 20 years of cross-sector leadership experience spanning property, ports & logistics, hospitality, oil & gas, renewable energy, palm oil & biofuels, IT and telecommunications, he brings deep expertise in corporate strategy, governance, financial restructuring and private equity investing.

At Hektar REIT, Iskandar has championed a strategic evolution of the Trust's business model, reinforcing its foundation as a retail-focused REIT while leading a diversification drive into higher-growth, non-retail asset classes. Under his leadership, the Trust has expanded its asset portfolio to include yield-accretive education and industrial properties, including strategic asset acquisitions that broaden income streams and reduce reliance on traditional retail rentals.

Recent financial results under his tenure reflect resilient revenue growth, improved retail occupancy, positive rental reversions and strengthened fundamentals, alongside strategic initiatives that support long-term sustainability. In FY2025, Hektar REIT reported higher rental income and growing net profit, with occupancy levels improving and new strategic partnerships enhancing tenant mix and shopper experience.

He began his career with the RENONG–UEM Group and prior to joining Hektar REIT, he served as Group CEO & Executive Director of Perak Corporation Berhad, having been appointed to the role in June 2020 at the height of the COVID-19 crisis during the Company's most unprecedented and challenging periods. He led a comprehensive financial and operational stabilisation programme, steering complex debt restructuring negotiations with financiers and stakeholders, rationalising operations, and restoring financial discipline. The successful turnaround achieved between 2020–2022 preserved the Group's going-concern status, mitigated enforcement risks, and laid the foundation for its subsequent PN17 regularisation. Under his leadership, the Group returned to profitability in 2022 after six consecutive years of losses.

In addition to his executive role, he serves as a Board Member of Perbadanan Ekonomi Islam Perak and as Chairman of PKEINPK Properties Sdn Bhd and PEIP Hospitality Management Sdn Bhd. He also sits on the boards of Kumpulan Perubatan Ar-Ridzuan Sdn Bhd and Country Annexe Sdn Bhd.

He holds a Bachelor of Commerce (Accounting) from the University of Auckland, New Zealand. Currently he also holds the Capital Markets Services Representative's Licence (CMSRL) under the Capital Markets and Securities Act 2007 and acts as the Principle Officer for the manager of Hektar REIT.

Encik Zainal Iskandar was present at all six (6) Board meetings convened during the financial year ended 31 December 2025.

THE BOARD OF DIRECTORS

Wan Kamaruddin Bin Wan Mohamed Ali

Independent Non-Executive Director

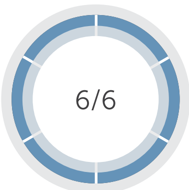
70

Male

Malaysian

Date of Appointment:
10 February 2023

Number of Board Meetings Attended:



Encik Wan Kamaruddin Bin Wan Mohamed Ali, a Malaysian, male, aged 70, was appointed to the Board on 10 February 2023.

Encik Wan has always been in the Finance field since he first graduated from University of Malaya in 1980. He started his career with Bank of America, Amanah Merchant Bank, JP Finance (on loan to Bank Negara & subsequent assignment by them), Amanah Merchant Unit Trust Bhd and Amanah International Finance Bhd as Chief Executive Officer.

In 1995, he moved to Fieldstone Capital Services Sdn Bhd, a Boutique Financial Advisory Firm where he was involved mainly in Project Finance Advisory services involving mostly highways and power plants.

The Asian financial crisis of 1999 saw the entry of Babcock & Brown Asia Pacific (BnB) opening its office in Kuala Lumpur and the whole team at Fieldstone was absorbed into BnB. Again, whilst with BnB he led a team advising Penerbangan Malaysia Bhd/Malaysia Airlines in their lease finance of various aircrafts (777s, 747s freighters and ATRs) in 2002, 2004, 2006 and 2009. He was also involved in advising clients in bidding for various power plant projects.

In 2009, upon leaving BnB, he acted as advisor to Markmore Energy in their acquisition of an oil field in Kazakhstan. The acquisition and arrangement of finance was completed in 2012.

He is currently an Advisor to PV Technologies PLT, a solar panel cleaning services company.

Encik Wan was present at all six (6) Board meetings convened during the financial year ended 31 December 2025.

THE BOARD OF DIRECTORS

Sr Zulazman Bin Zulkifli

Independent Non-Executive Director

57

Male

Malaysian

Date of Appointment:
9 February 2024

Number of Board Meetings Attended:

6/6

Sr Zulazman Bin Zulkifli, a Malaysian, male, aged 57, was appointed to the Board on 9 February 2024.

He is Chairman, nominated by the Minister of International Trade & Investment, of the Malaysia-Kyrgyz Business Council. Sr Zulazman is also an Independent Non-Executive Director of HCK Capital Group Bhd and is a Director of several private companies. He has over 25 years of stockbroking and property experience.

He was the Director, Head of Origination, and subsequently the Director, Head of Equities of MIDF Amanah Investment Bank Bhd. Previously Sr Zulazman was the Group Executive Director of Apex Equity Holdings Bhd and concurrently Non-Executive Chairman of JF Apex Securities Bhd.

He is a Member of the Royal Institution of Chartered Surveyors (RICS), as well as a Member of Royal Institution of Surveyors Malaysia (RISM), a Member of the Institute of Corporate Directors Malaysia (ICDM), a Member of the Malaysian Institute of Corporate Governance (MICG), and an accredited Director under the Construction Industry Development Board (CIDB). His foray into property was through a joint venture in 2006 with UEM Land Holdings Sdn Bhd (now known as UEM Sunrise Bhd) and AMP Capital Investors of Australia. Sr Zulazman was previously Independent Non-Executive Director of AmanahRaya Kenedix REIT Manager Sdn Bhd, the management company of AmanahRaya REIT where he chaired the Investment and Tender Committees.

Throughout his career in Malaysia, Sr Zulazman was a Dealing Member and a Licensed Dealers Representative of the Kuala Lumpur Stock Exchange and Bursa Malaysia, a Licensed Investment Advisor with the Securities Commission, a Registered Responsible Person with the Securities Commission for a Venture Capital Management Corporation while in Australia he was an ASIC licensed Investment Advisor. He has held various positions in financial services at Academia Capital, DH Flinders, Kuala Lumpur City Securities (now known as Alliance Investment Bank), CIMB Securities (now known as CIMB Investment Bank), ShareTech Securities, Jardine Fleming, Arab-Malaysian Securities (now known as AmInvestment Bank) in Malaysia, Cazenove & Co and as an Intern in Property Equities at UBS Philips & Drew in the UK.

Sr Zulazman was an Adjunct Lecturer at SEGI University Graduate School of Business. Sr Zulazman attended all six (6) Board Meetings of the Company held during the financial year ended 31 December 2025.

THE BOARD OF DIRECTORS

Chong Kai Wooi

Independent Non-Executive Director

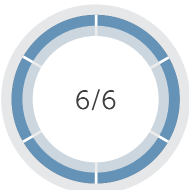
54

Male

Malaysian

Date of Appointment:
9 February 2024

Number of Board Meetings Attended:



Mr Chong Kai Wooi, a Malaysian, male, aged 54, was appointed to the Board on 9 February 2024.

Mr Chong brings nearly 30 years of experience in global multinational corporations, where he has assumed key leadership roles in business leadership, sales leadership, people leadership with technology leaders addressing many industries particularly telecommunications, government institutions and high technology enterprises.

Mr Chong was formerly the Managing Director of NEC Corporation Malaysia with annual turnover of 100 Oku Yen and a staff force of over 300 people nationwide.

In his prior position, he was instrumental in planning and executing the strategy for Hewlett Packard Enterprise in the telecommunication segment, consulting practice across the ASEAN, Taiwan, Hong Kong regions over 13 countries. He's best known for his objective oriented approach, principled and with a strong focus on profitable growth, building businesses and teams across many organisations that he has previously served in, both in the country and across the Asian region. He led NEC Malaysia to unprecedented growth as he transformed the organisation from a product to a services led organisation. His employees engagement scores steadily improved YoY to a high of 79% for 2022, way above the industry norm.

Mr Chong attended all six (6) Board Meetings of the Company held during the financial year ended 31 December 2025.

THE BOARD OF DIRECTORS

Sandra Tan Pei Ing

Independent Non-Executive Director

47

Female

Malaysian

Date of Appointment:
14 October 2024

Number of Board Meetings Attended:

6/6

Ms Sandra Tan Pei Ing, a Malaysian, female, aged 47, was appointed to the Board on 14 October 2024.

Ms Sandra holds a Master of Business Administration (MBA) from the University of Western Australia (UWA) and a Bachelor of Business in Accounting from the Royal Melbourne Institute of Technology (RMIT). She is also a Certified Practicing Accountant (CPA) through CPA Australia and completed the Insolvency Education Program through the Australian Restructuring Insolvency and Turnaround Association. Her diverse experience in corporate restructuring, and strategic communication equips her with analytical skills and industry insights.

Ms Sandra, an experienced professional in Investor Relations and Public Relations, currently serving as the Director at Imej Jiwa Sdn Bhd in Kuala Lumpur, Malaysia, since August 2015. She has built a strong reputation for strategising and executing investor relations and public relation initiatives that elevate the profiles of Malaysian public-listed companies, enhancing their credibility and fostering trust and rapport within the investment community.

Prior to her current role, Ms Sandra has built a strong foundation in insolvency and business recovery. She began her career as a Consultant at Ferrier Hodgson MH Sdn Bhd in Kuala Lumpur, focusing on insolvency administration, asset recovery, and assessing the viability of distressed companies. She then progressed to the role of Supervisor in Corporate Recovery and Restructuring at BRI Ferrier in Sydney, Australia, where she managed complex insolvency cases, including voluntary administration, receivership, and both creditors' and members' voluntary liquidation, as well as court liquidation. In this role, Sandra was responsible for optimising creditor dividend distributions and conducting in-depth financial investigations.

Ms Sandra was present at all six (6) Board Meetings convened by the Company during the financial year ended 31 December 2025.

Save as disclosed above, none of the Directors has (i) any interest in shares in the Company or its subsidiaries; (ii) any family relationship with any Director and/or major shareholder of the Company; (iii) any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries; and (iv) any conviction for offences within the past 5 years nor any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

THE MANAGEMENT TEAM

REIT MANAGEMENT TEAM

Zainal Iskandar Bin Ismail
Executive Director & Chief Executive Officer

Please refer to Zainal's profile under the section on The Board of Directors.

Sabrina Halim
Chief Operating Officer

As Chief Operating Officer of Hektar REIT, Sabrina Halim oversees the overall strategic, operational, and business development functions, ensuring the sustainable growth and long-term value creation of the REIT's assets. With over 14 years of experience in the real estate sector, she plays a critical role in driving asset performance, operational excellence, and corporate initiatives that position Hektar REIT for future success.

Sabrina is responsible for asset management strategies across Hektar REIT's shopping malls and hotel properties, optimising tenant mix, leasing strategies, and asset enhancement initiatives to maximise net property income (NPI) and rental reversion. She spearheads refurbishment projects and capital expenditures, ensuring that all developments align with market demand, enhance property value, and strengthen tenant retention. Her role includes managing the operational budgets, asset enhancement projects, and marketing strategies while implementing cost efficiency measures to optimise operational expenses. She actively evaluates potential joint ventures, partnerships, and new revenue streams, including digital transformation initiatives.

A key driver of Hektar REIT's sustainability agenda, Sabrina has oversight of the Environmental, Social, and Governance (ESG) initiative implementations, ensuring alignment with industry best practices, regulatory compliance, and the REIT's award-winning sustainability framework. She has been instrumental in driving the team towards attaining the company goals on energy-efficient systems, water conservation programs, and smart property technology solutions.

Sabrina also plays a significant role in investor relations and stakeholder engagement, providing strategic updates to the Board, Audit Committee, regulators, and the investment community. She manages corporate branding, public relations, analyst briefings to enhance Hektar REIT's visibility and investor confidence.

Beyond asset and financial management, she oversees talent development and organisational growth, ensuring that Hektar REIT maintains a high-performance corporate culture. She leads workforce planning, training and development initiatives, and engagement programs to strengthen the company's operational capabilities.

Sabrina holds a Bachelor's degree (Bachelor of Arts, Hons) in Retail Management from Limkokwing University. She further pursued a Master of Science (MSc) in Management from the University of Warwick, United Kingdom. Her diverse educational background, combining creative problem-solving with business and financial acumen, allows Sabrina to take a multi-faceted approach to retail asset management. She leverages her expertise in consumer behaviour, branding, and commercial real estate to drive sustainable growth, tenant engagement, and value creation for Hektar REIT's portfolio. As a Registered Property Manager under the Board of Valuers, Appraisers, Estate Agents, and Property Managers (BOVEA), Malaysia, her deep industry expertise, strategic vision, and leadership continue to drive Hektar REIT's growth and market resilience.

Lim Kek Siang
Senior General Manager, Finance

Mr Lim was appointed as the Senior General Manager of Finance of the REIT Manager on 1 March 2022. He holds membership with the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants, and a Certificate of Investor Relations from the United Kingdom. He is also a holder of the Capital Market Services Representative's License (CMSRL) issued by the Securities Commission under the Capital Markets and Services Act 2007.

Mr Lim has more than 30 years of extensive experience in Accounting, Corporate Taxation, Financial Reporting, Treasury and Corporate Finance in public listed entities. He began his career in Deloitte Kassim Chan, an international public auditing firm, where he undertook various audit assignments for multinational companies, financial institutions, insurance companies and small & medium enterprises.

THE MANAGEMENT TEAM

Among his key involvement for the year was the launch of REIT's first ever RM500 million Medium Term Note Programme with the first issuance tranche guarantee by the Credit Guarantee & Investment Facility, a trust fund of the Asian Development Bank with AAA rating.

In his previous attachments with public listed entities, he was responsible for ensuring financial statement integrity and controllership. He also advised the listed entity's group leadership on numerous project-financing arrangements, structured corporate debts, merger-and-acquisition activities. Among his other successful assignments was implementing a RM2.5 billion Asset-Backed Securitisation Programme and the initial public listing of a telecommunication subsidiary on the Main Market of Bursa Securities. He was one of the key management personnel that spearheaded the subsidiaries' diversification programme from e-commerce to energy & semiconductors.

Martin Chen

General Manager, Legal & Corporate Affairs

Martin has been with Hektar REIT since 2008 and currently heads the Legal and Corporate Affairs Department. He has more than 18 years of work experience with Hektar REIT and was involved in assets acquisition for Hektar REIT valued at approximately RM 551 million and in the growth of Hektar REIT's Asset Under Management from an initial RM 512 million to approximately RM 1.39 billion to date.

Prior to this, Martin was in legal practice as an Advocate and Solicitor with well-established and award-winning commercial law firms in the Klang Valley. At his previous firm, he was with the Property Practice Group and has advised local, multinational and international corporations in land and property matters, and land development arrangements. In terms of banking matters, he has acted for most financial institutions in Malaysia as well as borrowers in respect of corporate and retail loans.

Martin also has considerable knowledge and experience in strata management matters and has advised clients in the incorporation of joint management bodies and management corporations and in the conduct of their requisite general meetings. He has previously served as a committee member in joint management bodies for commercial and residential strata buildings in Selangor, Kuala Lumpur and Melaka and has appeared before Strata Management Tribunals in relation to legal disputes concerning strata buildings.

Martin graduated from the University of Sheffield, United Kingdom with a Bachelor of Laws (LLB) degree and holds a Certificate in Legal Practice (CLP) from the Legal Qualifying Board, Malaysia. He was admitted as an Advocate and Solicitor of the High Court of Malaya in 2002. Martin is also a Registered Property Manager, a profession governed by The Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVEAP), Malaysia, a holder of the Capital Markets Services Representative's License (CMSRL) issued by the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 and a member of the Institute of Corporate Directors Malaysia.

In terms of professional accolade, Martin was recently selected for inclusion in the Top-Tier In-House Counsel List for the In-House Community's (IHC) Counsels of the Year Awards 2025. He was also nominated for the In-House Counsel of the Year Award for the In-House Community's (IHC) Counsels of the Year Awards 2023 while the In-House Legal team led by Martin was also shortlisted for the In-House Industry Awards Category at the same Awards in 2023 and 2025.

In addition, Martin was also a three-time nominee for the In-House Lawyer of the Year Award for the Asian Legal Business (ALB) Malaysia Law Awards in 2022, 2025 and 2026 while the In-House Legal team led by Martin was also nominated for the Malaysia In-House Team of the Year Category at the same Awards and also at the ALB South East Asia Law Awards 2025, a regional awards event designed to honor outstanding achievements in the legal field across Southeast Asia and beyond.

Eunice Ling

General Manager, Governance & Compliance Officer

Eunice has 20 years of experience in legal, regulatory compliance and corporate governance across both private and public listed companies in local and multinational corporations (MNCs). Her expertise spans industries including real estate, investment, fund management and manufacturing. She began her career as a corporate lawyer, specialising in conveyancing, contract negotiations

THE MANAGEMENT TEAM

and corporate transactions before transitioning into in-house leadership and senior management roles. Her legal background provided a strong foundation for regulatory oversight, corporate governance, implementation of compliance frameworks and regulatory risk management.

Eunice holds a Bachelor of Laws (LLB) from the University of Tasmania, Australia and was admitted as an Advocate & Solicitor of the High Court of Malaya in 2002. Additionally, she is a Chartered Secretary under The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and a Chartered Governance Professional (CGP) granted by The Chartered Governance Institute (CGI), UK.

She currently serves as General Manager, Governance and Compliance Officer at Hektar REIT, where she oversees compliance frameworks, ensuring regulatory adherence and strengthening corporate governance best practices.

As the designated Compliance Officer under the Capital Market Services License (CMSL) granted to REIT Managers for Hektar REIT, Eunice is responsible for ensuring the organisation's compliance with capital market regulations and governance requirements.

Muhammad Fahmi Rasni

Senior Manager, Business Strategy

Fahmi joined Hektar REIT in June 2023. In his role as the Senior Manager of Business Strategy, Fahmi handles in the area of strategic planning for Hektar REIT where he oversees the formulation and implementation of the REIT's strategic initiatives to deliver competitive and sustainable returns to the Unitholders. His key responsibilities include active portfolio management, developing and managing Hektar REIT's Annual Operating Plan and Corporate Balanced Scorecard, as well as providing support to Finance on fund raising exercises.

Fahmi has more than 10 years' experience in the areas of strategic planning, business development, and portfolio and operations management. Prior to joining Hektar REIT, Fahmi was with Iskandar Investment Berhad where he acquired considerable knowledge in corporate restructuring, property development and land matters. Fahmi graduated from London School of Economics and Political Science, United Kingdom with a Bachelor of Science (Honours) degree in Actuarial Science.

Aida Zainudin

Manager, Risk and Assurance

Aida brings a wealth of expertise to her role as Manager of Risk and Assurance at Hektar REIT, having joined the organisation in March 2023. With over 20 years' of background in internal audit, corporate performance monitoring and reporting, and risk management, Aida plays a crucial role in supporting the ARMC and the Board, ensuring the establishment of effective governance, risk management, and internal control systems within Hektar REIT ensuring the organisation operates at the highest level of integrity and efficiency.

Before joining Hektar REIT, Aida gained extensive experience at Maybank Berhad's internal audit department, initially as an internal auditor for Retail Financial Services and later as part of the audit secretariat team for Operations & Quality Unit, reporting to the Audit Committee of the Board and the regulator. She then joined Dagang NeXchange Berhad (DNeX), where she accumulated 12 years of experience. Aida held significant positions at DNeX, spearheading corporate performance reporting initiatives and serving as the Head of Risk and Compliance Management. Her contributions included developing robust risk management frameworks and governance policies. Aida's commitment to operational efficiency and risk mitigation continued in her later role as DNeX's internal auditor, supporting the Group's Audit Committee in discharging their duties on governance, risk, and internal control functions.

Aida graduated from MARA University of Technology with a Bachelor of Accountancy (Honours).

THE MANAGEMENT TEAM

PROPERTY MANAGER TEAM

Aldela Puspa Bt Nordin
Chief Executive Officer

Aldela is the Chief Executive Officer of Hektar Property Services Sdn Bhd. She graduated from the University of Reading, United Kingdom, with a Bachelor of Science (Hons) majoring in Quantity Surveying.

Aldela has more than 30 years of experience in areas such as Facilities Management, Cost Optimisation, Contracts & Procurement, and as a Quantity Surveyor.

Aldela began her career as a Quantity Surveyor in 1992 with Percon Corporation, a subsidiary of PNB. Thereafter, she joined Yeoh Tiong Lay (YTL) Corporation as Senior Contracts Executive, where she was involved in the Papua New Guinea Defense Force housing project worth USD50 million. Subsequently, from 1996-2006, she joined Basar & Harun Sdn (BHS) as a Senior Consultant. In 2006, she joined Ahmad Zaki Resources Berhad (AZRB). Her last position was General Manager, Contracts before she moved to 1 Malaysia Development Berhad (1MDB) in 2011 as Vice President, Procurement for the Bandar Malaysia project. In 2012, she was the Chief Operating Officer with Global Globe (M) Sdn Bhd, where she headed the construction of the Industrial Building System (IBS). In 2013 she joined Sapura Resources Berhad (SRB) as the Head of Cost, Contracts & Procurement. She managed the facilities of office buildings, aircraft hangars, and ground handling of private jets. She was part of the Management Team of a joint venture with KLCC Holdings to construct Permata Sapura, a 55-storey office tower with an exhibition hall and a retail mall. She then left to join Malaysian Resources Corporation Berhad (MRCB) in 2015 as General Manager, Contracts. In 2018, she joined Sapura Subsea Services Sdn Bhd (SSS), a subsidiary of Sapura Energy Berhad, as Head of Project Control and Services for diving works.

Khairul Ariffin Bin Ibrahim
Chief Operating Officer

Khairul Ariffin Bin Ibrahim is the Chief Operating Officer of Hektar Property Services Sdn Bhd, with over two decades of experience in productivity improvement, quality management, and operational performance across multiple industries.

