



ANNUAL REPORT

2025

— ABOUT US —

Hektar REIT is Malaysia's first retail-focused REIT with the objective to invest in 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.



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14th

Annual General Meeting



TIME

9.30 a.m.



DATE

Tuesday,
21 April 2026



GO PAPERLESS

Please scan this QR code to Investor's Relations section in our website.

CORPORATE PROFILE



“Hektar Real Estate Investment Trust (“Hektar REIT”) is Malaysia’s first retail-focused REIT.”

Hektar REIT’s principal objective is to invest in 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.

Hektar REIT aims to generate sustainable long-term value for our investors by strategically acquiring, managing and optimising a diversified portfolio of high-quality real estate assets across multiple sectors including retail, educational and industrial properties, while maintaining strong corporate governance, risk management, and commitment to sustainable and responsible investing practices.

Hektar REIT’s portfolio consists of properties located across 4 states situated in Subang Jaya, Melaka, Muar, Sungai Petani, Kulim and Segamat with a combined fair value of RM1.39 billion.

Hektar REIT was listed on the Main Board of Bursa Malaysia on 4 December 2006 and has continuously recorded stable performance since its listing.

Hektar REIT is managed by Hektar Asset Management Sdn Bhd who is responsible to actively manage Hektar REIT’s portfolio of diversified assets, acquire and manage future assets which are income producing with the objective of extracting synergies and efficiencies from the assets in the portfolio.

Creating The Places People Love, Striving Towards A Sustainable Future

“Our vision is to be a well diversified REIT, delivering sustainable growth and value through a resilient portfolio. We prioritise strong tenant relationships, adaptive asset management, and long-term community impact, ensuring stability, innovation and consistent returns for our stakeholders.”



CORPORATE STRATEGY

To invest in income producing Real Estate in Malaysia which aims to provide Unitholders with a secure income distribution and enhance the long-term value of the REIT.



GOALS

- To form a solid and defensible portfolio that create stable and sustainable value for our stakeholders
- To pay attractive Distribution Per Unit ("DPU") relative to the market



PORTFOLIO OPTIMISATION

Providing Sustainable Returns and Income Defensibility by:

- **Active Leasing**
Aligning the tenancy mix to the needs of the target shoppers and maintaining high occupancy while focusing on improving rents
- **Marketing**
Strategic promotion and marketing to attract visitor traffic and improve tenant sales
- **Value Creation Initiatives**
Asset enhancement and refurbishment designed to improve long-term yields



YIELD-ACCRETIVE ACQUISITIONS

Enhancing the Long-Term Value and Growth of Hektar REIT through systematic and diligent efforts in the acquisition of:

- **Stabilised Properties**
Assets with sustainable cash flow, requiring selective optimisation initiatives
- **Turnaround Properties**
Assets with solid fundamentals which are underserving their current market, requiring intensive value creation initiatives to 'turn-around' the property, increasing yields in the medium to long-term
- **Diversified Portfolio**
Renewed focus on education and industrial asset class in strategic locations across Malaysia



CAPITAL MANAGEMENT

Optimising the capital structure to fund acquisitions and asset enhancements through a combination of debt and equity within a flexible framework to provide a low cost of capital by:

- Implementing initiatives to reduce borrowing costs
- Undertaking initiatives to diversify sources of debt funding
- Maintaining a reasonable level of debt service capability

PORTFOLIO HIGHLIGHTS

HEKTAR REIT OWNS

7 PROPERTIES

1 REGIONAL SHOPPING CENTRE

5 NEIGHBOURHOOD SHOPPING CENTRES &

1 PRIVATE SCHOOL

THROUGHOUT PENINSULAR MALAYSIA

TOTAL GROSS FLOOR AREA

5.1 MILLION SQ FT



NET LETTABLE AREA (RETAIL)

2.0 MILLION SQ FT



ANNUAL VISITOR TRAFFIC (RETAIL)

22.7 MILLION



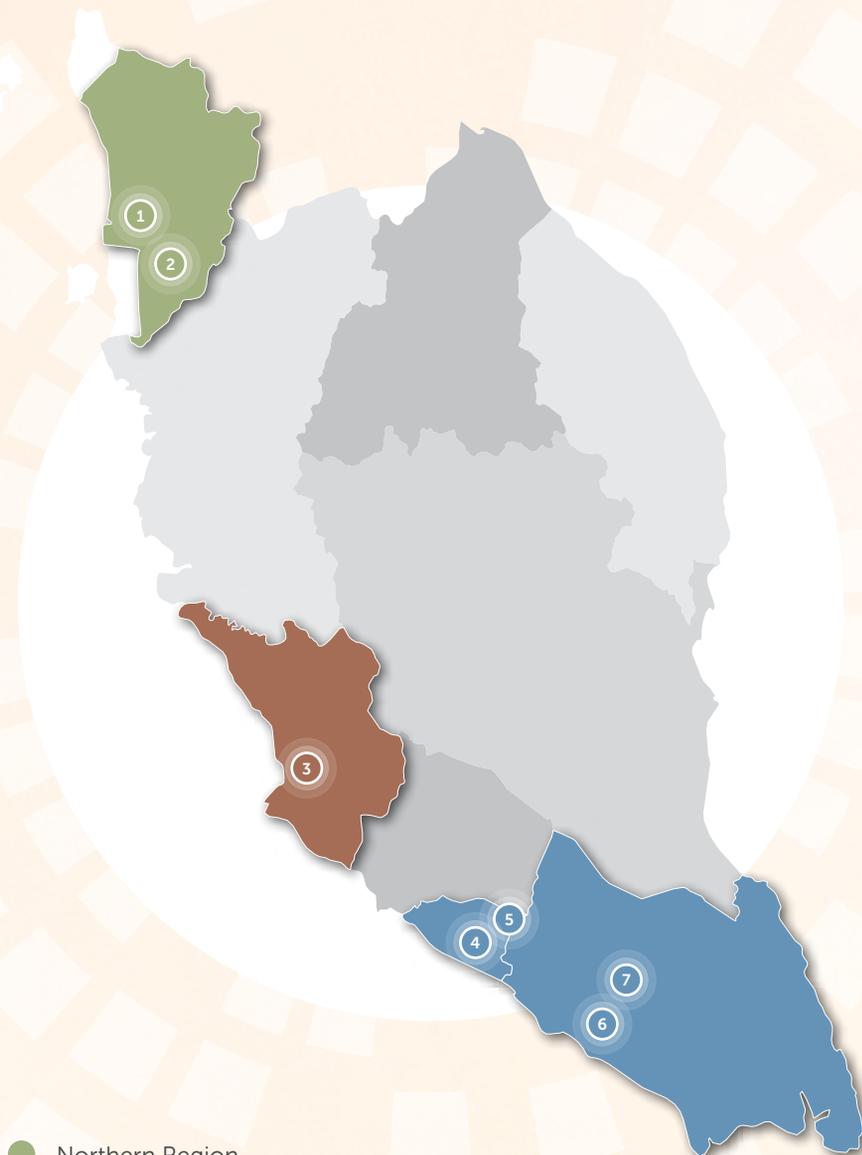
NUMBER OF TENANTS (RETAIL)

377 TENANTS



ASSET UNDER MANAGEMENT

1.39 BILLION (RM)



- Northern Region
- Central Region
- Southern Region



1 **Sungai Petani, Kedah**
Acquired in 2012



2 **Kulim, Kedah**
Acquired in 2012



3 **Subang Jaya, Selangor**
Acquired in 2006



4 **Bandar Melaka, Melaka**
Acquired in 2006



5 **Ayer Keroh, Melaka**
Acquired in 2024



6 **Muar, Johor**
Acquired in 2008



7 **Segamat, Johor**
Acquired in 2017

FINANCIAL HIGHLIGHTS

PROFIT & LOSS - For Financial Year Ended 31 December 2025

	FY2025	FY2024	FY2023	FY2022	FY2021
Gross Revenue (RM'000)	124,729	124,804	111,497	117,446	96,599
Direct Cost & Property Expenses (RM'000)	67,664	61,919	51,451	58,759	49,581
Net Property Income (NPI) (RM'000)	57,065	62,885	60,046	58,687	47,018
Net Income (RM'000)	19,063	25,297	51,696	77,995	(31,501)
Earnings Per Unit (sen) ¹	2.64	3.59	9.81	15.84	(6.16)
Net Income – Realised (RM'000)	14,160	19,992	25,104	36,389	12,712
Net Income Per Unit – Realised (sen)	2.00	2.92	5.02	7.72	2.75
Income Distribution (RM'000)	15,462	22,296	26,840	37,701	11,923
Distribution Per Unit (DPU) (sen)	2.18	3.15	5.00	8.00	2.53

¹ Calculated based on the Average No. of Units in Circulation of 709,286,684 units