He began his career with the UEM–Renong Group, serving within the Group Productivity and Quality Management (PQM) function at UEM Group Management Sdn Bhd. During this period, he was involved in driving group-wide productivity initiatives, Six Sigma programmes, and ISO 9001 Quality Management System implementation across various subsidiaries, building a strong foundation in structured process improvement and performance management.

Khairul later held senior roles within the Sapura Group, including as Head of Productivity & Quality Management at SapuraCrest Petroleum Bhd, and subsequently as Senior Manager within the Transformation, Performance, and Risk Management functions at SapuraKencana Petroleum Bhd. His work focused on supporting enterprise-wide operational improvement initiatives, facilitating change programmes, and strengthening performance and risk governance.

He also served with AirAsia Berhad, where he held senior positions including Group Head of Performance Improvement and Regional Head of Corporate Quality. In these roles, he led the development and deployment of the Group's Continuous Improvement Programme, encompassing Lean Six Sigma and quality management initiatives to enhance operational efficiency and service standards.

Khairul holds a Bachelor of Business Studies in Accounting from Massey University, New Zealand, under the Renong Group Scholarship Trust Fund, and an MBA (Marketing) from the Graduate School of Business at the National University of Malaysia (UKM). He has also attended the GE Crotonville Leadership Training in the United States and is a Lean Six Sigma Black Belt holder.

THE MANAGEMENT TEAM

Carmen Lim
Head of Group Leasing

Carmen Lim is a seasoned leasing professional with extensive experience in retail planning, tenancy mix strategy, and mall openings. As the Head of Group Leasing at Hektar Property Services Sdn Bhd, she oversees the leasing management for six shopping centres, driving strategic direction and supporting centre leasing teams in securing key tenants and optimising tenancy performance.

Before joining Hektar Property Services, Carmen was the Head of Leasing at Gamuda Land under the Commercial Real Estate Business Unit. She played a pivotal role in successfully launching Quayside Mall during the challenging Covid-19 pandemic in 2020. In addition, she was actively involved in retail planning and led leasing activities for multiple retail and mixed-use developments within Gamuda Land's portfolio.

Carmen's expertise in launching large-scale regional malls is well-established. She was a pioneer team member in opening both MyTOWN Shopping Centre (under Boustead Ikano Sdn Bhd) and Central i-City (under Central Pattana Group, Thailand's leading shopping mall developer). Earlier in her career, she began her leasing journey at Mid Valley Megamall, where she gained hands-on experience in leasing fundamentals and retail reconfiguration projects. One of her key contributions was the Mid Valley Megamall Third Floor South Reconfiguration, which included the expansion of GSC Cinema and relocation of tenants.

With a strong network of retailers and deep insights into the retail landscape, Carmen brings a wealth of knowledge in tenancy mix planning, lease negotiations, and retail strategy development. She holds a First-Class Honours Bachelor's Degree in Business Administration (Marketing Management) from Multimedia University.

Her leadership in leasing continues to shape the retail experience across Hektar's shopping centres, ensuring sustainable growth and vibrant retail environments.

Phoster Sageh
Group Marketing Manager

Phoster Sageh is a seasoned marketing and advertising professional with over a decade of experience in rebranding, refurbishment, pre-opening of shopping malls. His responsibilities include crafting compelling marketing campaigns, managing strategic partnerships, brand development, promotional strategies, and event management. Currently serving as the Head of Group Marketing at Hektar Property Services Sdn Bhd.

With a career spanning various industries, including retail & F&B, hospitality, agriculture, & theme parks. Phoster has consistently demonstrated his ability to drive brand awareness, increase footfall, and achieve sales targets. His passion for innovation and excellence continues to drive his success in the marketing and advertising industry.

Phoster holds a Bachelor's degree in business administration from the University of Malaya.

Mohamed Bin Mohd Hanafiah
Centre Manager, Subang Parade & Kulim Central

Mohamed is the Centre Manager for Subang Parade. In 2025, his role extended to Kulim Central as the Acting Centre Manager. He holds a bachelor's degree in human resource management from Universiti Teknologi Mara, Shah Alam.

Mohamed has more than 15 years of strong mall and facility management experience. He was previously with Island Plaza in Penang as Mall Operations Manager where he oversaw the entire operations of the Plaza especially in leasing, marketing and the operations units.

Prior to that, he was with several other malls such as Plaza Alam Sentral as Senior Manager, KPI Bangi and Giant Sunway Ipoh as Complex Manager. Aside being involved in retail, he was also the Senior Manager, Business Development for an agriculture related company.

THE MANAGEMENT TEAM

Mohamad Sahir Bin Johari

Centre Manager, Mahkota Parade & Segamat Central

Sahir is currently the Centre Manager of Mahkota Parade & Central Square. He has been with Mahkota Parade since 2014, joining as Maintenance Manager. In 2025, his role was extended to Segamat Central as the acting Centre Manager.

He holds a Diploma in Building from Universiti Teknologi Mara (UiTM) and is currently pursuing further studies at Universiti Teknologi Malaysia in Property Management.

Sahir has more than 20 years of experience in projects and facilities management and has been involved in the refurbishment of old building structures & services at TM College, upgrading M&E infrastructure for Ibusawat Telekom, landscape refurbishment projects for Jabatan Lanskap Negara & Pusat Sains Negara and has implemented architectural design systems such as Industrialised Building System (IBS) for a few housing development projects for Seri Pajam Development Sdn Bhd At Mahkota Parade, he was instrumental in initiating the mall chiller replacements, mall LED lights retrofit projects and improving mall shopping experience as part of becoming Melaka destination mall.

His past employment has been mostly in the construction industry which consists of procurement & supply chain management, site & cashflow planning and project management for various government and private sector projects. He has attended PPK's certification course in Shopping Mall Management (Operations & Maintenance) parts 1 & 2, Fire Warden Training, and Safety & Health Assessment Training and has been appointed as Mahkota Parade's joint management body (JMB) Secretary to comply with Strata Management Act 2013.

Genevieve Gan

Centre Manager, Wetex Parade and Classic Hotel

Genevieve is the Centre Manager for Wetex Parade since 2015 and before that she was the Finance & Administration Manager from 2008 to 2014. In 2025, her role extended to Classic Hotel as the General Manager.

She has more than 14 years of experience in the retail industry and is familiar with the market of northern Johor and Melaka. Prior to joining Hektar, she was an accountant for Takaso Rubber Products Sdn Bhd, a company manufacturing rubber products and responsible for the company's finance operations. She started her career in tax and audit in the accounting practice of KPMG Tax Services Pte Ltd and Stephen McLaren Consultants Pte Ltd in Singapore from 2001 to 2003, and thereafter worked in the audit division of Intel Technology Asia Pte Ltd in 2004. She graduated from Curtin University of Technology, Western Australia with a Bachelor of Commerce majoring in Accounting. She is a member of CPA Australia and completed her CPA Program in 2003. She is also a Registered Property Manager, governed by The Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVEAP), Malaysia.

INVESTOR COMMUNICATIONS

Since the IPO listing, the Manager has delivered presentations and papers in remisier briefings, equity roadshows, industry conferences & seminars and investors' meetings. Hektar Asset Management continues to cultivate a long-term approach to maintaining investor relationships through transparent and timely disclosures. The Investor Relations (IR) department practices are built upon firm adherence to a high standard of corporate governance and transparency. The Manager continues to remain committed to focusing on regulatory disclosures, engagement with research houses, and analysts by providing information to individual and institutional investors. Coverage extends to regular updates to the website, public relations coverage and direct engagement with stakeholders from time to time. The Manager also engages with the media throughout the financial year with timely updates via press releases.

The Manager interacts actively with the investment community through multiple platforms to provide them with an in-depth understanding of the business performance, challenges and growth strategies as well as to address their concerns. These include regular communication with analysts and investors which is conducted every quarter following the release of quarterly results and ad hoc for material transactions and developments relating to Hektar REIT. Management aims to engage with potential investors for informational purposes and receive constructive feedback to gauge and monitor the overall perception of the REIT.

Hektar REIT's website contains comprehensive information on the REIT strategy, organisation, Manager, portfolio, and financials. The investor information section provides dividend information, current and historical quarterly presentations, annual reports, press releases and announcements in downloadable format. The Management strives to provide fair and transparent information to its investors through clear and consistent communications.

Other than the regulatory publicly released announcements and its corporate website, the Manager also seeks to engage Unitholders and the investment community through the following channels: i) Providing site visits to the portfolio; ii) Distribution of Annual reports/Circulars to Unitholders and analysts; iii) Media and analyst quarterly briefings and retail briefings; iv) Distribution of market and REIT industry updates by our team; v) Stakeholders engagement lunches and dinners and vi) Other individual or group teach-ins, interviews, local/overseas conferences, conference calls, roadshows, and emails. The aim is to maintain regular communications with research houses, individual & institutional investors and the media.

The Manager and the IR team will continue to work with various firms and banks to expand our outreach to institutional investors, private banking clients, high-net-worth individuals and retail investors. The Manager is also an active member of the Malaysian REIT Managers Association (MRMA) and has been participating in the quarterly meets and forums held by MRMA.

Investors are being kept informed through Notices of, and explanatory notes for annual general meetings ("AGM") and extraordinary general meetings ("EGM"). Unitholders are encouraged to attend and vote at the Company's Annual General Meeting ("AGM") and participate during the Q&A session. This allows the Board to comprehend Unitholders' concerns and respond to their questions, especially during the AGM. The Company's 13th AGM was held on 21 May 2025, and it was conducted in line with Securities Commission guidelines.

INVESTOR COMMUNICATIONS

For new and prospective investors, a brief guide, fact sheet and detailed Frequently Asked Questions are available on the website. For more information, please visit the website at www.HektarREIT.com or contact:

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INVESTOR RELATIONS EVENT CALENDAR

Full Year Results Announcement FY2024	26 February 2025
Final Income Distribution for FY2024	27 February 2025
Annual Report 2024	11 April 2025
Annual General Meeting for FY2024	21 May 2025
First Quarter Results Announcement 2025	28 May 2025
Second Quarter Results Announcement 2025	21 August 2025
Second Quarter FY2025 Income Distribution	16 October 2025
Third Quarter Results Announcement 2025	25 November 2025
Fourth Quarter/Full Year Results Announcement 2025	26 February 2026
Final Income Distribution for FY2025	27 February 2026
Annual General Meeting for FY2025	21 April 2026

HEKTAR IN THE MEDIA

20 February 2025 - Sin Chew Daily

24 February 2025 - China Press

22 May 2025 - Berita Harian

Hektar REIT buys industrial asset in Penang for RM30 mil from MQ Tech's unit

BY SYAFIQAH SALIM
theedgemalaysia.com

KUALA LUMPUR (Feb 19): Hektar Real Estate Investment Trust (KL:HEKTAR) is acquiring a light industrial asset in the Bayan Lepas Free Industrial Zone, Penang, for RM30 million from Microlead Precision Technology Sdn Bhd (MPT), a wholly owned subsidiary of MQ Technology Bhd (KL:MQTECH).

The property, designed to meet the stringent demands of semiconductor manufacturing and logistics, is being purchased at a 9.1% discount to its market value, which is derived based on the income method approach, according to the REIT's statement.

The acquisition brings Hektar REIT's portfolio to eight properties, which currently include shopping malls and an educational facility.

The REIT emphasised that this acquisition marks a significant step towards diversifying into the industrial sector, strengthening its presence in the advanced manufacturing and technology supply chain while reducing reliance on retail assets.

MTrustee Bhd, acting on behalf of Hektar REIT, signed a conditional sale and purchase agreement with MPT on Wednesday, according to its bourse filing. The transaction is expected to be completed in the second half of this year.

Upon completion, MPT will lease back the property for a 15-year term under a triple net master lease arrangement, with an option to extend for another 15 years. The lease includes a 5% rental escalation every three years.

Hektar REIT said the transaction's triple net master lease arrangement shifts property-related expenses, such as taxes, insurance and maintenance, to the tenant, providing the company direct passive income over the lease term.

This acquisition follows Hektar REIT's strategic diversification efforts, which saw the company purchase its first educational asset, Kolej Yayasan Saad Melaka, for RM148.5 million in July last year.

Hektar REIT's portfolio includes several commercial properties, such as Subang Parade in Subang Jaya, Mahkota Parade in Melaka, Wetex Parade & Classic Hotel in Muar, Central Square in Sungai Petani, Kulim Central in Kulim, and Segamat Central in Segamat.

Looking ahead, the REIT said it continues to explore opportunities to expand its portfolio with assets that align with its strategic priorities.

"By focusing on non-retail assets towards high-growth industries and critical learning facilities, the REIT" said it is well-positioned to navigate dynamic market conditions and deliver consistent returns," it added.

Hektar REIT units closed unchanged at 52.5 sen on Wednesday, giving it a market capitalisation of RM372.4 million.

Click to ASK EDGE 12 Things You Must Know About A Stock

20 February 2025 - The Edge CEO Morning Brief

10 May 2025 - The Borneo Post Sabah

HEKTAR IN THE MEDIA

BUSINESS & INVESTMENT WEEKLY
THE EDGE MALAYSIA

Hektar REIT executive director and chief executive officer Zainal Iskandar Ismail speaks during a post-AGM press conference on May 21, 2025.

Hektar REIT targets 20% non-retail assets, aims to double portfolio to RM3 bil in five years

BY YAP VAN GING
theedgemalaysia.com

KUALA LUMPUR (May 21): Hektar Real Estate Investment Trust (REIT) (KL:HEKTAR) aims to grow its non-retail assets from 13% to 20%, and double its portfolio size to RM3 billion within five years.

Hektar REIT's non-retail assets make up just 13% of its portfolio but are expected to contribute 18% of net property income (NPI), according to the trust's chief operating officer Sabrina Halim.

The REIT is eyeing assets with medium- to long-term leases, triple net lease structures (where tenants cover taxes, insurance and maintenance), and at least a 6.5% yield.

It [tenancy under triple net lease] contributes directly to NPI, without incurring operating expenditure (opex)," Sabrina said, while speaking at the trust's post-AGM press conference. "That is why we are pivoting to non-retail."

As a result, the REIT expects its NPI margin to begin improving gradually from 2025 onwards, with a target of reaching 60%, up from 50.39% in FY2024.

The REIT is actively seeking to expand its non-retail portfolio with assets in sectors such as education, industrial and renewable energy concessions.

Executive director and chief executive officer Zainal Iskandar Ismail said the REIT is also looking at healthcare and wellness acquistions.

While it owns seven mainly retail properties like Subang Parade and Mahkota Parade, it has started diversification efforts by acquiring industrial and educational assets, including a Penang facility for RM30 million and a Melaka college for RM148.5 million.

Subang Parade, a key asset contributing 24% of total income, is undergoing upgrades to boost value and performance. Its rental rates improved by 6.5% in 2024 (up from a decline in 2023), and occupancy rose to 84.1%, with a goal of surpassing 90% in 2025. Market value is expected to rise over 20% after renovations finish in 2026.

Hektar REIT plans to double the F&B space at Subang Parade from 15% to 30% of total area to attract more foot traffic from nearby homes and offices. Tenants are selected based on strategic planning and must offer at least a 6.5% yield.

At Segamat Central, occupancy fell to 58.4% in 2024 but is expected to recover above 80% with a new anchor tenant. The boost is supported by a 20% rise in foot traffic, partly due to the mall's location near the upcoming Johor Bahru-Singapore ETS link and creative moves like converting rooftop parking into a pickleball court.

Improved footfall is helping the REIT secure better tenant deals.

The REIT is targeting 5% to 6% of rental reversion for its retail assets this year compared to 5.7% in FY2024.

The stock closed up 1.2% to 44 sen a share on Wednesday, giving it a market capitalisation of RM312.1 million.

22 May 2025 - The Edge CEO Morning Brief

THE EDGE MALAYSIA
CEO MORNING BRIEF

Hektar REIT to acquire 90% stake in Perlis land for solar farm project

BY CHOY NYEN YIAU
theedgemalaysia.com

KUALA LUMPUR (June 24): Hektar Real Estate Investment Trust (KL: HEKTAR) plans to acquire a 90% equity stake in Terramark Sdn Bhd, which owns a 197.76-acre leasehold land in Perlis earmarked for a private solar farm project.

MTrustee Bhd, acting on behalf of Hektar REIT, has entered into an agreement with Wan Realty Sdn Bhd and Durul Modal Sdn Bhd for the acquisition, valued at RM26 million, according to a bourse filing on Tuesday.

Durul Modal is the largest shareholder in Terramark with a 60.37% stake, followed by Wan Realty with 29.63%. The remaining 10% is held by Menteri Besar Incorporated, the Perlis state's investment and development arm.

The land, located in Chuping, was formerly used as a sugarcane plantation, said Hektar REIT, adding that it will be converted to industrial use at the vendor's cost.

The land has been earmarked for a private solar farm under the proposed Corporate Renewable Energy Supply Scheme, to be developed by a third-party lessee through a development rights agreement.

As part of the deal, a 25-year triple net master lease arrangement will be established between Terramark and the lessee for the ground lease, offering an average yield of 9.55% over the lease term.

The lease also includes a built-in 10% rent escalation every three years, providing inflation protection and supporting growth in distribution per unit, said Hektar REIT.

The REIT said the acquisition aligns with its strategy to diversify into industrial and renewable energy sectors, expanding its asset base beyond retail properties.

It plans to fund the acquisition using internally generated funds, with completion targeted for the fourth quarter of the year.

Hektar REIT has been actively diversifying its portfolio, including the acquisition of its first education asset, Kolej Yayasan Saad Melaka, for RM148.5 million in July last year, and a light industrial asset in Penang for RM30 million earlier this year.

The REIT's portfolio also includes several commercial properties such as Subang Parade in Subang Jaya, Mahkota Parade in Melaka, Wetex Parade and Classic Hotel in Muar, Central Square in Sungai Petani, Kulim Central in Kulim and Segamat Central in Segamat.

Hektar REIT units closed half a sen or 1.2% higher at 43.5 sen on Tuesday, giving the trust a market capitalisation of RM372.4 million.

25 June 2025 - The Edge CEO Morning Brief

THE LARGEST ENGLISH DAILY IN BORNEO
THE BORNEO POST

Hektar REIT makes entry into renewable energy with RM26 million land acquisition in Perlis

Zainal Iskandar

KUALA LUMPUR: Hektar Asset Management Sdn Bhd, the manager of Hektar Real Estate Investment Trust (Hektar REIT) has signed a sale and purchase of shares agreement to acquire a 90 per cent stake in Terramark Sdn Bhd for RM26 million.

Terramark is a real estate holding company with ownership of 198 acres of strategically located land in Chuping, Perlis.

The trust in a statement said the land is earmarked for a private solar farm to be developed by a secured lessee and project developer.

Under this arrangement, Hektar REIT will grant development rights via Terramark and enter a long-term triple-net ground lease with built-in rental escalation.

The trust will not invest directly in the solar project.

This move marks the first time a Malaysian REIT has adopted a pure ground lease model.

While new to Malaysia, this structure has been widely adopted in mature REIT markets such as the United States, where it has proven to deliver stable long-term value.

The transaction also signals a landmark entry by a listed Malaysian REIT into the renewable energy sector, in line with Hektar REIT's strategy to future-proof its income and diversify into ESG-aligned asset classes.

By investing in land rather than solar infrastructure, Hektar REIT plays a catalytic role in easing capital costs for renewable energy developers.

This lowers barriers to entry and strengthens project bankability. The model encourages faster clean energy deployment while enabling long-term partnerships between Hektar REIT and energy operators while supporting Malaysia's Net Zero target by 2050.

Hektar Asset Management executive director and CEO Zainal Iskandar said the acquisition marks leap forward in the trust's diversification strategy.

"By securing a prime solar-ready landbank, we are sowing the seeds for long-term, inflation-protected income while supporting Malaysia's renewable energy goals.

"Coupled with our rooftop solar rollout and recent industrial investment, this first move on pure ground-lease model positions Hektar REIT as a multi-asset platform creating sustainable value.

"Globally, REITs integrating renewable infrastructure into their portfolios have seen increasing institutional investor interest, driven by the shift toward ESG mandates and stable yield profiles," he said.

The trust added that it will continue to explore new opportunities in renewable energy, light industrial properties, and integrated energy solutions with the aim to build a resilient portfolio that aligns with global ESG standards and delivers sustainable long-term returns to unitholders.

26 June 2025 - The Borneo Post Sarawak

Daily Express
INDEPENDENT NATIONAL NEWSPAPER OF EAST MALAYSIA
Established since 1963

Hektar REIT eyes RE industry

KUALA LUMPUR: Hektar Real Estate Investment Trust (Hektar REIT) is acquiring 90 per cent equity interest in Terramark Sdn Bhd, owner of about 80 hectares in Perlis earmarked for a solar farm project, for RM26 million.

Hektar Asset Management Sdn Bhd, the retail-focused REIT's manager, said Hektar REIT will grant the development rights to a lessee cum project developer as part of the transaction.

"The acquisition (of the land in Chuping) marks Hektar REIT's move as the first Malaysia REIT to transact on pure ground lease model.

"Though the concept is new in Malaysia, ground lease models have been successfully implemented in more mature REIT markets such as the United States, demonstrating their viability and long-term value creation," it said in a statement.

The company said this strategic acquisition marks a pivotal shift in Hektar REIT's long-term strategy to become a diversified, future-ready REIT with embedded sustainability at its core.

Hektar Asset Management executive director and chief executive officer Zainal Iskandar said by securing a prime solar-ready landbank, Hektar REIT is "sowing the seeds for long-term, inflation-protected income while supporting Malaysia's renewable energy goals."

"Coupled with our rooftop solar rollout and recent industrial investment, this first move on pure ground-lease model positions Hektar REIT as a multi-asset platform creating sustainable value.

"Globally, REITs integrating renewable infrastructure into their portfolios have seen increasing institutional investor interest, driven by the shift toward ESG (environmental, social and governance) mandates and stable yield profiles," he said. –Bernama

26 June 2025 - Daily Express

CORPORATE GOVERNANCE

The Manager of Hektar Real Estate Investment Trust ("Hektar REIT"), together with the Trustee, remains committed to upholding the highest standards of corporate governance. In managing its day-to-day operations, Hektar REIT ensures that its day-to-day business affairs emphasise ethical behaviour, accountability, transparency and sustainability in its core practices. Under such this commitment, Hektar REIT aims to acquire public trust and investor confidence, both of which are essential to support the organisation's long term growth and sustainability of the organisation.