BALANCE SHEET - As at 31 December 2025

	FY2025	FY2024	FY2023	FY2022	FY2021
Total Assets (RM'000)	1,456,278	1,434,024	1,314,849	1,235,507	1,230,708
Total Liabilities (RM'000)	711,731	691,923	642,120	637,545	682,745
Total Borrowings (RM'000)	603,849	598,273	562,228	551,444	581,091
Gearing Ratio	41.5%	41.72%	42.8%	44.6%	47.2%
No. of Units in Circulation (Units '000)	709,287	709,287	581,415	471,260	471,260
Net Asset Value ("NAV") (RM'000)	744,547	742,101	672,730	597,962	547,963
NAV per Unit (RM)	1.05	1.05	1.16	1.27	1.16
NAV – before income distribution (RM'000)	744,547	742,101	672,730	597,962	547,963
NAV – after income distribution (RM'000)	736,532	733,235	659,357	572,985	536,040
NAV per unit before income distribution (RM)	1.05	1.05	1.16	1.27	1.16
NAV per unit after income distribution (RM)	1.04	1.03	1.13	1.22	1.14
Lowest NAV per unit during the period (RM)	1.03	1.04	1.16	1.16	1.16
Highest NAV per unit during the period (RM)	1.05	1.06	1.27	1.27	1.26
Unit Price as at 31 December (RM)	0.435	0.56	0.65	0.70	0.51
Premium/(Discount) to NAV (%)	(58.1)	(46.3)	(44.0)	(44.9)	(56.0)

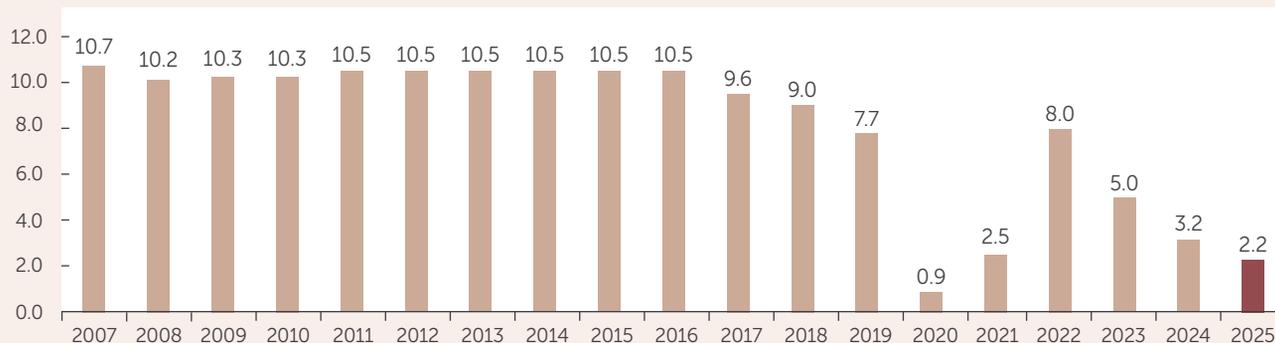
Note: NAV based on quarterly filings

DISCLAIMER: This annual report may contain forward-looking statements that involve risks and uncertainties. Past performance is not necessarily indicative of future performance and investment returns may fluctuate. Actual future performance and results may vary materially from those expressed or implied in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements which are based on the Manager's current view of future events.

FINANCIAL HIGHLIGHTS

HEKTAR REIT FINANCIAL PERFORMANCE

Annual Dividend Per Unit (Sen)



Note: 2007 DPU based on Financial year of 18 months

Income Distributions

	FY2025
2 nd Quarter DPU	1.05 sen
4 th Quarter DPU	1.13 sen
Total DPU	2.18 sen
DPU Yield ¹	5.01%

¹ Based on DPU of 2.18 sen and the closing unit price of RM0.435 for FY2025

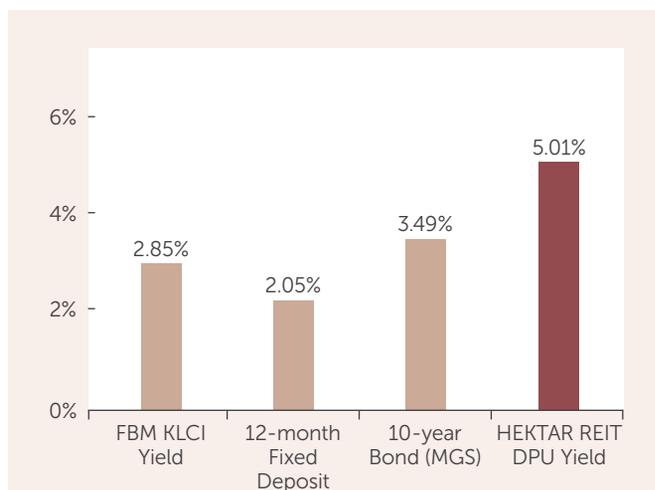
Debt Structure

	As at 31 December 2025
Total Debt	RM603.8 million
Effective Cost of Debt	4.96%
Gearing Ratio ²	41.47%
Interest Cover	1.63 times

² Gearing ratio calculated by total borrowings over Gross Asset Value (GAV)

Distribution Yield

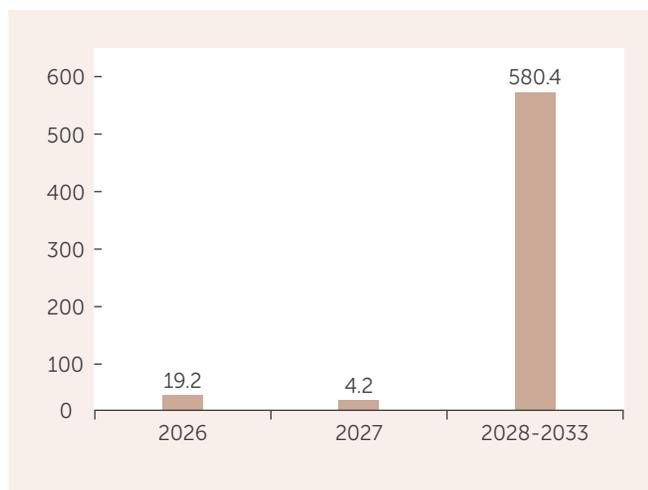
Comparative Yields³



³ Source: FTSE Russell, Maybank, Bank Negara (2025)

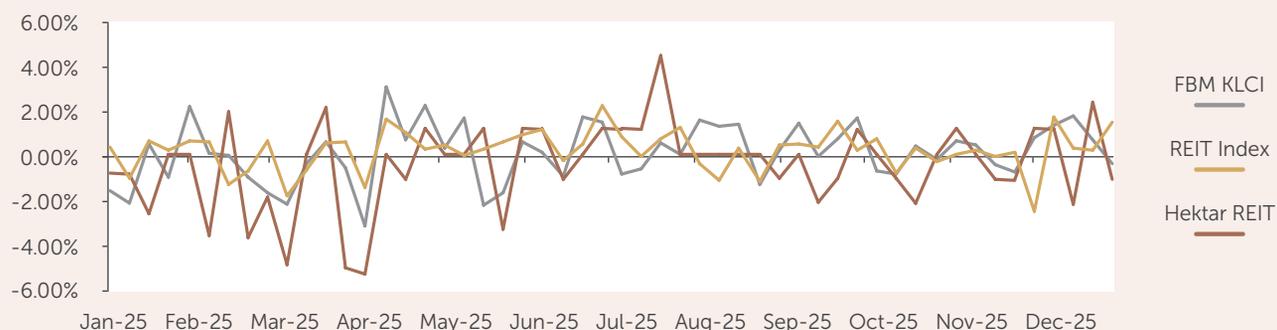
Debt Expiry Profile (RM' million)

As at 31 December 2025



FINANCIAL HIGHLIGHTS

Comparative One-Year Price Performance Trend



TRADING SUMMARY

For Financial Year ended 31 December

	For Financial Year ended 31 December				
	2025	2024	2023	2022	2021
Opening Unit Price (RM)	0.56	0.65	0.70	0.49	0.63
Closing Unit Price (RM)	0.44	0.56	0.65	0.70	0.51
52-Week Highest Traded Price (RM)	0.57	0.72	0.71	0.70	0.64
52-Week Lowest Traded Price (RM)	0.41	0.51	0.57	0.44	0.45
Unit Price Change (sen)	(12.0)	(9.5)	(5.0)	21.5	(12.5)
Unit Price Change (%) ¹	(21.6)	(14.6)	(7.1)	44.3	(19.8)
DPU (sen)	2.18	3.15	5.00	8.00	2.53
DPU Yield (%) ²	5.0	5.8	7.7	11.4	5.0
Annual Total Return (sen)	(9.8)	(6.4)	0.0	29.5	(10.0)
Annual Total Return (%) ³	(17.7)	(9.8)	0.0	60.8	(15.8)