The Role of the REIT

Hektar REIT is Malaysia's first retail-focused REIT and has been listed on the Main Board of Bursa Malaysia Securities Berhad since 4 December 2006. Its main investment objective is owning and investing in income producing real estate and real estate related assets including retail properties, industrial assets and education-related facilities.

Being a Trust structure, Hektar REIT does not engage any officers and employees directly. Instead, it is externally administered by the REIT Manager, who appoints professionally qualified and experienced personnel to oversee its day-to-day operations. In return, the REIT Manager is remunerated by way of base fees and performance fees, as disclosed in the Corporate Governance Overview Statement section of this Annual Report.

The Role of the Manager

Hektar REIT is managed by Hektar Asset Management Sdn Bhd ("the Manager") which was established with the vision to set strategic directions in managing the REIT's assets and liabilities for the benefit of its Unitholders. The Manager is also responsible for making recommendations to the Trustee on potential acquisitions, investments and asset enhancement initiatives for the properties under management.

The Manager has general powers of management over the assets and liabilities of Hektar REIT for the benefit of its Unitholders inclusive of business planning, capital management and risk management of the Fund.

In compliance with the Capital Markets and Services Act 2007 ("CMSA"), the Manager holds a valid Capital Markets Services License ("CMSL") issued by the Securities Commission ("SC") to carry out REIT management activities.

The principal duty of the Manager is to manage and administer the REIT in accordance with the Trust Deed, all the applicable Laws and Regulatory requirements, as well as the acceptable business practices of the REIT industry in Malaysia.

The primary roles, functions and responsibilities of the Manager include, but are not limited to, the following:

i. Formulate Hektar REIT's investment strategy, including determining the location, sub-sector, type and other characteristics of Hektar REIT's portfolio;
ii. Observe and maintain high standards of integrity and fair dealing in managing the REIT to the best and exclusive interest of the Unitholders;
iii. Not act or conduct transactions in any manner which would result in unnecessary cost or risk to the REIT;
iv. Supervising and overseeing the Property Manager who performs the day-to-day property management functions concerning the REIT's property (including leasing, finance, marketing and promotion); and
v. Monitoring and ensuring compliance with all relevant regulatory filings, including but not limited to the Capital Markets and Services Act 2007, SC's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines"), Bursa Malaysia's Main Market Listing Requirements ("Listing Requirements"), Trust Deed and all relevant authority's guidelines.

Hektar REIT's portfolio comprises a diversified mix of retail, hospitality, education and industrial assets. Its retail portfolio consists of 6 shopping centres, namely Subang Parade in Subang Jaya, Mahkota Parade in Melaka, Wetex Parade in Muar, Central Square in Sungai Petani, Kulim Central in Kulim and Segamat Central in Segamat. In addition to its shopping centres, Hektar REIT also owns Classic Hotel in Muar, which is adjoined to Wetex Parade. In 2024, Hektar REIT expanded into the education sector with the acquisition of Kolej Yayasan Saad Melaka (KYSM), a fully residential and co-educational private school.

The Role of the Trustee

MTrustee Berhad acts as the Trustee of Hektar REIT pursuant to the Trust Deed entered into with the Manager. The Trustee's primary responsibility is to safeguard the interests of Unitholders by ensuring that the Manager manages the Trust's assets in accordance with the Trust Deed, the REIT Guidelines and other applicable regulatory requirements.

The Trustee and the Manager perform countervailing roles to provide appropriate checks and balances in the governance and management of the Trust.

The Trustee together with the Manager of the REIT, recognises the importance of maintaining a sound corporate governance framework in the management of the Trust. The governance structure of Hektar REIT is designed to ensure clear accountability, effective oversight and the protection of Unitholders' interests in accordance with applicable laws and regulatory requirements.

Board Committees

To assist the Board in discharging its responsibilities, the Board has established relevant Board Committees, including the Audit and Risk Management Committee ("ARMC") and Nomination and Renumeration Committee ("NRC"). These Committees operate under clearly defined terms of reference and report to the Board on matters deliberated and decisions made.

Compliance and Internal Controls

The Board, through the Audit and Risk Management Committee, oversees the adequacy and effectiveness of the risk management framework and internal control systems of the Manager as they relate to Hektar REIT. These systems are designed to manage key risks and ensure compliance with applicable laws, regulations and guidelines.

Board Charter, Director Code of Conduct and Ethics & Code of Business Conduct and Ethics

In addition to the Trust Deed, the Board of the Manager is also governed by the Board Charter, which outlines the principal roles of the Board, establishing the functions, responsibilities and powers of the Board and its Committees. The Charter also sets out the policies of the Board to ensure that the principles and practices of good corporate governance are upheld in all their dealings involving Hektar REIT. The Board Charter is reviewed periodically to reflect the latest statutory and regulatory developments.

The Board Charter promotes a culture of good corporate governance by:

- ☑ Clearly defining the division of roles between the Board and Management;
- ☑ Ensuring effective oversight and decision-making in the best interest of unitholders; and
- ☑ Embedding principles of integrity, transparency, accountability, and fairness in the Board's conduct.

Further strengthening its governance framework, the Board has also recently approved the adoption of a new Directors' Code of Conduct and Ethics policy. This policy establishes a structured framework to guide Directors in fulfilling their fiduciary, legal, and ethical responsibilities with integrity, professionalism and accountability.

Each Director shall observe be guided by the following fundamental principles:

Integrity & honesty
Directors must act ethically, honestly and fairly in all dealings and in discharging their fiduciary duties.

Objectivity & independence of judgment
Directors must exercise independent judgment, free from undue influence, and avoid subordinating their judgment to others (including as a nominee director).

Good faith & best interests
Directors must act in good faith, for proper purpose, and in the best interests of the REIT, its unitholders and the Manager.

CORPORATE GOVERNANCE

Care, skill and diligence
Directors must exercise reasonable care, skill and diligence, applying knowledge, experience and independent judgement expected of a director with such responsibilities.

Transparency & accountability
Directors must ensure their decisions are transparent, appropriately documented (including minutes of meetings, dissenting views) and that they are accountable to stakeholders.

Sustainability & long-term value
Directors should consider the long-term interests of the REIT, including material sustainability risks (ESG) and promote a culture of ethical behaviour and responsible business practices.

Compliance with laws and regulations
Directors must comply with all applicable laws, regulations, policies and standards.

The Code of Business Conduct & Ethics ("Code") sets out policies and guidelines governing the standards and ethical behaviour expected of the Management and all employees of the Manager. Separately, any specific procedures on the application of policies referred to in the Code are documented in the Company's policies and procedures manual.

Fit and Proper Policy

The Board of the Manager is committed to drive sustainable value for the unitholders of Hektar REIT. The creation of long-term value is anchored on the alignment of interests between Hektar REIT's unitholders and the Board and Management of the Manager.

In understanding the importance of driving objective and meritorious appointments at the leadership level, the Board has set out the Fit and Proper Policy for the Board and Senior Management of the Manager (the "Policy").

The Policy is an extension of the Manager's corporate governance framework and serves as a guiding document to ensure Directors and Senior Management possess the necessary traits and qualities needed to effectively discharge their respective roles and responsibilities.

Anti-Bribery and Anti-Corruption Policy

The Board of the Manager had approved and adopted the Anti-Bribery and Anti-Corruption ("ABAC") Policy to ensure that adequate procedures are in place to prevent employees and persons associated with the Company from engaging in behaviours contrary to commercial integrity which compromises the Company's reputation. Any types of bribery and corruption such as promising, offering, giving, or accepting any incentive of any nature, directly or indirectly, with the intention to influence any type of decision to retain business for the benefit of the Company or of personal interest shall not be tolerated.

Financial reporting

The Board is committed to provide a balanced and meaningful assessment of Hektar REIT's financial performance and prospects at the end of the financial year, primarily through annual financial statements and quarterly announcements of results to Unitholders.

Statement on Director' Responsibility

In accordance with Paragraph 15.26(a) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Board is responsible for ensuring that the financial statements present a true and fair view of the state of affairs of Hektar REIT as at the end of the accounting period and of their profit & loss and cash flows for the period ended.

In preparing the financial statements, the Directors endeavour to ensure that applicable approved accounting standards issued by the Malaysian Accounting Standards Board, the requirements of the REIT Guidelines, and the relevant provisions of the Companies Act 2016 are applied.

In preparing the financial statements, the Directors endeavour to select and apply consistently suitable accounting policies and make reasonable and prudent judgments and estimates. The Directors also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of Hektar REIT and to prevent and detect fraud and other irregularities.

External Audit

The Board maintains a transparent and professional relationship with the external auditors throughout their engagement. The appointment of external auditors, nominated by the Manager has been approved by the Trustee. The Trustee has re-appointed BDO Malaysia as the external auditors to undertake the statutory audit for the financial year ended 31 December 2025.

The Audit and Risk Management Committee ("ARMC") has also evaluated the reappointment of the External Auditors of Hektar REIT during the financial year ended 2025 to determine their suitability for re-appointment and independence. The appointment satisfies the requirements of Paragraph 15.21 under the Listing Requirements.

BDO is responsible for and has carried out the following external audit activities during the financial year under review:

i. Presented the statutory audit plan, the scope of work and the result of the annual audit for the REIT; and
ii. convened meetings with the Board and the Manager to discuss significant issues and results in relation to the statutory audit.

The remuneration of the external auditors is approved by the Trustee based on the Manager's recommendation. The remuneration for the external audit function in respect of the financial year ended 31 December 2025 amounted to RM174,175.00.

Dealings with Related Parties

For the financial year ended 31 December 2025, the ARMC is satisfied and hereby confirms that there were no material related party transactions and conflict of interest in respect of commercial transactions undertaken by the Manager. All commercial transactions executed by the Manager were carried out in compliance with the SC's REIT Guidelines, the Deed and the Listing Requirements. The Manager has demonstrated to the ARMC that all business transactions were executed in the best interest of Hektar REIT and were not detrimental to the interests of Unitholders.

Additional Compliance Information

i. Sanctions and/or penalties

   There are no public sanctions and/or penalties imposed on Hektar REIT, its Directors or the management of the Manager, by relevant regulatory bodies during the financial year ended 31 December 2025.

ii. Non-audit fees

   The non-audit fees payable to the external auditors of Hektar REIT for the financial year ended 31 December 2025 amounts to RM40,500.00.

iii. Soft commission

   For the year ended 31 December 2025, the Manager did not receive any soft commission.

iv. Variation in results

   There was no variance of 10% or more between the audited results for the financial year ended 31 December 2025 and the unaudited results previously announced during the quarterly announcement. Hektar REIT did not release any profit estimate, forecast or projection for the financial year.

v. Material contracts involving the interests of Directors and major Unitholders

   There were no material contracts entered into by Hektar REIT involving the interests of the Directors and major Unitholders during the financial year ended 31 December 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement provides an overview of the Corporate Governance practices of Hektar Real Investment Trust ("Hektar REIT") for the financial year ended 31 December 2025. This report provides an insight on the framework applied and best practices adopted in compliance with the principles set out in the Malaysian Code on Corporate Governance ("MCCG") as updated on 28 April 2021, the Securities Commission Guidelines on Listed Real Estate Investment Trusts, Capital Markets and Services Act 2007 and the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements").

The MCCG is based on three key principles of good corporate governance, which are:

Principle A
Board Leadership and Effectiveness;

Principle B
Effective Audit and Risk Management; and

Principle C
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Corporate Governance Overview Statement should be read together with other relevant statements in this Annual Report, such as the Statement on Risk Management and Internal Control, the Audit and Risk Management Committee Report, and the Sustainability Statement.

The Board is satisfied that the practices set out in the MCCG apart from those prescribed specifically for Large Companies as defined in the MCCG, in all material respects, have been applied to achieve the intended outcomes for the financial year under review, except for the following practices:

i. Practice 5.9: The Board comprises at least 30% women directors.
ii. Practice 8.1: Disclosure on a named basis, the remuneration of individual directors.
iii. Practice 8.2: Disclosure on a named basis the top 5 senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle A Board Leadership and Effectiveness

I. BOARD RESPONSIBILITIES

Manager of Hektar REIT and the Board

A knowledgeable and experienced Board leads Hektar Asset Management Sdn Bhd ("the Manager/HAMSB") bringing together diverse expertise encompassing legal, financial, and various other aspects of operations. The Board is responsible for the stewardship of Hektar REIT to enhance long-term unitholders' value while taking into consideration the interests of other stakeholders. The Board must act honestly, with due care and diligence, and to discharge its duties in the best interest of the Manager and Hektar REIT at all times.

The Board has full control of the Manager and participates in matters relating to the Company's overall management. This include corporate governance practices, strategic direction, acquisitions, business proposals, the review of business performances and business plans, as well as major capital expenditure, risk management, internal control, succession plans and sustainability initiatives.

The Board shall thoroughly and to the best of their knowledge evaluate all information presented to them in order to make informed decisions, taking into account the implication to the unitholders, minority unitholders as well as its stakeholders when discharging their obligations and authorising decisions for the Company. Decisions of the Board shall then be implemented by the Manager, who shall be accountable for the execution of the strategic objectives established by the Board.

The Board and Senior Management in Sustainability

The Board together with management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets. The Board takes into account sustainability considerations when exercising its duties, including among others, the development and implementation of Company strategies, business plans, major plans of action and risk management. Strategic management of material sustainability matters is then driven by senior management.

The Board ensures that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to both internal and external stakeholders. Further details are provided in the Sustainability Statement section of this Annual Report.

The Board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities. Performance evaluations of the Board and senior management include a review of the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities.

The Board has also identified a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Company.

Chairman of the Board and Chief Executive Officer

In line with Practice 1.3 of the Malaysian Code on Corporate Governance ("MCCG"), Hektar REIT upholds the principle of separation between the roles of the Chairman of the Board ("Chairman") and the Chief Executive Officer ("CEO") to ensure a clear division of responsibilities, accountability and authority. The segregation of these roles promotes independent oversight, balanced decision-making and robust deliberation between the Board and Management.

At present, the Company does not have a formally appointed Chairman. For each Board meeting, the Directors elect a Chairman of the Day from amongst themselves to preside over the meeting and ensure its orderly conduct. This arrangement preserves collective responsibility of the Board while maintaining appropriate governance oversight and independent judgement in deliberations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The position of CEO is held by Encik Zainal Iskandar Bin Ismail, who also serves as Executive Director/CEO. The CEO is responsible for the day-to-day management of the Manager and Hektar REIT, including the implementation of strategies, policies and decisions approved by the Board. He leads the Management team in executing the approved business plans and operational objectives.

The CEO reports to the Board on matters relating to the management, operations, financial performance and strategic development of the Company and Hektar REIT. He exercises authority within the limits delegated by the Board and remains accountable to the Board for achieving the strategic objectives and ensuring compliance with applicable regulatory and governance requirements.

The separation of roles between the Board and Management reinforces effective checks and balances, supports robust deliberation, and safeguards the long-term interests of the Manager, Hektar REIT and its unitholders.

Company Secretaries

The Board and Board Committees are supported by two professionally qualified, experienced and competent Company Secretaries, Dato' Muhammad Hafidz Bin Nuruddin and Madam Lim Seck Wah, each with over 20 years of experience in the corporate secretarial field. Their experience ensures the Board is well-equipped to meet its governance and compliance obligations effectively.

The Company Secretaries play a critical role in supporting the Board's functions by providing timely and accurate advise and services to all the Directors. They ensure that the Board receives appropriate and timely information for its decision-making, Board procedures are followed and that statutory and regulatory requirements are met. The Company Secretaries also assist in ensuring that all Directors are properly briefed on issues arising at Board meetings.

The advice and services of the Company Secretaries are available to all the Directors to ensure that the Board receives appropriate and timely information for its decision-making, Board procedures are followed and that statutory and regulatory requirements are met. The Company Secretaries also assist the Chairman in ensuring that all Directors are properly briefed on issues arising at Board meetings.

The Board has full confidence in the proficiency and dedication of the Company Secretaries in executing their responsibilities to ensure the Board operates efficiently and effectively.

The appointment and removal of the Company Secretaries are subject to the approval of the Board.

Board Committees and their Roles

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is adequately resourced and supported by the following committees:

i. Nomination and Remuneration Committee ("NRC"); and
ii. Audit and Risk Management Committee ("ARMC").

All committees are accorded specific authorities and responsibilities to assist the Board in discharging its functions, duties and responsibilities effectively. Where a Committee is formed, specific terms of reference for the Committee shall be established in writing to cover matters such as the purpose, composition and functions of the Committees. The respective Committee terms of reference are available in the Board Charter and are published on Hektar REIT's website. The Board Charter and Committees' terms of reference are reviewed periodically and updated to ensure their relevance to the Company's operations as well as compliance with legislation and standards.

Generally, each Committee will review, scrutinise, deliberate and challenge the strategic issues and overall business proposals presented and the various Committees will report on their deliberations and recommendations to the Board. Ultimately, the Board will make the final decision taking into consideration the Committees' recommendation(s).

The composition, responsibilities and activities of the respective Committees are as follows:

NRC

The NRC comprises 2 members, both of whom are Independent Non-Executive Directors. The Committee is chaired by Encik Wan Kamaruddin bin Wan Mohamed Ali with Mr Chong Kai Wooi serving as a member.

The NRC is delegated by the Board to carry out the following functions:

i. To review and recommend the optimal size, structure, balance and composition of the Board, including the mix of skills, experience, independence, diversity and competencies.
ii. Identify and recommend suitable candidates for appointments or re-election as Directors, members of Board Committees or C-Suite of the Manager by considering candidates' integrity, personal values, qualifications, experience, skills, independence, time commitment and potential conflicts of interest.
iii. Establish and maintain a formal and transparent process for the selection, nomination, re-election and retention of Directors.
iv. Oversee the induction, orientation and continuous training and professional development of Directors.
v. Assess the effectiveness of the Board, Board Committees and individual Directors.
vi. Conduct annual assessments of the independence of each Independent Director in accordance with Bursa Malaysia's Listing Requirements.
vii. Review the tenure of Independent Directors, particularly those serving beyond nine (9) years and ensure compliance with the MCCG, including obtaining unitholders' approval where required.
viii. Oversee succession planning for the Board, Chairman, CEO and C-suite of the Manager ensuring continuity of leadership and appropriate talent development.

The NRC met once (1) during the financial year and all members attended the meeting.

The NRC ensures that the composition of the Board is refreshed periodically and that the tenure of each director is reviewed by the NRC where the annual re-election of a director is contingent upon satisfactory evaluation of the director's performance and contribution to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ARMC

For information on the composition, responsibilities and activities, please refer to the Audit and Risk Management Committee Report section of this Annual Report.

II. BOARD COMPOSITION

Composition and Diversity

The Board comprises 5 members, including 1 Executive Director. The Board is supported by 4 Independent Non-Executive Directors, whose presence is crucial in safeguarding the interests of unitholders of Hektar REIT. These Directors play a vital role in the Company's decision-making process, contributing objectivity and impartiality to ensure well-rounded and effective governance.

The composition of the Board reflects a balance of Executive Directors and Independent Directors from diverse professional backgrounds with vast experience, enabling the Manager to tap their expertise. The Directors collectively bring extensive expertise across diverse fields, including business administration, accounting, finance, legal, engineering, construction, operations, property management, real estate development, and information technology (IT), thus acting in the best interest of the Manager and Hektar REIT.

The profile of each Director is set out in the "Board of Directors" section of this Annual Report.

A non-exhaustive list of some of the Directors' skill sets is outlined below:

The current Board composition complies with the Listing Requirements and has applied the recommendation of the MCCG whereby at least half of the Board comprises independent directors.

With the composition of 80% of the Board being held by Independent Directors, the Manager is of the view that the Board can uphold objectivity in reaching meaningful decisions in the best interest of all stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The MCCG also recommends the Board have at least 30% of women directors. The Board recognises that gender diversity is essential for fostering innovation, enhancing decision making and achieving sustainable growth. It is aligned with the nation's aspirational target of 30% representation in leadership roles. Currently, the Board includes one woman Director, representing 20% of its composition. While this is below the recommended threshold, the Board remains fully committed to achieving greater gender diversity. Recognising the importance of balancing diversity with the required skills and expertise to drive strategic objectives, the Board has implemented measures to strengthen its approach to diversity in future appointments. The Board is actively exploring opportunities to increase the representation of Women Directors while ensuring greater gender diversity. In line with the MCCG's recommended best practises, the Board recognises the importance of balancing diversity with the requisite skills and expertise to drive strategic objectives, and has implemented measures to strengthen its approach to diversity in future appointments.

The Board of Directors (the "Board") of the Manager is committed to driving sustainable value for the unitholders of Hektar REIT. The generation of long-term value is anchored on the alignment of interests between Hektar REIT's unitholders with that of the Manager's Board and Management. In understanding the importance of driving objective and meritorious appointments at the leadership level, the Board has set out the Fit and Proper Policy for the Board and Senior Management of the Manager.

Any appointment of new Directors of the Manager will be evaluated by the NRC and thereafter, formally appointed by way of a Board resolution. The search for candidates to be appointed is conducted through personal contacts and recommendations, and/or external search companies. Suitable candidates are carefully evaluated by the NRC so that recommendations made on proposed candidates meet the Board's objectives. In recommending the appointment of new Directors, the Board takes into consideration the current Board size and composition, including diversity of skills, the experience of the proposed candidate; and knowledge of matters relating to REIT Management.

The Directors appointed shall be able to devote the required time to serve the Board effectively. The Board shall consider the existing directorship positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company shall be avoided.

The Board shall ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director which includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the listed company as a whole. The Board shall also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

As at the date of this report, none of the Directors held directorships in more than 5 listed issuers.

Directors' Training and Continuing Education Programme

During the financial period under review, all Directors participated in various training programmes in compliance with the Listing Requirements and to enhance their knowledge and competencies in relevant areas. These programmes are essential for equipping Directors with the latest insights and developments in governance, industry trends and regulatory updates, enabling them to discharge their duties effectively. The Board remains committed to continuous professional development, ensuring that all Directors are equipped to contribute to the effective oversight and strategic direction of the Manager and Hektar REIT.