¹ Based on difference between opening and closing market prices of the respective financial year² Based on DPU over closing price of the respective financial year³ Based on DPU and unit price change over opening market price for respective financial year

The actual opening unit price is at RM 0.555 and closing unit price is at RM 0.435 for 2025

Average Total Return*

1 Year (2025)	-17.7%
3 Years (2023-2025)	-9.7%
5 Years (2021-2025)	1.2%

* Based on the Total Return and the Opening Price of each year

Unit Price Statistics (2025)

High	RM0.57
Low	RM0.41
Opening Price (2 Jan 2025)	RM0.56
Closing Price (31 Dec 2025)	RM0.44
Change In Price	-21.6%

Unit Price Changes Against Market (2025)

FBM KLCI	2.3%
REIT Index	8.3%
Hektar REIT	-21.6%

CEO'S LETTER TO UNITHOLDERS



Please scan here for CEO's letter to unitholders 2025

ZAINAL ISKANDAR BIN ISMAIL
Executive Director & Chief Executive Officer

2025: Building a Resilient, Future-Ready Portfolio

DEAR VALUED UNITHOLDERS,

2025 has been defined by decisive strategic execution, accelerating portfolio diversification, embedding sustainability into our operations, and strengthening our financial resilience, all aimed at positioning Hektar REIT for the next phase of value creation. As we navigate a period of economic transition and sectoral transformation, I am pleased to present a comprehensive review of Hektar REIT's operational and financial performance for 2025, alongside a clear roadmap for sustainable growth.

DPU:

2.18
sen



DPU Yield:

5.01%



CEO'S LETTER TO UNITHOLDERS

OPERATIONAL & FINANCIAL REVIEW



Steady Revenue Growth Amidst Sectoral Headwinds

- Hektar REIT delivered a resilient operational performance in 2025, with **revenue growing to RM124.7 million**, driven by improved rental rates and a strengthened tenancy mix across key retail assets such as Subang Parade and Mahkota Parade.
- **Net Property Income** stood at **RM57.1 million**, reflecting underlying stability when adjusted for the one-off education income recorded in the prior year.
- These figures underscore our ability to maintain operational discipline despite rising cost pressures across the retail sector.



Retail Portfolio Repositioning

- **Subang Parade: The full replacement of lifts and escalators was completed in Q4 2025.** Internal refurbishment of toilets and lift lobbies is on track for completion by **1H 2026**. Curation of a dedicated **Kids Village** experiential space is ongoing and targeted for completion in **2H 2026**.
- **Portfolio-Wide Space Reconfiguration:** Management is in the feasibility study stage for **major space reconfiguration initiatives** across the portfolio as part of our tenancy remixing strategy. This will allow for the entry of stronger brands, improved tenant synergies, and higher profitability per square foot.



Occupancy and Leasing Momentum

- Committed occupancy strengthened to 85.7%, supported by our proactive tenant-mix enhancement strategy. Year-to-date, we secured 176 new and renewed tenancies, with 2.5% positive rental reversion.

Notable new tenants secured across the portfolio in FY2025 include:

- **Subang Parade:** The Farm & Chan Rak BBQ, Mimi Guksu, Korbi Grill, Collective Coffee Roasters & Paolo Paolo Gelato, Chagee, Gajeto, Game On, Swet Fitness, Mica, Mokky's Pizza, and Lil Ninja Dojo.
- **Mahkota Parade:** Oh! Some, Nautica & Thai Odyssey.
- **Central Square:** Dadi Cinema (new cinema operator).
- **Across Portfolio:** A diverse mix of F&B, lifestyle, entertainment, and specialty retail tenants.



Diversification into Non-Retail Sector

- Our education asset, Kolej Yayasan Saad (KYS), delivered stable and predictable income under its triple net lease, contributing **6.7% of revenue (RM8.4million) and 14.7% of Net Property Income**.
- The strong academic performance of KYS ranking 9th nationally in the 2024 Sijil Pelajaran Malaysia (SPM) examinations reinforces the asset's quality and the resilience of the education sector.
- Furthermore, in 2025 we announced **three strategic non-retail acquisitions**, which are on track to be completed and begin contributing income by **1H 2026**:
 - Penang Factory** (Bayan Lepas Free Industrial Zone)
 - Chuping, Perlis Land** via acquisition of 90% equity interest in land-backed SPV (Solar Farm Development by Lessee)
 - KYS Adjacent Land** (Ground Lease)
- Collectively, these assets are projected to contribute an additional **RM5 to RM6 million with built in rental escalation in annual Net Property Income** upon completion of acquisition.

CEO'S LETTER TO UNITHOLDERS

MARKET OUTLOOK: NAVIGATING THE MACROECONOMIC LANDSCAPE IN FY2025 & FY2026

GDP Growth

2025 Outcome

Malaysia's economy expanded 5.2% in 2025, the fastest growth in three years, exceeding BNM's earlier forecast range of 4.0–4.8%.

2026 Outlook

Economic growth is anticipated to stabilise within a **4.0% to 5.0%** range (BNM indicative projections), as structural reforms, continued investment in infrastructure, and recovering export sectors provide a foundation for steady, albeit slower, expansion. Growth continues to be underpinned by resilient domestic demand, particularly household consumption, which remains supportive of retail spending. However, the pace is expected to moderate due to global trade tensions, persistent inflationary pressures, and fiscal tightening measures.

Inflation

2025 Outcome

Inflation remained manageable with the BNM noting headline inflation around 1.4% and core inflation about 2% during 2025.

2026 Outlook

Inflation is projected to moderate slightly to **1.8% to 2.3%** as policy adjustments normalise and supply-side efficiencies improve, though external commodity shocks and domestic wage pressures remain monitoring points.

Interest Rates (OPR)

2025 Outcome

Bank Negara Malaysia maintained an accommodative stance through 2025, lowering the Overnight Policy Rate (OPR) to **2.75%**. Looking ahead, the central bank is expected to maintain rates in the near term to support economic growth, though future adjustments will remain highly data-dependent, particularly in response to inflation trends and currency stability. The current rate environment supports borrowing costs for strategic acquisitions and provides a stable backdrop for consumer credit and retail spending.

2026 Outlook

BNM is likely to maintain an **accommodative stance**, with the OPR expected to remain at **2.75%**, contingent on global monetary policy trends and domestic growth-inflation dynamics. This environment should continue to support borrowing costs for strategic acquisitions and provide a stable backdrop for consumer credit and retail spending.

CEO'S LETTER TO UNITHOLDERS

Private Consumption

2025 Forecast

Private consumption expenditure is forecast to grow at a moderate pace of **5.0% to 6.0%** (BNM), supported by favourable labour market conditions, targeted government cash transfers, and rising disposable incomes. However, spending patterns are becoming increasingly selective, with consumers prioritising essentials, value-for-money offerings, and experiential retail.

2026 Outlook

Private consumption growth is expected to remain stable in the **4.0% to 4.8%** range, as consumer confidence gradually improves amid steady employment and income growth, though sentiment may remain cautious amid global uncertainties.

Retail Sector Growth

2025 Forecast

Retail Group Malaysia (RGM) forecasts retail sales growth of **3.6% for 2025**, acknowledging ongoing challenges such as rising operating costs, higher living expenses, and competitive pressures from e-commerce.

2026 Outlook

Retail sales growth is anticipated to improve modestly to **4.0%** (RGM's forecast), supported by economic stabilisation, tourism recovery, and the continued evolution of omni-channel retail strategies.



Strategic Implications for Hektar REIT

The macroeconomic outlook reinforces the prudence of our **diversification strategy**. While retail remains a core pillar, our expansion into non-cyclical sectors such as **education, industrial and ground leases** provide a structural hedge against retail volatility and aligns with long-term national priorities such as energy transition and high-value manufacturing.

CEO'S LETTER TO UNITHOLDERS

STRATEGY MOVING FORWARD



Reinventing our Retail Portfolio with disciplined rebalancing

Our retail portfolio remains a vital component of Hektar REIT's identity. Hektar's forward-looking retail strategy is about recalibrating and reinforcing our presence in markets where we hold competitive advantages, serve essential community needs, and can deliver sustainable profitability. We are committed to transforming our retail assets into vibrant, defensible, and community-embedded destinations, while prudently rebalancing our overall portfolio toward greater resilience.

Hektar REIT concentrates our retail investment and management efforts on two core, defensible formats:

Regional Malls (Mature, ~500,000 sq ft NLA): Well-established regional hubs with strong catchment dominance. These assets serve as primary lifestyle and convenience anchors for their communities.

Neighbourhood/Community Malls (<300,000 sq ft NLA, Standalone): Essential shopping centres with no **major competitor within a 5–10 km radius** that provide daily necessities, services, and social gathering spaces for surrounding residential catchments with **fair to strong spending power**.

Geographic Focus: All retail assets will be strategically located within **Malaysia**, in areas with demonstrated population growth, stable household incomes, and strong community cohesion.