The Manager ensures that the Board is regularly updated on new developments or changes in laws and regulations and financial reporting standards that are relevant to the Manager or Hektar REIT and the Internal Auditors update the Board on this at Board meetings. The Manager maintains a training record to track Directors' attendance at training and professional development courses.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Members of the Board are encouraged to attend relevant courses and seminars to keep themselves updated on developments and changes in the operating environment relevant to Hektar REIT.

The Board ensures that the Directors attend various conferences and programmes to enhance their knowledge and expertise and to keep up to date with the relevant changes in laws, regulations and the business environment. The training programmes, conferences and seminars attended by the Directors during the year under review covered areas such as corporate governance, leadership, professional development, industry updates, financial and tax matters, amongst others.

The Company is a member of the Malaysian Institute of Corporate Governance ("MICG"). MICG regularly updates the Company on relevant Corporate Governance training programmes suitable for Directors.

All the current Directors of the Manager have attended training programmes during the financial year in compliance with the Listing Requirements. The details are as follows:

Director	Date	Events
Zainal Iskandar Bin Ismail	12-13 February 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	4 October 2025	Successful Investment Strategies in Unit Trust Investments
	5 October 2025	The Wealth Manager of the Future: Merging Human Expertise with Artificial Intelligence
	21 August 2025	Business Continuity Management Awareness
Sr Zulazman Bin Zulkifli	17 April 2025	Kenanga 2Q25 Malaysia Market Outlook
	25 June 2025	Kyrgyz - Malaysia Business Dialogue
	2 July 2025	Bloomberg – Trading Horizons 2025: Navigating Multi-Asset Electronification
	3 July 2025	Boardroom – Executive Briefing: IPO Masterclass
	28 July 2025	Bursa Malaysia – Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level Programme
	21 August 2025	Business Continuity Management Awareness
	14 November 2025	HCK Capital Group – Anti Bribery and Corruption, Personal Data Protection Act 2010 and COI
	4 December 2025	CIDB – Certificate of Integrity & Contractors Code of Ethics
Wan Kamaruddin Bin Wan Mohamed Ali	12-13 February 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	21 August 2025	Business Continuity Management Awareness
Sandra Tan Pei Ing	20 & 21 January 2025	Mandatory Accreditation Programme Part I
	21 August 2025	Business Continuity Management Awareness
	22-23 September 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Date	Events
Chong Kai Wooi	21 August 2025	Business Continuity Management Awareness
	30 December 2025	Innovate with AI: Exploring Cutting-Edge Technologies in Property, Defence, Gaming and Printing

As shown above, the Directors of the Manager have attended various training programmes during the financial year, encompassing a variety of topics such as corporate governance, financial reporting, and retail industry trends.

III. REMUNERATION

Hektar REIT being a Trust has no employees and the Directors sit on the Board of HAMSB, as the REIT Manager. The Directors and senior management's remunerations are remunerated by the Manager, which is a privately-owned company.

The NRC shall assist the Board in determining a remuneration framework and terms of employment for all Directors and senior management personnel of the Manager. The Board, in determining the remuneration package for the Directors, takes into account the remuneration level that is competitive with the relevant market and industry and the NRC's recommendation.

The Board has remuneration policies and procedures to determine the remuneration of directors and senior management, which take into account the demands, complexities and performance of the Company as well as the skills and experience required. The Board practices transparent remuneration policies and procedures and the remuneration of Executive Directors are based on individual performance. All Directors receive Directors' fees and all Non-Executive Directors receive meeting allowances for their attendance at Board meetings and any other Board Committee meetings that require their presence. The Board confirms that the Directors do not participate in decisions regarding their remuneration. The policies and procedures are periodically reviewed and made available on Hektar REIT's website.

The details of the remuneration, on a named basis, for directors and top 5 senior management personnel are not disclosed in the Annual Report due to confidentiality, business and personal security concerns. The Board is also of the view that the disclosure of such information may put Hektar REIT in a disadvantageous position given the competition for talent in the industry where it operates.

An overview of the Director's remuneration for the financial year ended 31 December 2025 are as follows:

	RM
Salaries and Other Remuneration	933,175
Directors' Fees	794,000
Meeting Attendance Allowances	21,000
Total	**1,748,175**

The total top 5 senior management staff of HAMSB was remunerated with total salaries and other remuneration amounting to RM2,291,346 for the financial year ended 31 December 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle B — Effective Audit and Risk Management

I. AUDIT AND RISK MANAGEMENT COMMITTEE

All members of the ARMC are Independent Non-Executive Directors, in line with the requirement of MCCG, which states that the ARMC should solely comprise Independent Directors. The Chairman of the ARMC is not the Chairman of the Board.

The ARMC ensures that the primary responsibilities are discharged in accordance with its terms of reference and has explicit authority to investigate any matter within its purview. The ARMC has direct and unrestricted access to both the internal and external auditors and may at its discretion, invite any Director or executive officer to attend its meetings. Both internal and external auditors are given unrestricted access to the ARMC.

Collectively, members of the ARMC have a sound understanding of REIT operations and financial reporting requirements, and possess the necessary skills required to discharge their duties effectively. The ARMC members have extensive experience and knowledge in accounting, finance and legal matters.

II. RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises the importance of risk management to safeguard the interests of unitholders of Hektar REIT. The review and implementation of internal control systems to maintain the integrity of the businesses and assets is an essential part of the management strategy.

Further information on Risk Management and Internal Control is covered under “Statement on Internal Control and Risk Management”.

Principle C — Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

I. COMMUNICATION WITH STAKEHOLDERS

Unitholders and Relationship

The Manager recognises the importance of accountability to the investors of Hektar REIT and accordingly, maintains an active and constructive communication policy that enables the Board and Management to communicate effectively with Hektar REIT’s investors, stakeholders and the general public. This is achieved principally through quarterly reports, interim reports and annual reports, as well as through annual general meetings and extraordinary general meetings.

The Board recognises the need to establish regular communication with its stakeholders to disseminate information on Hektar’s activities, performance and other relevant events. Unitholders and investors can obtain an overview of performance and operations via the timely release of various announcements by the Company on Bursa Malaysia. In addition, Unitholders may access the Investor Relations section on Hektar REIT’s website to seek clarification or submit any queries as needed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Disclosure and Corporate Transparency

The Manager strives to uphold high standards of disclosure and corporate transparency. In line with Hektar REIT's disclosure obligations, all significant and material developments that could impact Hektar REIT's fundamentals, performance and developments are announced on Bursa Malaysia. Such information will be available to unitholders on Bursa Malaysia's website under 'Listed Companies'. Other information such as corporate and investor information is also disclosed on Hektar REIT's website.

Hektar REIT has established and maintained its website at www.hektarreit.com and all material information is available there. An investor relations section on the website is also regularly maintained, allowing the unitholders and other stakeholders to be informed of the past and current financial developments of Hektar REIT.

II. CONDUCT OF GENERAL MEETINGS

In efforts to strengthen the relationship between Hektar REIT and its unitholders, the Annual General Meeting and/or Extraordinary General Meeting serve as crucial mechanisms in communication.

The Chairman of the Board shall ensure that general meetings support meaningful engagement between the Board, senior management and unitholders. The engagement should be interactive and include robust discussion on, amongst others, the financial and non-financial performance as well as the long-term strategies. Unitholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

The Board ensures that the conduct of a virtual general meeting supports meaningful engagement between the Board, senior management and unitholders. This includes having in place the required infrastructure and tools to support, amongst others, a smooth broadcast of the general meeting and interactive participation by unitholders where questions posed by unitholders are made visible to all meeting participants during the meeting itself.

All unitholders are targeted to be given at least 28 days' notice prior to the Annual General Meeting, which exceeds the minimum requirement of 21 days, to enable good participation from unitholders. The notice includes details of resolutions proposed along with relevant explanations as required under the Trust Deed.

The Minutes of the Annual General Meeting or Extraordinary General Meeting are targeted to be published on the Hektar REIT website within 30 business days after the Annual General Meeting or Extraordinary General Meeting respectively.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC") REPORT

COMPOSITION

The composition of ARMC as follows:

Members

Name of Members	Total No. of Meeting Attended
Ms Sandra Tan Pei Ing (Chairperson of ARMC, Independent Non-Executive Director)	4/4
En Wan Kamaruddin Bin Wan Mohamed Ali (Independent Non-Executive Director)	4/4
Mr Chong Kai Wooi (Independent Non-Executive Director)	4/4

The composition of the ARMC complies with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the principles and practices set out in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

Membership

The ARMC shall be appointed by the Board from amongst their number and shall consist of not less than 3 members, all of whom shall be non-executive Directors with a majority of them being Independent Directors. The members of the ARMC shall elect a chairman among themselves who is an Independent Director and who is not the Chairman of the Board. The composition of the ARMC shall fulfil the requirements as prescribed in the Bursa Securities Malaysia Berhad Main Market Listing Requirements ("Listing Requirements"). Currently, all ARMC members are comprised of independent directors.

None of the members of the ARMC was a former key audit partner of the External Auditors of the Group.

Meetings

The ARMC shall meet at least 4 times annually. A majority of Independent Directors present shall form a quorum.

TERMS OF REFERENCE

The Terms of Reference of the ARMC, are in line with the provisions of the Listing Requirements, the Malaysian Code on Corporate Governance and under the Board of Charter.

The ARMC supports the Board in reviewing, assessing and making recommendations on matters related to financial and accounting records, internal controls, related party transactions ("RPT"), potential conflicts of interest ("COI") and financial reporting practices.

ARMC

Chairperson
Independent Director, who is not the Chairperson of the Board

Composition
- At least 3 members
- Must be Independent Directors
- Membership qualification
- Financially literate
- No alternate Director

Key Functions
- Financial Reporting
- Internal Control Systems
- Internal Audit Function
- External Audit
- Related Party Transactions & Conflict of Interest, Situations
- Review of Sustainability Report

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC") REPORT

ACTIVITIES FOR THE FINANCIAL YEAR

The ARMC carried out its duties for the year in accordance with its Terms of Reference. The summary of the work carried out and discharged by the ARMC for the financial year are as follows:

Financial results

Reviewed the quarterly interim unaudited financial statements and the annual audited financial statements prior to submission to the Board for its consideration and approval.

Internal Audit

Reviewed the internal audit reports and ensured that action plans recommended are agreed upon and implemented by Management on a timely basis.

External Audit

i. Reviewed and approved the external auditor's audit plan, audit approach and reporting requirements prior to the commencement of audit works for the year under review; and

ii. Discussed the key audit matters and other audit focus areas raised by external auditors.

Risk Management

Reviewed the Risk Management Report containing the Risk Register on a semi-annual basis. Details of the risk management processes of the Manager are contained in the Statement on Risk Management and Internal Control of this Annual Report.

Related Party Transactions

Reviewed on a quarterly basis, the list of related party transactions involving interests of related parties who are directors of the Manager, substantial Unitholders of Hektar REIT and ultimate major shareholders of the Manager or persons connected to them.

INTERNAL AUDIT FUNCTION

The Internal Audit function was outsourced and carried out by an independent and reputable firm, KPMG Management & Risk Consulting Sdn Bhd ("KPMG") to assist the ARMC in discharging its duties and responsibilities. KPMG was responsible for carrying out the following internal audit activities during the financial year under review:

i. to report to the ARMC and provide independent and objective reports on the adequacy and effectiveness of the Manager's internal controls, risks and governance frameworks;

ii. to issue an internal auditor's report for the Manager's response and implementation; and

iii. to issue a final internal auditor's report to the ARMC for deliberation and approval.

KPMG adopts a risk-based auditing approach, taking into account global best practices and industry standards consistent with the Manager's objectives and goals.

The cost incurred for the internal audit function for the financial year ended 31 December 2025 amounted to RM117,200.00.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control (Statement) is presented by the Board of Directors (the Board) of the Manager in accordance with Paragraph 15.26(b) of the Bursa Malaysia Listing Requirements and with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY AND OVERSIGHT

Board of Directors

The Board acknowledges its overall responsibility for the REIT's system of risk management and internal control, including establishing an appropriate risk governance framework and determining the REIT's risk appetite and tolerance levels.

In discharging its duties, the Board:

- sets the strategic direction of the REIT and ensures alignment with the approved risk appetite;
- oversees the adequacy and effectiveness of the risk management and internal control framework;
- approves key governance, risk management and internal control policies;
- ensures Management maintains sound internal controls to safeguard unitholders' interests and the REIT's assets; and
- oversees compliance with applicable laws, regulations and regulatory guidelines.

The Board, through the Audit and Risk Management Committee (ARMC), oversees Management's implementation of the Enterprise Risk Management (ERM) framework and internal control systems, while retaining overall accountability.

The Board receives regular assurance from Management that appropriate governance processes, accountability structures and internal controls are in place to support effective operations and decision-making.

The Board recognises that any system of risk management and internal control can provide only reasonable, and not absolute, assurance against material misstatement, loss or fraud, and remains committed to the continuous enhancement of the REIT's governance, risk management and internal control framework.

Audit and Risk Management Committee

The ARMC assists the Board in fulfilling its oversight responsibilities in relation to ERM, internal control, compliance and assurance matters.

In particular, the ARMC:

- reviews the design, adequacy and effectiveness of the ERM framework and internal control systems;
- reviews the REIT's risk profile, including principal and emerging risks and the appropriateness of risk mitigation measures;
- reviews report from Management and the internal and external auditors;
- monitors the resolution of audit findings and management action plans; and
- oversees compliance with applicable regulatory requirements and internal policies.

Material matters are escalated to the Board where necessary.

Management

Management, under the leadership of the Chief Executive Officer (CEO), is responsible for establishing, implementing and continuously enhancing the ERM framework and internal control systems in line with Board-approved strategies and risk appetite.

Management's responsibilities include:

- implementing approved strategies, policies and limits;
- identifying and evaluating principal and emerging risks;
- maintaining an effective system of internal controls;
- monitoring key risk indicators and control performance;
- executing mitigation action plans; and
- providing timely and meaningful risk and control reports to the ARMC and the Board.

Risk considerations are integrated into regular Management and operational meetings, with material issues tracked, addressed and escalated where appropriate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

Enterprise Risk Management Framework

The REIT's ERM framework is aligned with ISO 31000: 2018 Risk Management - Guidelines and provides a structured and systematic basis for identifying, assessing, managing and monitoring risks across strategic, financial, operational, compliance, technology and sustainability dimensions.

The framework defines clear roles, accountabilities and escalation protocols across the Board, ARMC, Management and operational levels. Risk management considerations are embedded into strategic planning, business decision-making and day-to-day operations. Formal enterprise-wide risk assessments are conducted at least semi-annually, supplemented by ongoing risk reviews to reflect changes in strategy, business activities, regulatory requirements and operating conditions.

Outputs from the ERM process, including updates to the risk register, key risk indicators and management action plans, support effective monitoring of risk trends and alignment with the REIT's strategic objectives and risk appetite.

Periodic ERM training and awareness programmes are conducted to strengthen risk awareness and promote consistent practices across the REIT. The framework is reviewed periodically, and at least once every three years, to ensure its continued relevance, considering regulatory developments, emerging risks and evolving industry practices.

Governance and Assurance Structure

Hektar REIT operates within a structured governance framework aligned to the Three Lines of Defence model, as follows:

Board of Directors
(Oversight • Risk Appetite • Approval)

Provides overall oversight, approves the risk appetite and reviews the adequacy and effectiveness of the risk management and internal control framework.

Audit & Risk Management Committee
(Reviews Risk Profile • Controls • Mitigations)

Independent oversight of risk governance, internal controls, financial reporting integrity and audit matters.

Management
(ERM Implementation & Monitoring • Risk Oversight)

Responsible for implementing the ERM framework, executing internal controls, and reporting material risks and control issues.

1st Line of Defence
(Identify • Assess • Treat • Monitor)

Risk Owners
Operational units responsible for identifying, assessing and managing risks in day-to-day operations.

2nd Line of Defence
(ERM Coordination • Oversight • Reporting)

Risk Management & Governance
Provides oversight, coordination, and monitoring of risk management and compliance activities, and facilitates reporting and escalation.

3rd Line of Defence
(Evaluates Controls • Recommends Improvements)

Internal Audit
Provides independent assurance on the adequacy and effectiveness of risk management, internal controls and governance processes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Processes

The risk management process comprises the following key elements:

Identification

Risks are identified through structured operational reviews and analysis of internal and external information. Both threats and opportunities are considered and documented in a consolidated risk register.

Assessment & Evaluation

Identified risks are assessed at least semi-annually in terms of likelihood, impact and velocity at both inherent and residual levels, considering the effectiveness of existing controls. Risks are prioritised using risk heatmap and assessed against the Board-approved risk appetite.

Treatment

Mitigation strategies and action plans are developed and aligned with the REIT's risk appetite, with clearly defined ownership, timelines and resources.

Monitoring & Reporting

Risks and controls are monitored through KRIs, management reviews and ongoing operational oversight, with consolidated risk reports prepared and tabled semi-annually. Risks are reviewed on an ongoing basis to reflect changes in strategy, business activities and operating conditions.

The risk management process is applied on a continuous basis across the REIT and is embedded within the REIT's business processes and operational activities. While formal enterprise-wide risk assessments are conducted at least semi-annually, risks are reviewed on an ongoing basis to ensure that changes in strategy, business activities, regulatory requirements and operating conditions are appropriately identified, assessed and reflected in the REIT's risk profile.

Risk discussions are integrated into management and operational meetings to support early identification of emerging risks, timely escalation of material matters and alignment of mitigation actions with business priorities. Where significant changes occur, targeted risk assessments are undertaken to reassess assumptions, control effectiveness and residual risk exposures.

The outputs from the risk management process, including updates to the risk register, key risk indicators and management action plans, support Management and the Board in monitoring risk trends, assessing the effectiveness of controls and ensuring continued alignment between the REIT's strategic objectives and its risk appetite.

Risk Appetite and Strategic Alignment

The Board has established a risk appetite framework that articulates the nature and level of risk the REIT is willing to accept in pursuing its strategic objectives while safeguarding unitholders' interests and long-term sustainability.

Hektar REIT's risk appetite is anchored on the following three strategic pillars:

Capital Preservation & Financial Strength

Hektar REIT prioritises capital preservation and financial strength through the maintenance of strong capital and liquidity positions, preservation of balance sheet resilience and disciplined management of financial risks within Board-approved tolerance levels.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Sustainable Long-Term Growth

Hektar REIT will pursue sustainable, long-term growth through measured strategic and business risk-taking, ensuring initiatives are commercially sound and aligned with the Group's long-term objectives, sustainability ambitions, and environmental, social and governance (ESG) considerations.

Operational Resilience

Hektar REIT will maintain robust operational resilience frameworks, systems and internal controls to support the continuity of critical operations, protect the safety, health, and wellbeing of employees, tenants, and stakeholders, ensure compliance with regulatory requirements, and enable effective response and recovery from operational, technological, and environmental disruptions.

The REIT maintains zero-tolerance for fraud, unethical conduct, regulatory non-compliance and actions that may materially compromise financial integrity, safety, cybersecurity, environmental responsibility or reputation.

The risk appetite framework is reviewed periodically and when material changes occur in the operating environment or strategic direction.

Key Risks Insights for 2025

Over the reporting period ended 31 December 2025, the REIT's overall risk profile remained within the Board-approved risk appetite. The operating environment was characterised by heightened external uncertainty arising from macroeconomic conditions, evolving retail dynamics, regulatory developments and increasing technology-related risks. These developments resulted in selective shifts in risk intensity, which were monitored and addressed through targeted management actions and Board oversight.

The principal risk categories and key focus areas during the financial year are summarised below, reflecting the areas that received Management and Board attention in response to the evolving operating environment.

Strategic & Market Risks

Strategic and market risks exposure continued to be significant, reflecting continued sensitivity of tenant performance and rental sustainability to changing consumer preferences, competitive retail formats and e-commerce substitution. These factors continued to affect occupancy levels, rental reversions and overall portfolio performance.

Management responded through proactive asset management initiatives, tenant remixing and selective asset enhancement, supported by disciplined capital deployment and structured investment evaluation.

Key indicators such as occupancy rates, rental reversions, footfall and tenant sales were monitored to assess income sustainability and portfolio competitiveness.

Financial Risks

Financial risks remained manageable but elevated relative to financing conditions, liquidity requirements and tenant credit considerations.

The Board maintained a cautious stance, prioritising balance sheet resilience, liquidity preservation and funding flexibility.

Active cash flow management, prudent capital allocation and disciplined credit practices were implemented, with financial metrics regularly reviewed by Management, the ARMC and the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Regulatory & Compliance Risks

Regulatory and compliance risks continued to carry a low likelihood but high potential impact. Increased attention was given to sustainability-related disclosures, safety compliance and governance expectations.

These risks were managed through established compliance frameworks, regular monitoring of regulatory submissions, audit findings and safety inspection outcomes, supported by escalation protocols where required.

Technology, Operational Resilience & ESG Considerations

Technology and cybersecurity risks remained an area of heightened focus due to increasing digitalisation and external cyber threats. Management continues to invest in strengthening system controls, enhancing monitoring capabilities, and reinforcing employee awareness to mitigate the risk of operational disruption, data compromise and reputational impact in an increasingly complex cyber threat environment.

Operational and facilities management risks remained stable, supported by preventive maintenance programmes, safety management practices and vendor oversight.

Climate-related and ESG risks continued to evolve, with physical and transition risks integrated into operational planning, capital expenditure decisions and long-term asset strategies. For more information on our climate-related risk management, please refer to the Sustainability Statement section of this Annual Report.

INTERNAL CONTROLS

The REIT maintains a system of internal controls designed to provide reasonable assurance over the effectiveness and efficiency of operations, the reliability and integrity of financial reporting, the safeguarding of assets, and compliance with applicable laws, regulations and internal policies.

Internal controls are embedded within day-to-day business processes and decision-making activities, with clear accountability assigned to Management and operational risk owners in accordance with the established governance and assurance structure. The design and operation of controls are subject to ongoing monitoring by Management, periodic review by the ARMC and independent assurance provided through internal and external audit functions.