Asset Enhancement Initiatives (AEI): Investing in Experience and Efficiency

To ensure our malls remain competitive, relevant, and profitable, we are executing a multi-year AEI roadmap focused on **enhancing the shopper experience, improving operational efficiency, and increasing tenant productivity**. Key initiatives include:

Modernisation of Public Areas: Refurbishment of **toilets, lift lobbies, surau and parents room** to elevate hygiene, accessibility, and aesthetic appeal.

Family & Lifestyle Amenities: Reconfiguration of space/zoning to maximise rental psf and enhance mall circulation and tenancy curation.



CEO'S LETTER TO UNITHOLDERS



Tenancy Strategy: Building Community Through Curated Spaces

Our leasing approach is evolving from traditional retail leasing to **community-centric tenant curation**. We are actively remixing our tenant base to include:



Essentials:

Supermarkets & Pharmacies



Daily Needs & Convenience:

Food & Beverage, Leisure & Entertainment, Beauty/ Cosmetics, Electronic & IT, Services



Experiential & Lifestyle:

Specialty Fashion, accessories, local homegrown F&B and fashion brands

This **community-first tenant mix** ensures our malls serve as daily destinations, reducing reliance on discretionary spending and increasing resilience during economic downturns.

Hektar REIT prioritise **enhancing the quality and profitability of our retained retail assets** over expanding the sheer number of retail properties. This means investing in AEI, tenant remixing, and operational excellence to maximise the value of each strategic retail holding.

Ultimately, Hektar REIT's retail strategy is rooted in the belief that **the most sustainable malls are those that truly serve their communities**. By focusing on essential needs, fostering local engagement, and providing safe, welcoming environments, we build lasting loyalty and operational resilience. This community-centric approach not only supports our tenants and shoppers but also creates durable, socially responsible value for our unitholders.



Strategic Portfolio Diversification: Yield Accretive Acquisition Beyond Retail

2025 has been a pivotal year in the continued execution of our diversification strategy. Each investment was evaluated against Hektar REIT's **Diversification Selection Criteria**, ensuring alignment with our core objective of building a resilient, future-proof portfolio:

1 Hektar REIT's Diversification Selection Criteria

Resilient Asset Class:

Targeting sectors with stable, recurring lease income to hedge against economic cycles.

Preferred Business Model:

Sale and leaseback on a long-term basis.

Triple-Net-Lease Preference:

Minimising operational intervention and transferring cost responsibilities to the tenant.

Strong Occupancy & Lease Tenure:

>90% existing occupancy and commitment to long-term leases (>10 years).

Creditworthy Lessee:

Partners with steady recurring income, healthy cash flow, and efficient cost management.

CEO'S LETTER TO UNITHOLDERS

2 Sector Selection Strategy for Diversification

Our sectoral focus is deliberate, targeting areas with structural demand and income resilience:

- **Education:** Resilient to economic cycles, providing guaranteed mid- to long-term rental income. We focus on the underpenetrated K-12 segment, as demonstrated by our investment in Kolej Yayasan Saad.
- **Industrial:** High demand driven by e-commerce and Industry 4.0, offering built-to-suit facilities with long-term lease certainty.
- **Strategic Land:** Land in prime locations with ground lease arrangements provides guaranteed income under triple-net structures with minimal operational risk and capex.
- **Wellness:** A defensive sector with opportunities in aged care and senior living.

2030 Targets -> 50:50 ratio

Balance mix between retail and non-retail



3 Strategic Acquisitions in FY2025 (to be completed by 1H26)

We have strategically expanded into non-retail asset classes through three key acquisitions:

Penang Light Industrial Asset (Bayan Lepas Free Industrial Zone)

Hektar REIT's first industrial acquisition, secured at a 9.1% discount to market value, delivers an attractive 7.5% yield under a triple-net lease structure. This asset caters to the semiconductor sector, a high-growth industry critical to Malaysia's economic future.

Chuping Land, Perlis

Hektar REIT acquired a 90% stake in Terramark Sdn Bhd, securing 197.76 acres of land earmarked for a 60–70 MW solar farm. This marks Hektar REIT's pioneering entry into a modern ground lease structure with exposure to renewable energy infrastructure, providing inflation-resistant, long-term income under a 25-year triple-net lease.

KYS Adjacent Land (Melaka)

Hektar REIT is acquiring 41.8 acres of land adjacent to Kolej Yayasan Saad for RM40 million, to be leased back to the school operator under a 30-year triple-net master lease with 10% rental escalation every three years. This supports the school's expansion plans and strengthens our income visibility in the resilient education sector.