Governance Culture and Control Environment

The control environment forms the foundation of the REIT's system of internal control and reflects the Board's commitment to integrity, ethical conduct, accountability and effective governance. The Board sets the tone at the top through clearly articulated values, oversight expectations and governance practices.

Key elements of the control environment include:

- **Integrity and Ethical Values**
  A Code of Conduct and Ethics applicable to Directors, employees and service providers establishes expected standards of behaviour, compliance obligations and reporting requirements. Adherence is reinforced through onboarding and awareness programmes. Breaches are subject to appropriate investigation and disciplinary action.

- **Structure, Authority and Accountability**
  A clearly defined organisational structure with established reporting lines, segregation of duties and Discretionary Authority Limits (DAL) support effective oversight and accountability.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Policies, Frameworks and Procedures

Documented policies, frameworks and standard operating procedures governing key business processes are reviewed periodically to ensure continued relevance and alignment with regulatory and operational requirements. These documents are communicated and made accessible to employees and relevant stakeholders to promote consistent understanding, effective implementation and ongoing compliance.

People, Competence and Performance

Recruitment, training and performance management processes are designed to ensure that individuals entrusted with control responsibilities possess appropriate competence, experience and ethical values.

Control Activities Supporting Risk Mitigation

Control activities are established to address identified risks and to ensure that Management directives are carried out effectively. These controls are proportionate to the nature and scale of the REIT's operations and are applied consistently across key processes.

Key control activities include:

- Financial controls, comprising a rolling five-year planning process supported by budgeting and forecasting, periodic performance and variance analysis, approval and authorisation limits, segregation of duties, reconciliations and monitoring of key financial metrics. Financial performance and significant variances are reviewed regularly by Management and reported to the ARMC and the Board.

- Operational controls, supported by documented procedures, preventive maintenance programmes, safety and security measures, procurement and tender evaluation processes, and insurance coverage to safeguard assets and support operational continuity.

- Compliance controls, overseen by a designated Compliance Officer, to support adherence to applicable regulatory, statutory and contractual requirements. Compliance is monitored through structured compliance frameworks, regulatory submissions, internal reviews and audit findings, with corrective actions implemented where necessary.

- Technology and information controls, including access management, system change controls, cybersecurity measures, data protection practices and incident management procedures, to support the confidentiality, integrity and availability of information and systems.

- Third-party and outsourcing controls, covering key outsourced arrangements such as property management, facilities management, IT services and professional advisers. These include due diligence procedures, contractual governance requirements, defined service level expectations and ongoing performance monitoring.

- Sustainability/ESG controls, which support the identification, monitoring and reporting of material ESG risks and related disclosures and facilitate the integration of ESG considerations into relevant operational and asset management processes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

As part of the annual review, selected control frameworks were reviewed and enhanced to strengthen implementation consistency, oversight and monitoring effectiveness:

Anti-Bribery and Anti-Corruption (ABAC) Controls

The ABAC Policy and related controls, guided by the T.R.U.S.T. principles (Top-Level Commitment, Risk Assessment, Undertake Control Measures, Systematic Review, Monitoring and Enforcement, and Training and Communication), are overseen by the relevant compliance and assurance functions. During the year, the ABAC framework and supporting procedures were reviewed and enhanced to improve governance arrangements, operational alignment, process clarity and to reinforce the REIT's zero-tolerance stance towards bribery and corruption. Periodic corruption risk assessments are conducted, including in relation to procurement activities and third-party engagements, to ensure that the corruption risk profile remains current and that appropriate mitigating measures are maintained. Whistleblowing channels are available to employees, third parties and the public, and any reports received will be assessed and investigated in accordance with established procedures.

Business Continuity Management (BCM) Arrangements

The financial year 2025 marked a significant milestone in the strengthening and formalisation of the REIT's BCM framework. During the year, the framework was enhanced and further embedded across the REIT's operations, incorporating structured Business Impact Analysis, documented Business Continuity Plans, defined crisis management governance structures and formalised crisis communication protocols to support operational resilience and continuity of critical business functions. Structured scenario-based tabletop exercise was conducted to validate response and recovery capabilities and to identify improvement opportunities. Targeted training and awareness sessions were carried out for Directors and employees to reinforce roles, responsibilities, escalation protocols and communication arrangements during disruptive events. These enhancements support a more coordinated and structured approach to business continuity and crisis preparedness.

Technology Risk Management Framework

Technology risks are managed under a formal framework benchmarked against the Securities Commission Malaysia's Guidelines on Technology Risk Management. The framework covers key domains including access management, system development and change management, IT operations, cybersecurity, data protection, and incident management and recovery. Technology risks are monitored through defined controls, periodic reviews and established escalation protocols. Technology awareness communications and training are conducted to promote cybersecurity awareness and the responsible use of technology resources across the REIT.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Information, Communication, Monitoring and Ongoing Assurance

Internal communication channels, including management and operational meetings, on-site engagements and periodic reporting, facilitate effective operational oversight, coordination and risk awareness across the REIT. These channels support timely escalation of material issues and enable Management and risk owners to respond appropriately to emerging risks and control matters.

External communications are governed by established corporate communication policies, regulatory engagement protocols and disclosure control procedures to ensure that information released to external stakeholders is accurate, complete, consistent and timely. Communications with regulators, including Bursa Malaysia and the Securities Commission Malaysia, are coordinated through designated officers and approved governance channels, with statutory filings, regulatory submissions and ad-hoc disclosures subject to defined internal review and approval processes.

Disclosures to unitholders and the investment community, including quarterly and annual reports, Bursa announcements and investor presentations, are prepared in accordance with established disclosure controls and are reviewed by Management and, where appropriate, the ARMC and the Board. Engagements with external auditors and other key service providers are conducted through formal communication to support effective oversight, transparency and the integrity of information used for financial reporting and decision-making.

Control effectiveness is monitored through a combination of management reviews, internal reporting, internal audit activities and external audit processes. Identified control deficiencies and improvement opportunities are evaluated, and remediation actions are implemented and tracked through structured management action plans, with progress monitored and reported to the ARMC. In performing its review during the financial year, the Board considered changes in the operating environment and risk profile, the REIT's responsiveness to emerging risks and control issues, and the assurance provided by Management and internal audit, and is satisfied that the system of internal control was adequate and operating effectively.

CONCLUSION

The Board has reviewed the adequacy and effectiveness of Hektar REIT's system of risk management and internal control and has received assurance from the CEO that the systems in place were operating adequately and effectively during the financial year.

Based on the assurance obtained, the Board is satisfied that Hektar REIT maintained a sound and effective system of risk management and internal control for the financial year ended 31 December 2025.

This Statement was approved by the Board on 26 February 2026.

FINANCIAL STATEMENTS

MANAGER'S REPORT

Hektar Asset Management Sdn Bhd, the Manager for Hektar Real Estate Investment Trust ("Hektar REIT" or the "Trust"), has the pleasure in presenting its report together with the audited financial statements of the Trust for the financial year ended 31 December 2025.

Hektar REIT was constituted on 5 October 2006 pursuant to the Deed dated 5 October 2006 and the supplementary deeds dated 20 March 2012, 23 November 2016 respectively (which was amended and restated on 8 February 2021) and Supplemental Trust Deed dated 27 February 2024 between MTrustee Berhad as the Trustee and Hektar Asset Management Sdn Bhd as the Manager. The Deed was registered with Securities Commission Malaysia (SC) on 21 March 2024. Hektar REIT is regulated by the SC's Guidelines on Listed Real Estate Investment Trusts, the Listing Requirements of Bursa Malaysia Securities Berhad and other relevant laws and regulations.

Hektar REIT is Malaysia's first retail-focused REIT listed on the Main Board of Bursa Malaysia Securities Berhad on 4 December 2006.

Hektar REIT's main investment objective is owning and investing in income producing real estate and real estate related assets.

DIRECTORS

The Directors of the Manager who have held office during the financial year until the date of this report are as follows:

Zainal Iskandar Bin Ismail	(Appointed w.e.f. 12 July 2024)
Wan Kamaruddin Bin Wan Mohamed Ali	(Appointed w.e.f. 10 February 2023)
Sr Zulazman Bin Zulkifli	(Appointed w.e.f. 9 February 2024)
Chong Kai Wooi	(Appointed w.e.f. 9 February 2024)
Sandra Tan Pei Ing	(Appointed w.e.f. 14 October 2024)

DIRECTORS' BENEFITS

For the financial year ended 31 December 2025, no Director of the Manager has received or become entitled to receive any benefit by reason of a contract made by Hektar REIT or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest save and except for Note 24 as disclosed in the notes to the financial statements.

There were no arrangements during the financial year ended 2025, which had the objective of enabling Directors of the Manager to acquire benefits by means of the acquisition of units in, or debentures of Hektar REIT or any other corporate body.

DIRECTORS' INTERESTS

According to the register of depository of Hektar REIT, the Directors of the Manager in office at the end of the financial year did not have any interests in units in Hektar REIT during the financial year.

MANAGER'S REPORT

SOFT COMMISSION

There was no soft commission received by the Manager during the financial year from any broker or dealer by virtue of transactions conducted for Hektar REIT.

OTHER INFORMATION

(a) Before the financial statements of the Trust were made out, the Manager took reasonable steps:
  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  (ii) to ensure that any current assets other than debts, which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to their estimated realisable values.

(b) At the date of this report, the Manager is not aware of any circumstances which would:
  (i) render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Trust inadequate to any substantial extent; and
  (ii) render the values attributed to the current assets in the financial statements of the Trust misleading.

(c) At the date of this report, the Manager is not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Trust misleading or inappropriate.

(d) At the date of this report, the Manager is not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Trust misleading.

(e) As at the date of this report, there does not exist:
  (i) any charge on the assets of the Trust which has arisen since the end of the financial year which secures the liabilities of any other person; and
  (ii) any contingent liability of the Trust which has arisen since the end of the financial year.

(f) In the opinion of the Manager:
  (i) the results of the operations of the Trust during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature;
  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Trust for the financial year in which this report is made; and
  (iii) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months (12) after the end of the financial year which would or may affect the ability of the Trust to meet their obligations when they fall due.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 30 to the financial statements.

MATERIAL LITIGATIONS

Material litigations are disclosed in Note 27 to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

Signed on behalf of the Board of the Manager in accordance with a resolution of the Directors of the Manager

ZAINAL ISKANDAR BIN ISMAIL
Executive Director
Chief Executive Officer

SANDRA TAN PEI ING
Chairperson, Audit and Risk Management Committee
Independent Non-Executive Director

Kuala Lumpur
26 February 2026

STATEMENT BY DIRECTORS OF THE MANAGER

In the opinion of the Directors of Hektar Asset Management Sdn Bhd ("the Manager"), the financial statements set out on pages 168 to 204 have been drawn up in accordance with the provisions of the Trust Deed dated 5 October 2006 (as amended by the Amended and Restated Trust Deed dated 8 February 2021 and Supplemental Trust Deed dated 27 February 2024) entered into between Hektar Asset Management Sdn Bhd and MTrustee Berhad (collectively the "Trust Deed")), the Securities Commission's Guidelines on Real Estate Investment Trusts, applicable securities laws, Malaysian Financial Reporting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of Hektar Real Estate Investment Trust ("Hektar REIT" or "the Trust") as at 31 December 2025 and of the financial performance and cash flows of the Trust for the financial year then ended.

Signed on behalf of the Board of the Manager in accordance with a resolution of the Directors of the Manager.

ZAINAL ISKANDAR BIN ISMAIL
Executive Director
Chief Executive Officer

SANDRA TAN PEI ING
Chairperson, Audit & Risk Management Committee
Independent Non-Executive Director

Kuala Lumpur
26 February 2026

STATUTORY DECLARATION

I, Zainal Iskandar Bin Ismail, being the Director of the Manager, Hektar Asset Management Sdn Bhd, primarily responsible for the financial management of Hektar Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 168 to 204 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this)
26 February 2026)

ZAINAL ISKANDAR BIN ISMAIL

Before me:
MARDHIYYAH ABDUL WAHAB
No. W729
Commissioner of Oath

TRUSTEE'S REPORT

We, MTrustee Berhad, have acted as Trustee of Hektar Real Estate Investment Trust ("Hektar REIT" or "the Trust") for the financial year ended 31 December 2025.

In our opinion and to the best of our knowledge, Hektar Asset Management Sdn Bhd ("the Manager") has managed Hektar REIT during the period covered by these financial statements is in accordance with the limitations imposed on the investment powers of the Manager, the provisions of the Trust Deed dated 5 October 2006 (as amended by the Amended and Restated Trust Deed dated 8 February 2021 and Supplemental Trust Deed dated 27 February 2024), the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia and the applicable securities laws.

We have ensured that the procedures and processes employed by the Manager to value/price the units of Hektar REIT are adequate and that such valuation/pricing is carried out in accordance with the Trust Deed and other regulatory requirements.

We also confirm that the distribution of returns declared and paid during the financial year ended 31 December 2025 by the Manager is relevant and reflects the investment objective of Hektar REIT.

For and on behalf of the Trustee,
MTrustee Berhad

NURIZAN BINTI JALIL
Chief Executive Officer

Selangor, Malaysia
26 February 2026

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF HEKTAR REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hektar Real Estate Investment Trust ("Hektar REIT" or "the Trust"), which comprise the statement of financial position as at 31 December 2025 of the Trust, and statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows of the Trust for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on page 168 to 204.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Trust in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Trust for the current year. These matters were addressed in the context of our audit of the financial statements of the Trust as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

As disclosed in Note 5 to the financial statements, the Trust's investment properties measured at fair value stood at RM1,393,600,000 as at 31 December 2025.

There were significant judgements and estimates used by management in relation to the valuation of Trust's investment properties including allowance for void, term yield rates, reversionary yield rates and discount rates.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF HEKTAR REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Key Audit Matters (continued)

Audit responses

Our audit procedures included the following:

(i) Assessed the objectivity, competency and independence of management's experts;

(ii) Discussed with management's experts to understand the methodology and assumptions used in the valuation;

(iii) Tested the accuracy of data used by management's experts to the underlying lease agreements; and

(iv) Benchmarked and assessed the key assumptions in the valuation reports to external industry data and comparable property transactions, in particular the allowance for void, term yield rates, reversionary yield rates and discount rates.

Information Other than the Financial Statements and Auditors' Report Thereon

The Manager of the Trust is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Trust and our auditors' report thereon.

Our opinion on the financial statements of the Trust does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Trust, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Trust or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors of the Manager and Trustee for the Financial Statements

The Directors of the Manager are responsible for the preparation of financial statements of the Trust that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia. The Directors of the Manager are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Trust that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for ensuring that the Directors of the Manager maintain proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

In preparing the financial statements of the Trust, the Directors of the Manager are responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Manager either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF HEKTAR REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Trust as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Trust, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Trust.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Manager.

(d) Conclude on the appropriateness of the Directors of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Trust or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Trust, including the disclosures, and whether the financial statements of the Trust represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Trust as a basis for forming an opinion on the financial statements of the Trust. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF HEKTAR REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Auditors' Responsibility for the Audit of the Financial Statements (continued)

We also provide the Directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Trust for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the Unitholders of the Trust in accordance with the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Lu Yan Fen
03803/11/2027 J
Chartered Accountant

Kuala Lumpur
26 February 2026

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 RM	2024 RM
ASSETS			
Non-current assets			
Property, plant and equipment	3	349,148	468,977
Investment properties	5	1,405,379,836	1,391,644,339
		1,405,728,984	1,392,113,316
Current assets			
Trade receivables	6	8,232,965	4,787,249
Other receivables, deposits and prepayments	7	35,505,407	18,476,892
Current tax asset		5,569	20,506
Cash and bank balances	8	6,805,143	18,625,673
		50,549,084	41,910,320
TOTAL ASSETS		1,456,278,068	1,434,023,636
LIABILITIES			
Non-current liabilities			
Other payables and accruals	10	29,336,031	26,697,684
Bank borrowings	11	584,648,700	579,072,566
Deferred tax liabilities	12	31,814,582	31,554,132
		645,799,313	637,324,382
Current liabilities			
Trade payables	9	15,929,027	9,033,990
Other payables and accruals	10	30,774,952	26,364,266
Current tax liabilities		27,639	-
Bank borrowings	11	19,200,000	19,200,000
		65,931,618	54,598,256
TOTAL LIABILITIES		711,730,931	691,922,638
NET ASSET VALUE ("NAV")		744,547,137	742,100,998

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 RM	2024 RM
FINANCED BY:			
UNITHOLDERS' FUNDS			
Unitholders' capital	13	632,444,845	632,444,845
Undistributed income - realised		44,664,050	46,817,461
Undistributed income - unrealised		67,438,242	62,838,692
TOTAL UNITHOLDERS' FUNDS		744,547,137	742,100,998
NUMBER OF UNITS IN CIRCULATION	13	709,286,684	709,286,684
NAV PER UNIT (RM)			
Before the proposed final income distribution[1]		1.0497	1.0463
After the proposed final income distribution[2]		1.0384	1.0338

1 Before the proposed final income distribution of 1.13 sen per unit (2024: 1.25 sen per unit)
2 After the proposed final income distribution of 1.13 sen per unit (2024: 1.25 sen per unit)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	2024 RM
Gross revenue	14	124,728,601	124,804,268
Property operating expenses	15	(67,663,873)	(61,919,192)
Net property income		57,064,728	62,885,076
Income from Fund Placements		142,969	1,006,742
Sundry income		1,087,210	637,657
Bad debts recovered		7,600	224,359
Change in fair value of investment properties	5(f)	4,860,000	5,300,000
Total income		63,162,507	70,053,834
Manager's fees	16	(9,537,108)	(9,660,462)
Trustee's fees	17	(750,754)	(585,532)
Auditors' remuneration:			
- current year: statutory audit		(174,175)	(157,710)
- current year: others		(40,500)	(39,000)
Valuation fees		(336,820)	(509,421)
Professional fee		(957,459)	(2,398,743)
Impairment on trade receivables	6(f)	(4,265)	(12,534)
Administration expenses		(2,324,084)	(1,316,913)
Finance expense	18	(29,974,221)	(30,076,307)
Total expenses		(44,099,386)	(44,756,622)
Profit before tax		19,063,121	25,297,212
Tax expense	19	(303,388)	(682,024)
Profit for the financial year		18,759,733	24,615,188
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive income for the financial year		18,759,733	24,615,188

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	2024 RM
Profit for the financial year comprises the following:			
Realised		14,160,183	19,991,788
Unrealised - change in fair value of investment properties		4,860,000	5,300,000
Unrealised - provision for deferred tax on change in fair value of investment properties	12	(260,450)	(676,600)
		18,759,733	24,615,188
Earnings per unit (Total)			
Before Manager's fees (sen)	20(a)	3.99[a]	5.01[a]
After Manager's fees (sen)	20(b)	2.64[a]	3.59[a]
Earnings per unit (Realised)			
Before Manager's fees (sen)	20(c)	3.34[a]	4.33[a]
After Manager's fees (sen)	20(d)	2.00[a]	2.92[a]
Net income distributions			
Interim income distribution of 1.05 sen (2024: 1.90 sen) per unit		7,447,510	13,429,440
Proposed final income distribution of 1.13 sen (2024: 1.25 sen) per unit		8,014,940	8,866,084
Final income distribution per unit			
Gross (sen)	21	1.13	1.25
Net (sen)	21	1.13	1.25

[a] Earnings per unit and income distribution for the financial year ended 31 December 2025 was calculated based on a weighted average of 709,286,684 units (2024: 684,708,351 units).

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN NET ASSET VALUE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		--- Undistributed income ---		
	Unitholders' capital RM	Realised RM	Unrealised RM	Unitholders' fund RM
At 1 January 2025	632,444,845	46,817,461	62,838,692	742,100,998
Total comprehensive income				
Profit for the financial year	-	14,160,183	4,599,550	18,759,733
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income, representing the increase in net assets resulting from operations	-	14,160,183	4,599,550	18,759,733
Unitholders' transactions				
Unitholders' capital	-	-	-	-
Distributions to unitholders	-	(16,313,594)	-	(16,313,594)
Decrease in net assets resulting from unitholders' transactions	-	(16,313,594)	-	(16,313,594)
At 31 December 2025	632,444,845	44,664,050	67,438,242	744,547,137
At 1 January 2024	560,886,684	53,627,660	58,215,292	672,729,636
Total comprehensive income				
Profit for the financial year	-	19,991,788	4,623,400	24,615,188
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income, representing the increase in net assets resulting from operations	-	19,991,788	4,623,400	24,615,188
Unitholders' transactions				
Unitholders' capital	71,558,161	-	-	71,558,161
Distributions to unitholders	-	(26,801,987)	-	(26,801,987)
Increase/(Decrease) in net assets resulting from unitholders' transactions	71,558,161	(26,801,987)	-	44,756,174
At 31 December 2024	632,444,845	46,817,461	62,838,692	742,100,998

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		19,063,121	25,297,212
Adjustments for:			
Bad debts written off	6(c)	1,379,867	369,477
Change in fair value of investment properties	5	(4,860,000)	(5,300,000)
Depreciation of property, plant and equipment	3	119,829	97,281
Finance expense	18	29,974,221	30,076,307
Income from Fund Placement		(142,969)	(1,006,742)
Impairment loss on trade receivables	6(f)	4,265	12,534
Operating profit before changes in working capital		45,538,334	49,546,069
Trade and other receivables		(21,858,363)	(12,735,685)
Trade and other payables		13,944,070	13,081,907
Cash from operating activities		38,424,041	49,892,291
Tax paid		(14,785)	(8,263)
Tax refunded		14,423	-
Net cash from operating activities		37,623,679	49,884,028
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions of investment properties	5	(2,240,000)	(141,000,000)
Additions of capital work in progress of investment properties	5	(6,635,497)	(5,144,339)
Purchase of property, plant and equipment	3	-	(152,020)
Interest received from Fund Placement		142,969	1,006,742
Withdrawal of deposits with licensed Islamic banks more than 3 months		-	1,300,000
Net cash used in investing activities		(8,732,528)	(143,989,617)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance expense paid		(29,974,221)	(30,076,307)
Drawdown of borrowings		9,776,134	319,215,734
Repayment of borrowings		(4,200,000)	(283,171,423)
Distributions paid to unitholders		(16,313,594)	(26,801,987)
Proceeds from issuance of new units	13	-	71,558,161
Net cash (used in)/from financing activities		(40,711,681)	50,724,178
Net decrease in cash and cash equivalents		(11,820,530)	(43,381,411)
Cash and cash equivalents at beginning of financial year		18,625,673	62,007,084
Cash and cash equivalents at end of financial year	8	6,805,143	18,625,673

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. GENERAL INFORMATION

Hektar Real Estate Investment Trust ("Hektar REIT" or "the Trust") was constituted on 5 October 2006 pursuant to the Trust Deed dated 5 October 2006 (as amended by the Amended and Restated Trust Deed dated 8 February 2021 and Supplemental Trust Deed dated 27 February 2024) entered into between MTrustee Berhad as the Trustee and Hektar Asset Management Sdn Bhd as the Manager.

Hektar REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 4 December 2006.

The Manager's registered office is located at Unit 419, Block A, Kelana Business Centre, No. 97, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor.

The principal place of business of the Manager is located at D1-U3-10, Block D1, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

The principal activity of Hektar REIT is to acquire and invest in income producing real estate in Malaysia which is primarily used for retail and education purposes with a view to provide Unitholders with stable distribution of income and potential capital growth. There has been no significant change in the nature of the principal activity during the financial year.

The principal activities of the Manager consist of managing and administering the Fund for Hektar REIT and other management services. The Manager, incorporated in Malaysia is a subsidiary of Hektar Klasik Sdn Bhd.

The financial statements comprise the Trust and its subsidiaries.

The financial statements for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution by the Board of Directors of the Manager on 26 February 2026.

2. BASIS OF PREPARATION

The financial statements of the Trust have been prepared in accordance with the provisions of the Trust Deed, the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia, Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards.

The financial statements of the Trust have been prepared under the historical cost convention, except as otherwise stated in the financial statements and on the basis of accounting principle applicable to a going concern.

As at 31 December 2025, the Trust's current liabilities exceeded their current assets by RM15,382,534.

The Trust carried out cash flows review for the next twelve (12) months to ensure that the business operations have sufficient funds available to meet its obligations as and when they fall due.

The Directors are confident that the Trust will continue to generate sufficient cash flows from its operations for the next twelve (12) months from the reporting date to meet its obligations as and when they fall due. The Directors believe it is appropriate to prepare the financial statements of the Trust on a going concern basis.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Trust.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 29.1 to the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

2025	Balance as at 1.1.2025 RM	Depreciation charge for the year RM	Balance as at 31.12.2025 RM
Carrying amount			
Computer equipment	325,079	(67,328)	257,751
Office equipment	13,419	(1,251)	12,168
Plant and machinery	130,479	(51,250)	79,229
	468,977	(119,829)	349,148

	[-------------- At 31.12.2025 ----------------]		
	Cost RM	Accumulated Depreciation RM	Carrying Amount RM
Carrying amount			
Computer equipment	521,380	(263,629)	257,751
Office equipment	43,388	(31,220)	12,168
Plant and machinery	155,221	(75,992)	79,229
	719,989	(370,841)	349,148

2024	Balance as at 1.1.2024 RM	Additions RM	Written off* RM	Depreciation charge for the year RM	Balance as at 31.12.2024 RM
Carrying amount					
Computer equipment	398,464	-	-	(73,385)	325,079
Office equipment	15,214	-	-	(1,795)	13,419
Plant and machinery	560	152,020	-	(22,101)	130,479
	414,238	152,020	-	(97,281)	468,977

* Property, plant and equipment have been written off with nil carrying amount.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	[-------------- At 31.12.2024	----------------]	
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Carrying amount			
Computer equipment	521,380	(196,301)	325,079
Office equipment	43,388	(29,969)	13,419
Plant and machinery	155,221	(24,742)	130,479
	719,989	(251,012)	468,977

(a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

(b) Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Computer equipment	15%
Office equipment	10% - 15%
Plant and machinery	15% - 33%

4. INVESTMENTS IN SUBSIDIARIES

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated at cost less impairment losses, if any.

(b) The details of the subsidiaries, which are incorporated in Malaysia, are as follows:

Name of company	Effective interest in equity 2025	Effective interest in equity 2024	Principal activities
Pure Quantum Sdn Bhd	100%	100%	Property investment
Plenitude Sunlight Sdn Bhd	100%	100%	Property investment
Hektar MTN Satu Sdn Bhd	100%	100%	To undertake the issuance of medium term notes ("MTNs") under a medium term note programme ("MTN Programme") and all matters relating to the MTNs under the MTN Programme

Subsidiaries are entities, including structured entities, controlled by Hektar REIT. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Hektar REIT controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

4. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The subsidiaries are intended for better management of the strata malls within Hektar REIT's assets portfolio. As the subsidiaries' financial results are not significant to the Trust, hence these are not separately disclosed.

5. INVESTMENT PROPERTIES

	2025 RM	2024 RM
A. At fair value		
Freehold land and buildings	833,600,000	831,500,000
Leasehold land	175,120,776	171,121,525
Leasehold buildings	384,879,224	383,878,475
	1,393,600,000	1,386,500,000
At beginning of financial year	1,386,500,000	1,232,700,000
Additions	2,240,000	148,500,000
Change in fair value	4,860,000	5,300,000
At end of financial year	1,393,600,000	1,386,500,000
B. Capital work in progress		
At beginning of financial year	5,144,339	-
Additions	6,635,497	5,144,339
At end of financial year	11,779,836	5,144,339
Total at end of financial year (A + B)	1,405,379,836	1,391,644,339

(a) Capital work in progress is mainly related to the renovation cost capitalised, which shall be transferred to investment properties to be measured at fair value when it is available for use.

(b) Investment properties with an aggregate carrying amount of RM1,178,600,000 (2024: RM1,174,500,000) are charged to a financial institution for banking facilities granted to the Trust as disclosed in Note 11 to the financial statements.

5. INVESTMENT PROPERTIES (CONTINUED)

(c) Details of the investment properties are as follows:

2025 Description of property	Tenure of land	Location	Existing use	Cost of investment as at 31 December 2025 RM	Fair value as at 31 December 2025 RM	Percentage of fair value over net asset value as at 31 December 2025 %
Subang Parade*	Freehold	Subang	Commercial	286,980,000	441,000,000[a]	59%
Mahkota Parade*	Leasehold^	Melaka	Commercial	259,588,630	345,000,000[b]	46%
Wetex Parade*	Freehold	Muar	Commercial	117,500,000	153,000,000[a]	21%
Kulim Central*	Freehold	Kedah	Commercial	98,000,000	144,600,000[b]	19%
Central Square*	Freehold	Kedah	Commercial	83,520,000	95,000,000[c]	13%
Segamat Central	Leasehold^	Segamat	Commercial	106,068,739	63,000,000[c]	8%
Kolej Yayasan Saad	Leasehold^	Melaka	Education	148,500,000	152,000,000[d]	20%
					1,393,600,000	

[a] Based on valuation carried out by First Pacific Valuers Property Consultants Sdn Bhd on 31 December 2025
[b] Based on valuation carried out by Raine Horne International Zaki & Partners on 31 December 2025
[c] Based on valuation carried out by Exastrata Solutions Sdn Bhd on 31 December 2025
[d] Based on valuation carried out by Jones Lang Wootton Sdn Bhd on 31 December 2025

* The properties are charged to financial institutions for banking facilities granted to the Trust.
^ The leasehold land for Mahkota Parade, Segamat Central and Kolej Yayasan Saad expires in year 2101, 2116 and 2098 respectively.

5. INVESTMENT PROPERTIES (CONTINUED)

(c) Details of the investment properties are as follows (continued):

2024 Description of property	Tenure of land	Location	Existing use	Cost of investment as at 31 December 2024 RM	Fair value as at 31 December 2024 RM	Percentage of fair value over net asset value as at 31 December 2024 %
Subang Parade*	Freehold	Subang	Commercial	286,980,000	438,000,000[a]	59%
Mahkota Parade*	Leasehold^	Melaka	Commercial	257,538,630	343,000,000[b]	46%
Wetex Parade*	Freehold	Muar	Commercial	117,500,000	153,000,000[a]	21%
Kulim Central*	Freehold	Kedah	Commercial	98,000,000	144,600,000[c]	19%
Central Square*	Freehold	Kedah	Commercial	83,330,000	95,900,000[c]	13%
Segamat Central	Leasehold^	Segamat	Commercial	106,068,739	62,000,000[b]	8%
Kolej Yayasan Saad	Leasehold^	Melaka	Education	148,500,000	150,000,000[d]	20%
					1,386,500,000	

[a] Based on valuation carried out by First Pacific Valuers Property Consultants Sdn Bhd on 31 December 2024
[b] Based on valuation carried out by Raine Horne International Zaki & Partners on 31 December 2024
[c] Based on valuation carried out by Exastrata Solutions Sdn Bhd on 31 December 2024
[d] Based on valuation carried out by Jones Lang Wootton Sdn Bhd on 31 December 2024

* The properties are charged to financial institutions for banking facilities granted to the Trust.
^ The leasehold land for Mahkota Parade, Segamat Central and Kolej Yayasan Saad expires in year 2101, 2116 and 2098 respectively.

(d) Investment properties are initially measured at cost, including transaction cost. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at reporting date. Fair value is arrived at and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in fair value of investment properties are included in profit or loss in the year which they arise.

(e) Fair value is determined in accordance with the Trust Deed, the REIT Guidelines and the Guidelines on Asset Valuation issued by the Securities Commission, which requires the investment properties to be valued by independent qualified valuers. In determining the fair value, the valuers used valuation techniques which involve certain estimates. In relying on the valuation reports, the Directors of the Manager have exercised their judgement and are satisfied that the valuation methods and estimates reflect the current market conditions.

The fair values of investment properties of the Trust are categorised as Level 3. Level 3 fair value is estimated using unobservable inputs for the investment properties. There is no transfer between levels in fair value hierarchy during the financial year.

5. INVESTMENT PROPERTIES (CONTINUED)

(e) (continued)

The following table shows the valuation technique and significant unobservable inputs used in the determining the fair value measurement of investment property within Level 3, as well as the inter-relationship between key unobservable inputs and fair value used in the valuation model:

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Investment method	- Allowance for void of 5.00% - 10.00% (2024: 5.00% - 10.00%) - Term yield rate of 6.25% - 6.50% (2024: 6.25% - 6.75%) - Reversionary yield rate of 6.50% - 7.25% (2024: 6.50% - 7.25%) - Discount rate of 6.50% - 7.25% (2024: 6.50% - 7.25%)	The estimated fair value would increase/(decrease) if: - Allowance for void was lower/(higher) - Term yield rate was lower/(higher) - Reversionary yield rate was lower/(higher) - Discount rate was lower/(higher)

The investment method involves capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoings and other operating expenses incidental to the property with allowance for void by using an appropriate market derived discount rate.

(f) The following table shows a reconciliation of Level 3 fair value:

	2025 RM	2024 RM
At beginning of financial year	1,386,500,000	1,232,700,000
Additions	2,240,000	148,500,000
Change in fair value	4,860,000	5,300,000
At end of financial year	1,393,600,000	1,386,500,000

(g) Classification between investment properties and plant and equipment.

The Trust has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Trust would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

5. INVESTMENT PROPERTIES (CONTINUED)

(h) The direct operating expenses are disclosed in Note 15 to the financial statements.

6. TRADE RECEIVABLES

	2025 RM	2024 RM
Third parties	9,555,296	7,369,870
Less: Impairment losses	(1,322,331)	(2,582,621)
	8,232,965	4,787,249

(a) Trade receivables are classified as financial assets measured at amortised cost.

(b) The normal credit term granted by the Trust to the trade receivables is 7 days (2024: 7 days). Late charges ranging from 12% to 18% (2024: 12% to 18%) per annum will be imposed on overdue amount.

(c) Gross trade receivables of RM9,555,296 (2024: RM7,369,870) is taken into account after bad debts written off of RM1,379,867 (2024: RM369,477) of which have been expensed off to the profit or loss.

(d) The ageing analysis of the Trust's gross receivables is as follows:

	2025 RM	2024 RM
Current	1,000,437	1,278,420
1 to 30 days	660,452	539,057
31 to 60 days	110,127	527,159
More than 60 days	5,607,037	2,939,920
	6,377,616	4,006,136
Fair value adjustments	2,177,243	2,085,314
	9,555,296	7,369,870

(e) As at the end reporting period, the credit risks exposures and concentration relating to trade receivables of the Trust are summarised in the table below:

	2025 RM	2024 RM
Maximum exposure, net of impairment	8,232,965	4,787,249
Collateral obtained	31,458,867	29,165,729
Net exposure to credit risk	-	-

The above collateral represents rental deposits received from tenants.

6. TRADE RECEIVABLES (CONTINUED)

(f) Credit risk

(i) Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Trust. The Trust's trade receivables credit term is 7 days.

The Trust has no significant concentration of credit risk that may arise from exposure to a single clearing participant or counterparty.

(ii) Receivables that are impaired

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

During this process, the probability of non-payment by the trade receivables which is adjusted by the forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the Trust expenses in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment. Estimated cash flows recoverable in worst-case scenario are based on the fair value of the collateral.

The Trust defined a significant increase in credit risk based on the operating performance of the receivables, changes to contractual terms, payment delays, and past due information.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information. The Trust has identified Gross Domestic Product, Consumer Price Index, unemployment rate and inflation rate as the key macroeconomic factors of the forward-looking information.

The movement of allowance for impairment loss on trade receivables is as follows:

	2025 RM	2024 RM
At beginning of financial year	2,582,621	2,771,046
Addition during the year	4,265	12,534
Bad debts written off	(1,264,555)	(200,959)
At the end of financial year	1,322,331	2,582,621

(g) During the financial year, the Trust did not renegotiate the terms of any trade receivables.

(h) Trade receivables are denominated in RM.

7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 RM	2024 RM
Other receivables	34,062,145	16,652,432
Deposits	407,094	610,094
	34,469,239	17,262,526
Prepayments	1,036,168	1,214,366
Total other receivables	35,505,407	18,476,892

(a) Total other receivables, net of prepayments are classified as financial assets measured at amortised cost.

(b) Included in other receivables is as follow:

	2025 RM	2024 RM
Amount owing from Property Manager	3,486,323	1,629,960

Amount owing from Property Manager is unsecured, interest free and repayable monthly in arrears.

(c) Included in other receivables are the following amounts:

	2025 RM	2024 RM
Earnest deposit for acquisition of a parcel of land in Mukim Durian Tunggal, Melaka	4,000,000	-
Earnest deposit for proposed acquisition of 90% equity stake of Terramark Sdn Bhd	2,600,000	-
Earnest deposit on acquisition of Bayan Lepas Industrial Building	6,000,000	3,000,000

(d) Impairment for other receivables are recognised based on the three-stage general approach within MFRS 9 using the forward-looking expected credit loss ("ECL") model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the financial reporting period, the Trust assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ECL along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while twelve-month ECL are the portion of ECL that result from default events that are possible within the twelve months after the end of the reporting period. The maximum period considered when estimating ECL is the maximum contractual period over which the Trust is exposed to credit risk.

The Trust defined a significant increase in credit risk based on the operating performance of the receivables, changes to contractual terms, payment delays, and past due information.

7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(d) (continued)

The probabilities of non-payments by other receivables are adjusted by forward-looking information and multiplied by the amounts of the expected losses arising from defaults to determine the twelve-month or lifetime ECL for the other receivables. The Trust has identified the Gross Domestic Product, Consumer Price Index, unemployment rate and inflation rate as the key macroeconomic factors of the forward-looking information.

It requires management to exercise significant judgement in determining the probabilities of default by other receivables, appropriate forward-looking information, and a significant increase in credit risk.

(e) No expected credit loss is recognised arising from other receivables as it is negligible.

(f) Other receivables, deposits and prepayments are denominated in RM.

8. CASH AND BANK BALANCES

	2025 RM	2024 RM
Cash and bank balances	6,327,606	18,149,153
Deposits with licensed Islamic banks	477,537	476,520
	6,805,143	18,625,673

(a) No expected credit loss is recognised arising from the deposits with a financial institution and short term funds because the probability of default by this financial institution is negligible.

(b) Cash and bank balances, short term funds and fixed deposits are denominated in RM.

(c) The weighted average profit rate of deposits with licensed Islamic banks of the Trust is 1.85% (2024: 2.30%) per annum. Deposits with licensed Islamic banks are made for varying periods of between one (1) month and three (3) months (2024: one (1) month).

(d) In respect of profit-earning financial asset, the following table sets out the carrying amount, the weighted average effective profit rate as at the end of each reporting period and the remaining maturities of the Trust's financial instruments that are exposed to profit rate risk:

	Within one year RM	One to five years RM	Total RM
2025			
Fixed rates			
Deposits with licensed Islamic banks	477,537	-	477,537
2024			
Fixed rates			
Deposits with licensed Islamic banks	476,520	-	476,520

8. CASH AND BANK BALANCES (CONTINUED)

(e) There is no sensitivity analysis in respect of deposits with licensed Islamic banks these are fixed rate instruments and are not affected by changes in profit rate.

9. TRADE PAYABLES

	2025 RM	2024 RM
Third parties	15,929,027	9,033,990

(a) Trade payables are classified as financial liabilities measured at amortised cost.

(b) Included in trade payables are as follows:

	2025 RM	2024 RM
Amount owing to Manager	2,795,948	1,281,387

Amount owing to Manager is unsecured, interest-free and payable monthly in arrears.

(c) Trade payables are non-profit bearing and the normal credit term granted by trade payables to the Trust are generally from 30 to 60 days (2024: 30 to 60 days).

(d) The maturity profile of the Trust's trade payables at the end of reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.

(e) Trade payables are denominated in RM.

10. OTHER PAYABLES AND ACCRUALS

	2025 RM	2024 RM
Non-current liabilities		
Deposits received from tenants	29,336,031	26,697,684
Current liabilities		
Other payables	13,976,311	3,689,050
Accruals	13,268,934	17,889,522
Advance received	761,096	1,671,874
Deferred income	645,775	645,775
Deposits received from tenants	2,122,836	2,468,045
	30,774,952	26,364,266
	60,110,983	53,061,950

10. OTHER PAYABLES AND ACCRUALS (CONTINUED)

(a) Other payables and accruals are classified as financial liabilities and measured at amortised cost.

(b) Included in other payables and accruals are as follows:

	2025 RM	2024 RM
Amount owing to Property Manager	13,670,981	3,400,939

Amount owing to Property Manager is unsecured, interest-free and payable monthly in arrears.

(c) Deposits received from tenants are in respect of refundable deposits received from tenants for tenancy or marketing agreements. Tenancy agreements tenure for retail building are for ranges between the period of one to three years. The security deposit from KYS as security for compliance by KYS of all the provisions not limited to the payment of Guaranteed Rent and other charges. The deposits received from tenants are unsecured and non-profit bearing.

(d) Other payables and accruals are denominated in RM.

(e) The table below summarises the maturity profile of the Trust's liabilities at the end of each reporting period based on contractual undiscounted repayment obligations:

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2025				
Financial liabilities				
Other payables and accruals (excluding deferred income)	28,006,341	-	-	28,006,341
Deposits received from tenants	2,122,836	31,326,690	-	33,449,526
2024				
Financial liabilities				
Other payables and accruals (excluding deferred income)	23,250,446	-	-	23,250,446
Deposits received from tenants	2,468,045	28,533,150	-	31,001,195

11. BANK BORROWINGS

	2025 RM	2024 RM
Secured		
Current liability		
- Short term revolving credit	15,000,000	15,000,000
- Commodity Murabahah Term Financing-i	3,000,000	3,000,000
- Term financing-i 2	1,200,000	1,200,000
	19,200,000	19,200,000
Secured		
Non-current liabilities:		
- CL-i 2	150,518,532	149,862,050
- CL-i 6	29,146,235	21,710,516
- Term financing-i 1	51,683,933	50,000,000
- Term financing-i 2	83,800,000	85,000,000
- Commodity Murabahah Term Financing-i	54,500,000	57,500,000
- MTN CGIF	215,000,000	215,000,000
	584,648,700	579,072,566
	603,848,700	598,272,566

(a) Borrowings are classified as financial liabilities measured at amortised cost.

(b) The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Trust for similar financial instruments.

(c) The Cash Line-islamic ("CL-i"), CL-i 2, and CL-i 6 are secured by way of fixed charge over Mahkota Parade.

CL-i 2 bears profit rate at cost of fund plus 125 basis points (2024: cost of fund plus 125 basis points). CL-i 6 bears profit rate at cost of fund plus 125 basis points (2024: cost of fund plus 125 basis points). The effective profit rates on CL-i facilities are ranging from 4.44% to 5.11% (2024: 4.76% to 5.40%) per annum.

(d) Short term revolving credit is secured by way of fixed charge over Mahkota Parade and bears profit rate at cost of fund plus 100 basis points (2024: cost of fund plus 100 basis points). The effective profit rate on short term revolving credit are ranging from 4.18% to 4.65% (2024: 4.50%) per annum. There is no roll over risk for the short term revolving credit since the Trust is not in breach of any covenants that would trigger an event of defaults which would affect the bank's assessment to renew the facility. There is no history of non-renewal of the short term revolving credit and the latest Deed agreement with the bank and MTrustee Berhad was renewed on 6 March 2025.

(e) Term financing-i 1 is secured by way of fixed charge over Central Square and has a tenure renewed of 5 years until year of 2030. The term financing-i 1 bears profit rate at cost of funds plus 100 basis points (2024: cost of fund plus 100 basis points). The effective profit rates on the term financing-i 1 are ranging from 5.01% to 5.33% (2024: 5.22% to 5.28%) per annum.

11. BANK BORROWINGS (CONTINUED)

(f) Term financing-i 2 is secured by way of fixed charge over Wetex Parade and has a tenure of 5 years until year of 2029. The term financing-i 2 bears profit rate at cost of funds plus 100 basis points (2024: cost of fund plus 100 basis points). The effective profit rates on the term financing-i 2 are ranging from 5.22% to 5.77% (2024: 5.47% to 5.69%) per annum.

(g) Commodity Murabahah Term Financing-i is secured by way of fixed charge over Kulim Central and has a tenure of 10 years or 120 months until year of 2033. The Commodity Murabahah Term Financing-i bears profit rate at cost of funds plus 130 basis points (2024: 130 basis points) and the effective profit rate on the Commodity Murabahah Term Financing-i are ranging from 5.14% to 5.35% per annum (2024: 5.32% to 5.50%).

(h) MTN CGIF represents Medium Term Notes (represented by the Global Certificates or Definitive Certificates) secured by way of fixed charge over Subang Parade and has a tenure of 5 years from the Date of First Issuance of MTN. The total cost of fund at fixed at 5.20% (2024: 5.20%) per annum.

(i) Borrowings are categorised as Level 2 in the fair value hierarchy.

(j) All borrowings are denominated in RM.

(k) The table below summarises the maturity profile of the Trust's liabilities at the end of each reporting period based on contractual undiscounted repayment obligations:

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2025				
Financial liabilities				
CL-i facilities	8,458,381	177,383,046	30,635,610	216,477,037
Short term revolving credit	15,653,000	-	-	15,653,000
Term financing-i facilities	8,465,347	164,545,321	-	173,010,668
Commodity Murabahah Term Financing-i	6,023,063	24,092,252	51,569,189	81,684,504
MTN CGIF	9,030,000	234,565,000	-	243,595,000
2024				
Financial liabilities				
CL-i facilities	8,257,827	201,275,653	-	209,533,480
Short term revolving credit	15,675,000	-	-	15,675,000
Term financing-i facilities	8,376,070	170,880,350	-	179,256,420
Commodity Murabahah Term Financing-i	6,248,850	21,995,400	61,495,400	89,739,650
MTN CGIF	9,030,000	36,120,000	215,000,000	260,150,000

11. BANK BORROWINGS (CONTINUED)

(l) The following table sets out the carrying amounts as at the end of each reporting period and the remaining maturities of the Trust's borrowings that are exposed to profit rate risk:

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2025				
Floating rates				
CL-i facilities	-	150,518,532	29,146,235	179,664,767
Short term revolving credit	15,000,000	-	-	15,000,000
Term financing-i facilities	1,200,000	135,483,933	-	136,683,933
Commodity Murabahah Term Financing-i	3,000,000	12,000,000	42,500,000	57,500,000
Fixed rates				
MTN CGIF	-	215,000,000	-	215,000,000
	19,200,000	513,002,465	71,646,235	603,848,700
2024				
Floating rates				
CL-i facilities	-	171,572,566	-	171,572,566
Short term revolving credit	15,000,000	-	-	15,000,000
Term financing-i facilities	1,200,000	135,000,000	-	136,200,000
Commodity Murabahah Term Financing-i	3,000,000	15,000,000	42,500,000	60,500,000
Fixed rates				
MTN CGIF	-	-	215,000,000	215,000,000
	19,200,000	321,572,566	257,500,000	598,272,566

(m) The following table demonstrates the sensitivity analysis of the Trust if profit rates at the end of each reporting period changed by 100 basis points with all other variables held constant:

	2025 RM	2024 RM
Profit after taxation		
- increase by 1% (2024: 1%)	(2,955,250)	(2,912,872)
- decrease by 1% (2024: 1%)	2,955,250	2,912,872

Sensitivity analysis on profit rates is applied to floating rate financial instruments only, as the carrying amounts of fixed rate instruments are not affected by changes in profit rates.

11. BANK BORROWINGS (CONTINUED)

(m) (continued)

The assumed movement in basis points for profit rate sensitivity analysis is based on current observable market environment.

The effect on the net asset value of the Trust is not presented as it is not affected by changes in profit rates.

(n) Reconciliation of liabilities from financing activities:

	2025 RM	2024 RM
As at 1 January	598,272,566	562,228,255
Cash flows from financing activities	5,576,134	36,044,311
As at 31 December	603,848,700	598,272,566

12. DEFERRED TAX LIABILITIES

	2025 RM	2024 RM
At beginning of financial year	31,554,132	30,877,532
Recognised in profit or loss (Note 19)	260,450	676,600
At the end of financial year	31,814,582	31,554,132

The deferred tax liability relates to fair value gain of the investment properties which is expected to be recovered through sale.

Where investment properties are carried at fair value as disclosed in Note 5 to the financial statements, the amount of deferred tax recognised is measured using the tax rate that would apply on the sale of those assets at their carrying values at the reporting date unless the property is held with the objective to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Under the Finance Act 2021, the Real Property Gains Tax ("RPGT") rate for disposal of real property which have been held in the sixth (6th) year and subsequent years for Trust is 10%.

13. UNITHOLDERS' CAPITAL

	2025 Number of units	2025 RM	2024 Number of units	2024 RM
Issued and fully paid				
Balance as at 1 January	709,286,684	632,444,845	581,415,073	560,886,684
Addition by way of:				
Private Placement	-	-	125,397,584	70,321,148
Income Distribution Reinvestment Plan ("IDRP")	-	-	2,474,027	1,237,013
	-	-	127,871,611	71,558,161
Balance as at 31 December	709,286,684	632,444,845	709,286,684	632,444,845

(a) Private Placement

In previous financial year, the Manager proposed a Private Placement of up to 25% of the total number of issued units of Hektar REIT to third party investor(s). The new units totalling 125,397,584 have been listed and quoted on the Main Market of Bursa Malaysia Securities on 5 March 2024 and 15 March 2024 respectively.

(b) IDRP

In previous financial years, on 15 December 2022 the Unitholders had approved for Hektar REIT to establish an IDRP that provides unitholders of Hektar REIT with an option to elect to reinvest, in whole or in part, their cash distribution declared by Hektar REIT (whether interim, final, special or any other types of cash distribution) in new units of Hektar REIT.

In previous financial year, on 22 August 2024 a total of 2,474,027 units pursuant to the third IDRP were allotted and issued. The new units have been listed and quoted on the Main Market of Bursa Securities on 21 October 2024.

(c) As at 31 December 2025, the Manager held 1,281,700 (2024: 1,281,700) units in Hektar REIT. The Directors of the Manager and their related parties held units in Hektar REIT as follows:

	2025 Number of units	2025 %	2024 Number of units	2024 %
Substantial unitholders' direct unitholdings in Hektar REIT:				
Hektar Black Sdn Bhd				
- Pledged securities account for Hektar Black Sdn Bhd	114,314,854	16.12	123,097,854	17.36
The Manager's related parties' direct unitholdings in Hektar REIT:				
Hektar Black Sdn Bhd	114,314,854	16.12	123,097,854	17.36

14. GROSS REVENUE

	2025 RM	2024 RM
Rental income	89,033,344	89,491,509
Service and promotional charges	19,177,910	19,177,809
Carpark income	11,010,902	10,438,443
Hotel income	3,828,723	3,944,895
Other operating income	1,677,722	1,751,612
	124,728,601	124,804,268

(a) Rental income

Rental income is derived from renting of retail properties to tenants and includes base rent and turnover rent charges from tenants. Base rent is recognised in profit or loss on a straight-line basis over the term of lease. Contingent rent such as turnover rent is recognised as income in the profit or loss on an accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.

The aggregate future minimum lease receivables for leasehold land and buildings as at the end of each reporting period are as follows:

	2025 RM	2024 RM
Not later than one (1) year	35,117,207	34,139,106
Later than one (1) year and not later than five (5) years	156,197,571	151,211,085
	191,314,778	185,350,191

(b) Service and promotional charges

Service and promotional charges is recognised upon services being rendered.

(c) Carpark income

Carpark income is recognised upon services being rendered.

(d) Hotel income

Hotel income is recognised upon services being rendered.

(e) Other operating income

Other operating income mainly comprises rental from common area of the retail properties for promotional events and is recognised on the accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.

15. PROPERTY OPERATING EXPENSES

	2025 RM	2024 RM
Assessment and quit rent	4,577,602	4,486,618
Marketing and promotions	2,930,799	2,652,484
Property management fee	2,004,008	1,928,071
Property maintenance	49,872,754	44,136,951
Utilities	7,703,770	8,185,015
Insurance	574,940	530,053
	67,663,873	61,919,192

Property management fee of RM2,004,008 (2024: RM1,928,071) incurred is payable to Hektar Property Services Sdn Bhd in accordance to the Valuers, Appraisers and Estate Agents Act, 1981.

16. MANAGER'S FEES

	2025 RM	2024 RM
Base fee	6,506,637	4,906,324
Performance fee	3,030,471	3,269,138
Acquisition fee	-	1,485,000
	9,537,108	9,660,462

Pursuant to the Trust Deed, the Manager's annual fees consist of the following:

(i) Base fee

Up to 1.0% per annum of the Gross Asset Value ("GAV") of the Trust payable monthly in arrears.

For the financial year ended 31 December 2025, the base fee shall be 0.45% (2024: 0.35%) per annum of the GAV of the Trust.

(ii) Performance fee

Up to 5.0% per annum of the Net Property Income ("NPI"), before deducting the property management fee, payable monthly in arrears.

For the financial year ended 31 December 2025, the performance fee shall be 5.0% (2024: 5.0%) per annum of the NPI, before deducting the property management fee.

(iii) Acquisition fee

In previous financial year, the fee was calculated at 1.0% of the total acquisition cost for the acquisition of KYS.

17. TRUSTEE'S FEES

Pursuant to the Trust Deed, the Trustee is entitled to receive a fee of up to 0.1% per annum of the Net Asset Value of the Trust, including the Manager's fees payable annually in arrears.

For the financial year ended 31 December 2025, the Trustee's fee shall be 0.10% (2024: 0.08%) per annum of the Net Asset Value of the Trust including the Manager's fees.

18. FINANCE EXPENSE

	2025 RM	2024 RM
Finance expense paid/payable:		
- Short term revolving credit	658,562	330,021
- CL-i facilities	8,247,721	9,192,923
- term financing-i facilities	6,791,658	7,391,769
- Commodity Murabahah Term Financing-i	3,096,280	3,329,320
- MTN CGIF	11,180,000	9,832,274
	29,974,221	30,076,307

19. TAX EXPENSE

	2025 RM	2024 RM
Recognised in profit or loss		
Current tax expenses		
- Current year	42,938	5,424
Deferred tax expenses		
- Relating to origination and reversal of temporary differences (Note 12)	260,450	676,600
Total tax expense	303,388	682,024

Reconciliation of the tax expense is as follows:

	2025 RM	2024 RM
Profit before tax	19,063,121	25,297,212
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	4,575,149	6,071,331
Tax effects in respect of:		
Non-allowable expenses	24,397,642	23,016,111
Income not subject to tax	(28,929,853)	(29,082,018)
Deferred real property gains tax on investment properties	260,450	676,600
Tax expense	303,388	682,024

19. TAX EXPENSE (CONTINUED)

Taxation of the Real Estate Investment Trust ("REIT")

The tax transparency system under Section 61A of the Income Tax Act 1967 ("ITA"), exempts the REIT from income tax in a year of assessment if the REIT distributes at least 90% of its total taxable income for that year of assessment within two (2) months after the close of the financial year.

Hektar REIT will not incur any tax exposure during the financial year as it distributed more than 90% of its realised income available for distribution for the financial year ended 31 December 2025 within two (2) months after the close of the financial year, which translates to more than 90% of its total taxable income.

Real property gains tax

For investment property carried at fair value, there is a presumption that its carrying amount will be recovered through sale. Hence, the measurement of deferred tax asset or liability pertaining to the investment property will be based on the Real Property Gains Tax ("RPGT") rate.

Taxation of Unitholders

Income distributions from the REIT which are exempted from tax under Section 61A of the ITA are taxable on the unitholders, based on the following:

	Tax rate (Up to YA 2025)	Tax rate (From YA 2026)
Category/Type of unitholders		
Individuals and all other non-corporate investors such as institutional investors	Withholding tax ("WHT") of 10%[@]	No WHT[#]
Resident corporate investors	Corporate tax of 24%	Corporate tax of 24%
Non-resident corporate investors	WHT of 24%	WHT of 24%

@ The WHT tax rate has ended on 31 December 2025 and was not extended, in accordance with the Finance Act 2025.

Subject to general exemptions applicable for unitholders, taxability and rate will depend on profile of the investor. In the case of individual, taxable distribution will be included in tax returns and personal income tax will apply.

20. EARNINGS PER UNIT

	2025 No. of unit	2024 No. of unit
At 31 December	709,286,684[a]	684,708,351[a]

a Earnings per unit and income distribution for the financial year ended 31 December 2025 was calculated based on a weighted average of 709,286,684 units (2024: 684,708,351 units).

20. EARNINGS PER UNIT (CONTINUED)

(a) The calculation of earnings per unit (total) before Manager's fee is based on Trust's net profit of RM28,296,841 (2024: RM34,275,650) for the financial year after adding back Manager's fee and weighted average number of units for 2025 and 2024 respectively of 709,286,684 (2024: 684,708,351).

(b) The calculation of earnings per unit (total) after Manager's fee is based on Trust's net profit of RM18,759,733 (2024: RM24,615,188) for the financial year to the weighted average number of units for 2025 and 2024 respectively of 709,286,684 (2024: 684,708,351).

(c) The calculation of earnings per unit (realised) before Manager's fee is based on Trust's realised net income for the financial year of RM23,697,291 (2024: RM29,652,250) after adding back Manager's fee and weighted average number of units for 2025 and 2024 respectively of 709,286,684 (2024: 684,708,351).

(d) The calculation of earnings per unit (realised) after Manager's fee is based on Trust's realised net income for the financial year of RM14,160,183 (2024: RM19,991,788) to the weighted average number of units for 2025 and 2024 respectively of 709,286,684 (2024: 684,708,351).

21. INCOME DISTRIBUTION

(a) Distribution to unitholders are from the following sources:

	2025 RM	2024 RM
Net property income	57,064,728	62,885,076
Income from Fund Placements	142,969	1,006,742
Sundry income	1,087,210	637,657
Bad debts recovered	7,600	224,359
	58,302,507	64,753,834
Less: Expenses	(44,142,324)	(44,762,046)
As per realised undistributed income	14,160,183	19,991,788
Add: (Income)/Loss not subject to distribution (Note 21(b))	(79,363)	26,076
Balance undistributed income	14,080,820	20,017,864

21. INCOME DISTRIBUTION (CONTINUED)

(a) Distribution to unitholders are from the following sources: (continued)

	2025 RM	2024 RM
Gross provision for distribution per unit (sen):		
- Interim	1.05	1.90
- Final	**1.13	*1.25
	2.18	3.15
Net provision for distribution per unit (sen):		
- Interim	1.05	1.90
- Final	**1.13	*1.25
	2.18	3.15

* Distribution of 1.25 sen (gross) per unit for the fourth quarter ended 31 December 2024 ("2024 Final Income Distribution") was announced on 23 January 2025 and payable on 27 February 2025.

** Distribution of 1.13 sen (gross) per unit for the fourth quarter ended 31 December 2025 ("2025 Final Income Distribution") was announced on 23 January 2026 and payable on 27 February 2026.

(b) The statement of profit or loss and other comprehensive income of the subsidiaries which is income not subject to distribution are as follows:

	2025 RM	2024 RM
Revenue	36,403	36,302
Other income	150,970	6,500
Expenses	(108,010)	(68,878)
Profit/(Loss) for the financial year	79,363	(26,076)

22. PORTFOLIO TURNOVER RATIO

	2025	2024
Portfolio Turnover Ratio ("PTR") (times)	-	0.20

The calculation of PTR is based on the average of total acquisitions and total disposals of investments in Hektar REIT to the average net asset value for the financial year calculated on a quarterly basis.

Since the basis of calculating PTR can vary among real estate investment trusts, there is no sound basis for providing an accurate comparison of the Trust's PTR against other real estate investment trusts.

23. MANAGEMENT EXPENSE RATIO

	2025	2024
Management expense ratio ("MER") (%)	1.90	1.98

The calculation of MER is based on the total fees and expenses incurred by the Trust in the year, including Manager's fees, Trustee's fees, auditors' remuneration, tax agent's fee, valuation fees and other trust expenses to the net asset value (after proposed final income distribution) at end of financial year.

Since the basis of calculating MER may vary among real estate investment trusts, comparison of the Trust's MER with other real estate investment trusts which use a different basis of calculation may not be an accurate comparison.

24. TRANSACTIONS WITH PARTY RELATED TO THE MANAGER AND ASSET MANAGER

In addition to the transactions and balances detailed elsewhere in the financial statements, the Trust had the following transactions with party related to the Manager and Asset Manager during the financial year:

	2025 RM	2024 RM
Transactions with party related to the Manager:		
Hektar Black Sdn Bhd		
- Commission and service charges received/receivable	153,406	189,487
Transactions with Asset Manager:		
Hektar Asset Management Sdn Bhd		
- Performance fees paid/payable	3,030,471	3,269,138
- Base fees paid/payable	6,506,637	4,906,324
- Acquisition fees paid/payable	-	1,485,000

25. CAPITAL COMMITMENT

Capital commitment in respect of the following has been provided for in the financial statements:

	2025 RM	2024 RM
Approved and contracted for:		
- Refurbishment of investment properties	16,296,040	13,803,000
- Acquisition of Bayan Lepas industrial building	24,000,000	27,000,000
- Acquisition of 90% equity stake of Terramark Sdn Bhd	23,400,000	-
- Acquisition of land in Mukim Durian Tunggal, Melaka	36,000,000	-
	99,696,040	40,803,000

26. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

Hektar REIT's capital is represented by its unitholder's fund in the statement of financial position.

The Trust's objectives when managing capital is to maintain a strong capital base and safeguard the Trust's ability to continue as a going concern, so as to maintain stakeholders and market confidence and to sustain future development of the Trust.

The Manager monitors capital using a gearing ratio pursuant to the SC Guideline. As per the SC Guideline, the total borrowings of a trust should not exceed 50% (2024: 50%) of the total asset value of the trust at the time the borrowings are incurred. From the table below, the Trust's gearing ratio is within the permitted threshold per the SC Guideline.

	2025 RM	2024 RM
Non-current assets	1,405,728,984	1,392,113,316
Current assets	50,549,084	41,910,320
Total assets value	1,456,278,068	1,434,023,636
Total borrowings	603,848,700	598,272,566
Gearing ratio	41.47%	41.72%

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

(b) Financial risk management

The Trust is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and profit rate risk.

The following sections provide details regarding the Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Trust's exposure to credit risk arises primarily from trade receivables. For other financial assets (including cash and bank balances), the Trust minimise credit risk by dealing exclusively with high credit rating counterparties.

The Trust's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. It is the Trust's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is not significant.

The credit risk concentration profile has been disclosed in Note 6 to the financial statements.

26. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk

The Trust actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Trust measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Trust.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Trust's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 9, 10 and 11 to the financial statements.

(iii) Profit rate risk

The primary profit rate risk of the Trust relates to deposits with financial institution and profit-bearing borrowings from financial institutions. The fixed-rate deposits and borrowings of the Trust are exposed to a risk of changes in their fair values due to changes in profit rates. The floating rate borrowings of the Trust are exposed to a risk of change in cash flows due to changes in profit rates. The Trust borrows at both fixed and floating rates of profit.

The Trust manages its profit rate exposure by monitoring a mix of fixed and floating rate borrowings. At the reporting date, approximately 36% (2024: 36%) of the Group's borrowings are at fixed rates of profit.

The profit rate profile and sensitivity analysis of profit rate risk have been disclosed in Notes 8 and 11 to the financial statements.

27. MATERIAL LITIGATIONS

The Board of the Manager is not aware of any pending material litigation as at the reporting date other than that disclosed below:

(i) Writ of summons against 3 tenants & Tashima Development Sdn Bhd (Civil Suit No. JD-B52NCVC-01-01/2019; JD-B52NCVC-02-01/2019 and JD-B52NCVC-03-01/2019) (Civil Appeal No. JB-12BNCVC-10-07/2020; JB-12BNCVC-11-7/2020; and JB-12BNCVC-12-7/2020).

On 10 January 2025, the Court has fixed for hearing on 26 June 2026.

(ii) Writ of Summons by Eng Hiap Seng (Rengit) Sdn Bhd against Hektar REIT & Hektar Property Services Sdn Bhd (Civil Suit No. JB-22NCvC-15-03/2019).

On 22 January 2026, the Court of Appeal fixed the appeal for further case management on 10 March 2026 pending the issuance of the grounds of judgment from the High Court.

28. OPERATING SEGMENT

The Trust has two reportable segments, Retail and Education. Although the respective malls are separate operating segment, these operating segments are aggregated to form a single reportable segment as Retail due to the similar nature and economic characteristics of malls. For each of the segment, the Board of the Manager's Chief Executive Officer reviews internal management reports regularly.

Performance is measured based on segment net property income as management believes that such information is the most relevant in evaluating the results of the segments.

The total of segment asset/liability is measured based on all assets/liabilities of a segment, as included in internal management reports that are reviewed by the Board of the Manager's Chief Executive Officer.

The Trust's segmental results for the financial year ended 31 December 2025 is as follows:

2025	Retail RM	Education RM	Total RM
Segment net property income			
Gross revenue	116,326,292	8,402,309	124,728,601
Property expenses	(67,663,873)	-	(67,663,873)
Net property income	48,662,419	8,402,309	57,064,728
Segment assets and liabilities			
Segment assets	1,296,055,083	160,222,985	1,456,278,068
Segment liabilities	709,553,902	2,177,029	711,730,931
Included in the measure of segment assets and liabilities are:			
Additions to non-current assets	9,675,497	-	9,675,497
Fair value changes to investment properties	2,860,000	2,000,000	4,860,000

28. OPERATING SEGMENT (CONTINUED)

The Trust's segmental results for the financial year ended 31 December 2024 is as follows:

2024	Retail RM	Education RM	Total RM
Segment net property income			
Gross revenue	112,559,068	12,245,200	124,804,268
Property expenses	(61,919,192)	-	(61,919,192)
Net property income	50,639,876	12,245,200	62,885,076
Segment assets and liabilities			
Segment assets	1,284,023,636	150,000,000	1,434,023,636
Segment liabilities	691,922,638	-	691,922,638
Included in the measure of segment assets and liabilities are:			
Additions to non-current assets	5,296,359	141,000,000	146,296,359
Fair value changes to investment properties	3,800,000	1,500,000	5,300,000

There are no major customers with revenues equal or more than 10 percent of the Trust's total revenue for the financial years ended 31 December 2025 and 31 December 2024.

Geographical information

No geographical information has been prepared as all the investment properties of the Trust are located in Malaysia.

29. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

29.1 New MFRSs adopted during the financial year

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2025, the Trust adopted the following Amendment of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025

Adoption of the above Amendment to the MFRS did not have any material effect on the financial performance or position of the Trust.

29. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONTINUED)

29.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Trust:

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendment to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 121 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Trust are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 19 February 2025, MTrustee Berhad entered into a conditional Sale and Purchase Agreement ("SPA") with Microlead Precision Technology Sdn Bhd for the proposed acquisition of two (2) blocks of single-storey factory annexed with double-storey offices and one (1) block of three-story production area and office building located at Bayan Lepas, Penang, erected on a leasehold land held under title No. PN 5908, Lot 14840, Mukim 12, District of Barat Daya, Penang at the purchase consideration of RM30.0 million. Concurrently, a Master Lease Agreement was signed for a period of 15 years with option to renew for an additional term. The above is collectively referred to as the "Proposed Acquisition and Lease".

Hong Leong Islamic Bank had via its letter of offer dated 18 February 2025 granted Hektar REIT additional Commodity Murabahah Term Financing-i 2 facilities of RM21.0 million ("CMTF-i 2") and bank guarantee facility (BG-i) of RM5.0 million. The CMTF-i 2 is to utilise for partly fund the Proposed Acquisition and Lease.

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTINUED)

(b) MTrustee Berhad, acting on behalf of Hektar REIT, has subsequently entered into the following transactions:

i) MTrustee Berhad on behalf of Hektar REIT, has entered into two separate conditional sale and purchase agreement with KYS College Sdn Bhd on 11 July 2025 for the proposed acquisition of the following Subject Properties:-

- Property 1 – A parcel of leasehold land measuring approximately 6.3 acres held under PN 62891, Lot 9807, Mukim Durian Tunggal, District of Alor Gajah, Melaka for a purchase consideration of RM6.0 million; and

- Property 2 – Part of leasehold land measuring approximately 35.5 acres held under PN 62892, Lot 9808, Mukim Durian Tunggal, District of Alor Gajah, Melaka, for a purchase consideration of RM34.0 million.

ii) MTrustee Berhad, being the trustee of Hektar REIT had on 24 June 2025 entered into a conditional Sale and Purchase of Shares Agreement with Darul Modal Sdn Bhd and Wan Realty Sdn Bhd for the proposed acquisition of 90% equity stake of Terramark Sdn Bhd ("Proposed Acquisition") at the purchase consideration of RM26.0 million.

iii) On 6 February 2026, Affin Islamic Bank Berhad, via its Letter of Offer, granted Hektar REIT a ten (10)-year Tawarruq Cashlines-i facility of RM100.0 million ("Cashlines-i Facility"). The Cashlines-i Facility will be utilised to facilitate and partially fund the Proposed and future acquisitions, as well as for working capital purposes.

ANALYSIS OF UNITHOLDERS

TOP 30 UNITHOLDERS AS AT 31 DECEMBER 2025 (AS PER RECORD OF DEPOSITORS)

No.	Name of Unitholders	No. of Units	%
1	TMF TRUSTEES MALAYSIA BERHAD *HEKTAR BLACK SDN BHD*	61,853,857	8.72
2	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR HEKTAR BLACK SDN BHD*	38,999,228	5.50
3	HORIZON TERRACE SDN BHD	35,467,000	5.00
4	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES FOR UPAYAPADU (M) SDN BHD*	35,393,400	4.99
5	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD *CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA YIELD ENHANCEMENT FUND*	34,188,034	4.82
6	KSV CONSTRUCTION SDN BHD	32,127,800	4.53
7	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')*	30,979,400	4.37
8	AFIN HWANG NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE*	17,000,000	2.40
9	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ONG XENG THOU*	16,000,000	2.26
10	UPAYAPADU (M) SDN BHD	15,681,100	2.21
11	KUMPULAN PRASARANA RAKYAT JOHOR SDN BHD	14,128,200	1.99
12	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB FOR DATO' ONG CHOO MENG*	14,000,000	1.97
13	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR HEKTAR BLACK SDN BHD*	13,461,769	1.90
14	GMA RESOURCES SDN BHD	9,000,000	1.27
15	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR DATO' ONG CHOO MENG*	7,135,900	1.01
16	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR RONNY NG*	6,877,400	0.97
17	PHILLIP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR GOH LENG PHEOW*	6,205,200	0.87
18	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ONG XENG THOU*	6,185,100	0.87
19	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR OOI YOUK LAN*	6,000,000	0.85
20	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR GAN SHENG YIH*	5,500,000	0.78
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEH BAK SIM*	5,300,400	0.75
22	IFAST NOMINEES (TEMPATAN) SDN BHD *GLOBAL SUCCESS NETWORK SDN BHD*	5,150,000	0.73
23	PHILLIP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG*	5,000,000	0.71
24	MIRSHAM BIN MEER SADIK	4,441,800	0.63
25	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHENG CHIN KEONG*	3,962,200	0.56
26	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHENG CHIN KEONG*	2,888,300	0.41

ANALYSIS OF UNITHOLDERS

No.	Name of Unitholders	No. of Units	%
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TEH BAK SIM*	2,543,300	0.36
28	DING SIEW CHOO	2,400,000	0.34
29	CHOONG YEAN YAW	2,320,200	0.33
30	MOK TECK LIANG	2,239,560	0.32
	Total	**442,429,148**	**62.38**

UNITHOLDERS AS AT 31 DECEMBER 2025

	No. of Unitholders	% of Unitholders	No. of Units Held	% of Total Units
Less than 100	571	0.00	12,933	0.00
100 to 1,000	1,185	0.08	590,101	0.08
1,001 to 10,000	2,877	2.06	14,657,379	2.06
10,001 to 100,000	2,507	11.56	81,998,421	11.56
100,001 and above	570	86.3	612,027,850	86.30
Directors Shareholding	0	0	0	0
Total	**7,710**	**100.00%**	**709,286,684**	**100.00%**

CLASSIFICATION OF UNITHOLDERS AS AT 31 DECEMBER 2025

	No. of Holders				No. of Securities				%			
	Malaysia				Malaysia				Malaysia			
Category of Shareholders	Bumi	Non-Bumi	Foreign	Total	Bumi	Non-Bumi	Foreign	Total	Bumi	Non-Bumi	Foreign	Total
1) Individual	149	5,097	73	5,319	10,000,356	157,563,697	4,168,074	171,732,127	1.41	22.22	0.59	24.22
2a) Body Corporate Banks/finance companies	0	1	0	1	0	48,600	0	48,600	0	0.01	0	0.01
2b) Investments trusts/ foundation/ charities	2	5	0	7	61,863,857	2,177,853	0	64,041,710	8.72	0.31	0	9.03
2c) Other types of companies	5	38	1	44	42,827,760	55,862,109	22,500	98,712,369	6.04	7.88	0.00	13.92
3) Government agencies/ Institutions	1	0	0	1	14,128,200	0	0	14,128,200	1.99	0	0	1.99
4) Nominee Company	139	2,149	50	2,338	91,462,654	265,077,789	4,083,235	360,623,678	12.90	37.35	0.58	50.83
Subtotal	296	7,290	124	7,710	220,282,827	480,730,048	8,273,809	709,286,684	31.06	67.77	1.17	100.00
Malaysian Total	7,586				701,012,875				98.83			
Grand Total (Malaysian + Foreign)	7,710				709,286,684				100.00			

GLOSSARY

The Trust/the Fund	:	Hektar Real Estate Investment Trust
AEI	:	Asset Enhancement Initiative
AGM	:	Annual General Meeting
ARMC	:	Audit and Risk Management Committee
AUM	:	Assets Under Management
Board	:	Board of Directors of the Manager
Bps	:	Basis Points
Bursa Securities/the Exchange	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577(635998-W))
CAGR	:	Compounded Annual Growth Rate
CAPEX	:	Capital Expenditure
CEO	:	Chief Executive Officer
CPI	:	Consumer Price Index
CSR	:	Corporate Social Responsibility
CDS	:	Central Depository System
Deed	:	The Trust Deed dated 5 October 2006 constituting Hektar REIT and the supplementary deeds dated 20 March 2012, 23 November 2016 respectively (which was amended and restated on 8 February 2021) and Supplemental Trust Deed dated 27 February 2024 between the Manager and the Trustee
DPU	:	Dividend Per Unit/Distribution per Unit
EPU	:	Earnings per Unit
ERM	:	Enterprise-wide Risk Management
EXCO	:	Executive Committee
F&B	:	Food & Beverage
FP	:	Financial Period
FY/FYE	:	Financial Year/Financial Year End
GAV	:	Gross Asset Value
GDP	:	Gross Domestic Product
Gearing	:	Debt Financing to Total Assets
GFA	:	Gross Floor Area
GLA	:	Gross Lettable Area
Gross Revenue	:	Gross rental income and other income earned from the properties including license fees, car park income, utilities and miscellaneous income
HAMSB/HAMS	:	Hektar Asset Management Sdn Bhd, Manager of Hektar REIT
HPSSB/HPS	:	Hektar Property Services Sdn Bhd, the Property Manager of Hektar REIT
IPO	:	Initial Public Offering. Hektar REIT's IPO was completed on 4 December 2006
KLCI	:	FTSE Bursa Malaysia Kuala Lumpur Composite Index
Listing Requirements	:	Bursa Malaysia Securities Berhad Main Market Listing Requirements
Manager	:	Hektar Asset Management Sdn Bhd (Registration No. 200601012511 (732261-T)), being the management company of Hektar REIT
M-REIT	:	Malaysian Real Estate Investment Trust

GLOSSARY

MER	:	Management Expense Ratio
MTN	:	Medium Term Note
N/A or NA	:	Not Applicable
NAV	:	Net Asset Value
NBV	:	Net Book Value
NLA	:	Net Lettable Area. Area available for leasing. Consists of the total gross floor area less the common areas, such as corridors, amenities area and management offices of the building
NPI	:	Net Property Income
NRC	:	Nomination and Remuneration Committee
NTA	:	Net Tangible Assets
OMV	:	Open Market Value
OPTR	:	Off-Peak Tariff Rider. Energy efficiency scheme offered by Tenaga Nasional
Property Manager	:	Hektar Property Services Sdn Bhd (Registration No. 200901025275 (868376-K))
Psf	:	Per square foot
Psfpm	:	Per square foot per month
PTR	:	Portfolio Turnover Ratio
REIT(s)	:	Real Estate Investment Trust(s)
ROI	:	Return on Investment
RM and sen	:	Ringgit Malaysia and sen, respectively
ROFR	:	Right of First Refusal
SC	:	Securities Commission
SC Guidelines	:	Guidelines on Real Estate Investment Trusts issued by the Securities Commission in August 2008 and updated on 28 December 2012
SCA	:	Securities Commission Act 1993
Share Registrar	:	Mega Corporate Sdn Bhd (Registration No. 198901010682 (187984-H))
Sq. ft./sf	:	Square feet
Sq. m/sq m	:	Square metre
Step-Up Rent	:	Provision specified in tenancy agreement for pre-determined increase in rent at defined intervals during a tenancy agreement, usually each year
TAV	:	Total asset value
Trustee	:	MTrustee Berhad (Registration No. 198701004362 (163032-V)) being the Trustee of Hektar REIT
Turnover Rent	:	Provision for rent calculated as a proportion of annual turnover of the tenant’s business
Unit(s)	:	Undivided interest(s) in Hektar REIT as constituted by the Deed
Unitholder(s)	:	Holder(s) of the Units
VWAMP	:	Volume Weighted Average Market Price
WALE	:	Weighted Average Lease Expiry
YOY	:	Year-On-Year

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 14th Annual General Meeting ("AGM") of Hektar Real Estate Investment Trust ("Hektar REIT") will be held at Ballroom, The Saujana Hotel, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor on Tuesday, 21 April 2026 at 9.30 a.m. for the following purpose:

AS ORDINARY BUSINESS

1. To lay the Audited Financial Statements of Hektar REIT for the financial year ended 31 December 2025 together with the Trustee's Report to the Unitholders issued by MTrustee Berhad, as Trustee of Hektar REIT and the Statement by the Manager issued by Hektar Asset Management Sdn Bhd, as the Manager of Hektar REIT and the Independent Auditors' Report thereon.

(Please refer to Explanatory Note A)

AS SPECIAL BUSINESS
To consider and, if thought fit, to pass with or without any modification, the following Ordinary Resolutions:

2. **PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO PARAGRAPH 6.59 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PROPOSED AUTHORITY)** Resolution 1

   "**THAT** pursuant to the Main Market Listing Requirement of Bursa Malaysia Securities Berhad and the approval of any relevant regulatory authorities, where such approval is required, the Manager be and is hereby authorised to allot and issue new units in Hektar REIT (Units) from time to time to such persons and for such purposes as the Manager may in its absolute discretion deem fit and in the best interest of Hektar REIT, provided that the number of new Units to be allotted and issued pursuant to this resolution does not exceed 20% of the existing issued units of Hektar REIT;

   AND THAT the Proposed Authority shall be effective and continue to be in force from the date of receipt of all relevant authorities' approval or the date the Unitholders pass this resolution, whichever may be the later, until:

   (a) the conclusion of the next AGM of the Unitholders, at which time it shall lapse, unless the authority is renewed by Unitholders by a resolution passed at the meeting; or

   (b) the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or

   (c) the Proposed Authority is revoked or varied by the Unitholders in an Unitholders' Meeting;

   whichever occurs first (Validity Period);

   AND THAT the new Units to be issued pursuant to the Proposed Authority shall, upon allotment and issuance, rank equally in all respects with the existing Units except that the new Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared before the date of allotment and issuance of such new Units;

   AND FURTHER THAT the Manager and the Trustee (acting for and on behalf of Hektar REIT) be and are hereby authorised to give effect to the aforesaid Proposed Authority with full power to assent to any condition, variation, modification and/or amendment in any manner as may be required by any relevant authorities or as the Manager and the Trustee may deem to be in the best interest of Hektar REIT and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise, complete and give full effect to the Proposed Authority."

NOTICE OF ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD
Hektar Asset Management Sdn Bhd (Registration No. 200601012511 (732261-T))
(as the Manager of Hektar Real Estate Investment Trust)

Dato' Muhammad Hafidz Bin Nuruddin (MAICSA 7005820)
SSM PC NO. 202008001132

Lim Seck Wah (MAICSA 0799845)
SSM PC NO. 202008000054
Joint Company Secretaries

Kuala Lumpur
30 March 2026

Notes :

1. Unitholders who wish to participate at the 14th AGM of Hektar Real Estate Investment Trust, will have to refer to the *Notification of 14th Annual General Meeting (AGM) & Annual Report 2025* for further information.

2. Only unitholders registered in the Record of Depositors as at 15 April 2026 shall be entitled to attend and speak at the AGM or appoint proxy to attend on his behalf. A proxy may but need not be unitholder.

3. Where a unitholder is a corporation, its duly authorised representative shall be entitled to attend at the meeting and shall be entitled to appoint another person (whether a unitholder or not) as its proxy to attend.

4. Where a unitholder is an exempt authorised nominee which holds units in Hektar REIT for multiple beneficial owners in one account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The Proxy Form appointing a proxy shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or if such appointor is a corporation either under its common seal or under the hand of an officer or attorney so authorised.

6. The Proxy Form appointing a proxy shall emailed through mega-sharereg@megacorp.com.my or deposit at the Office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time for holding the Meeting or ant any adjournment thereof.

7. By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 (or any statutory modification thereof) for the Meeting and any adjournment thereof.

Explanatory Note A
This Agenda is meant for discussion only as in accordance with the provision under the Guidelines on Listed Real Estate Investment Trusts, the audited financial statements do not require formal approval of the unitholders. Hence, this matter will not be put forward for voting.

Explanatory Notes on Special Business
Ordinary Resolution 1 – Proposed Authority to allot and issue new units pursuant to Paragraph 6.59 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Proposed Authority).

The purpose to seek the general mandate is to enable the Manager to allot and issue new units in Hektar REIT at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the unitholders in general meeting, will expire at the next AGM. The proceeds raised from the general mandate will provide flexibility to the Manager for any possible fund raising activities, including but not limited to further placing of new units, for purpose of funding future investment project(s), working capital and/or acquisitions.

HEKTAR
REIT

HEKTAR REAL ESTATE INVESTMENT TRUST
Established in Malaysia under the Trust Deed dated 5 October 2006
(as amended by the Amended and Restated Trust Deed dated 8 February 2021 and Supplemental Trust Deed dated 27 February 2024) entered into between Hektar Asset Management and MTrustee Berhad

PROXY FORM

(Before completing this form please refer to the notes below)

CDS Account No.	
No. of units held	

I/We ______________________________ NRIC/Passport/Registration No.: ______________________
(Full name in block letters)

of ____
(Full address)

____

____

with email address: ______________________ Mobile phone no: ______________________

being a unitholder(s) of **HEKTAR REIT** hereby appoint the following **Proxy**:

Full Name (in block letters): ______________________ NRIC/Passport No: ______________________

Address: ____

____

____

Email address: ______________________ Mobile Phone No: ______________________

or failing him/her, the CHAIRMAN of the Annual General Meeting of Hektar REIT as *my/our proxy to participate and vote for *me/us and on *my/our behalf at the 14th AGM to be held at Ballroom, The Saujana Hotel, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor on Tuesday, 21 April 2026 at 9.30 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below:

NO.	**RESOLUTION**	**PROXY**	
		FOR	**AGAINST**
Ordinary Resolution 1	Authority to allot and issue new units pursuant to Paragraph 6.59 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad		

Dated this ______________ day of ______________ 2026

____
Signature/Common Seal of Unitholder(s)

Notes:

1. Unitholders who wish to participate at the 14th AGM of Hektar Real Estate Investment Trust, will have to refer to the *Notification of 14th Annual General Meeting (AGM) & Annual Report 2025* for further information.
2. Only unitholders registered in the Record of Depositors as at 15 April 2026 shall be entitled to attend and speak at the AGM or appoint proxy to attend on his behalf. A proxy may but need not be unitholder.
3. Where a unitholder is a corporation, its duly authorised representative shall be entitled to attend the meeting and shall be entitled to appoint another person (whether a unitholder or not) as its proxy to attend.
4. Where a unitholder is an exempt authorised nominee which holds units in Hektar REIT for multiple beneficial owners in one account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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STAMP

HEKTAR REIT

HEKTAR REAL ESTATE INVESTMENT TRUST
c/o Mega Corporate Services Sdn Bhd
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail
50250 Kuala Lumpur

Please fold here

5. The Proxy Form appointing a proxy shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or if such appointor is a corporation either under its common seal or under the hand of an officer or attorney so authorised.
6. The Proxy Form appointing a proxy shall emailed through mega-sharereg@megacorp.com.my or deposited at the Office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time for holding the Meeting or ant any adjournment thereof.
7. By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 (or any statutory modification thereof) for the Meeting and any adjournment thereof.

SALIENT FEATURES

Fund name	Hektar Real Estate Investment Trust (HEKTAR)
Fund category	Real Estate Investment Trust
Fund type	Income and Growth
Fund duration	On the occurrence of any of events listed in Clause 16.2 of the Amended and Restated Trust Deed dated 8 February 2021.
Investment objectives	To invest in a income producing Real Estate in Malaysia which aims to provide Unitholders with a secure income distribution and to enhance the long-term value of the REIT.
Investment strategies	We aim to achieve the objective of the Fund with the following: • Invest in a diversified portfolio of retail, educational, and industrial properties in prime locations, ensuring sustainable rental income and long-term value growth. • Maximize income generation through well-structured lease agreements and asset enhancement initiatives on existing assets. • Achieve long-term capital appreciation through active asset management. • Focus on acquiring properties in high-growth regions to capitalize on market expansion and increasing demand. • Finance operations and investments under a conservative conducive capital structure.
Authorised investments	At least 75% of the total assets of Hektar REIT shall be invested in real estate assets, real estate-related assets, single purpose companies or liquid asset.
Approved fund size	709,286,684 Units as at 31 December 2025
Financial year	1 January 2025 - 31 December 2025
Distribution policy	Semi-annual basis for each six-month period ending 30 June and 31 December each year, unless otherwise determined and/or varied by the Manager at its sole discretion, at least 90% of the distributable income of Hektar REIT.
Borrowing limitations	Up to 50% of total gross asset value of the Fund at the time the borrowings are incurred.
Revaluation policy	The real estates shall be revalued at least once a financial year based on an independent professional valuation pursuant to the SC REIT Guidelines.
Management fee	• Base Fee: up to 1.0% per annum of the GAV (FY 2025 actual: 0.45%). • Performance Fee: up to 5.0% per annum of the NPI (FY 2025 actual: 5.0%), before management fee. • Acquisition Fee: up to 1.0% of the acquisition value of any asset being real estate, purchased by the Trustee for the Fund. • Divestment Fee: up to 0.5% of the disposal value of any Hektar REIT's assets being real estate or unlisted company whose principal assets are real estate, sold or diversified by the Trustee.
Trustee fee	Up to 0.1% per annum of the NAV of the Fund payable annually in arrears (FY 2025 actual: 0.10%).
Minimum investment	100 units per board lot
Stock code	HEKTAR 5121
Date of listing	4 December 2006

HEKTAR REIT

www.hektarreit.com

SUBANG PARADE It's Our Place! MAHKOTA PARADE It's Our Place! WETEX PARADE It's Our Place! CLASSIC HOTEL MUAR CENTRAL SQUARE It's Our Place! KULIM CENTRAL It's Our Place! SEGAMAT CENTRAL It's Our Place! KOLEJ YAYASAN SAAD MELAKA

This Annual Report is printed on FSC material, completely biodegradable and recyclable.
The online version is available in the 'Investor Relations' section of our website.