These acquisitions are carefully selected to provide **stable, predictable, and escalating income streams** while reducing dependency on traditional retail.

In line with our diversification into non-retail assets, triple-net lease arrangements are prioritised across new acquisitions. This structure transfers property-related expenses including maintenance, taxes, and insurance to the tenant, providing Hektar REIT with predictable, passive income and shielding us from operational cost volatility. This is especially critical in the current inflationary environment.

CEO'S LETTER TO UNITHOLDERS



Strategic Portfolio Rebalancing: Targeting 50/50 Retail/Non-Retail Mix

Looking ahead, Hektar REIT is committed to achieving a **balanced portfolio composition of 50% retail and 50% non-retail assets** by Asset Under Management (AUM) value over the medium-term. This is not a departure from our retail core, but an evolution toward a more resilient, future-proof portfolio capable of delivering stable returns across economic cycles.

Our rebalancing strategy is underpinned by the following principles:



Strategic Capital Redeployment:

Divesting non-core or mature retail assets to realise capital appreciation and redeploy capital into higher-yielding opportunities.



Sector Discipline:

Strict adherence to our **Diversification Selection Criteria** and **Sector Selection** to ensure each new acquisition enhances portfolio quality and income resilience.



Building Income Stability:

Prioritising assets with **triple-net lease structures, long lease tenures (>10 years), and creditworthy tenants** to minimise volatility and operational risk.



Seeking Growth in Resilient Sectors:

Continued focus on **education, industrial and strategic land** sectors with structural demand drivers and low correlation to retail cyclicity.

This **strategic rebalancing** is designed to:

- Reduce portfolio volatility and improve earnings visibility.
- Enhance DPU stability through contractual rental escalations.
- Position Hektar REIT as a multi-asset platform appealing to a broader base of institutional and ESG-minded investors.
- Ensure long-term relevance and competitiveness in the evolving Malaysian REIT landscape.

We are confident that this disciplined approach to diversification and rebalancing will fortify Hektar REIT against sector-specific downturns and position us for sustainable, risk-adjusted growth in the years ahead.



Capital Redeployment: Optimising Portfolio Value

In line with our commitment to optimising portfolio quality and total returns, Hektar REIT is executing a disciplined **Capital Redeployment Strategy** designed to reallocate capital from mature or non-core assets into higher-yielding non-retail assets.

This disciplined approach to capital redeployment is central to our strategy of enhancing portfolio quality and unitholder returns. Through this strategy, we target:



Portfolio Yield Uplift:

Aiming to increase overall portfolio yield by 50–150 basis points over the medium-term.



Improved DPU Stability:

Enhancing income predictability through reinvestment into contractual, yearly escalation leases.



Strengthened Balance Sheet:

Potentially reducing gearing while recycling capital into higher-growth segments.



Strategic Repositioning:

Accelerating our transition toward a balanced retail/non-retail portfolio composition.

CEO'S LETTER TO UNITHOLDERS



Financing Review and Capital Management

Hektar REIT maintains a robust and strategically managed capital structure, balancing prudent leverage with cost-efficient financing to support our growth and diversification ambitions. Our financial discipline is reflected in our sustained credit strength, liquidity profile, and commitment to enhancing unitholder returns through optimised capital allocation.

RAM Ratings has reaffirmed the long-term rating of AAA(fg)/stable for Hektar MTN Satu Sdn Bhd's guaranteed 5-year tranche of up to RM230 million (2024/2029) under our RM500 million Medium-Term Note Programme (2024/2034) reflecting **superior safety for the payment of financial obligations**.

Hektar REIT maintains a well-structured debt profile, balancing prudent leverage with strategic equity initiatives. Our gearing ratio improved slightly from 41.72% to **41.47%** as at 31 December 2025, reflecting disciplined capital management and organic deleveraging. Effective cost of debt has reduced from 5.03% to **4.96%** aligned with OPR cuts in FY2025. We continue to prioritise:

Staggered debt maturities to enhance debt profile

A balanced mix of debt and equity financing to optimise our capital structure

Adherence to a sub-50% gearing limit as per SC guidelines

Our capital strategy emphasises a **balanced mix of debt and equity financing**:



Debt: Utilised for income-accretive acquisitions and asset enhancements, optimised through instruments such as our **RM500 million MTN Programme**.



Equity: Deployed selectively to maintain a healthy capital structure, asset enhancements and fund growth without over-leveraging.

This balanced approach ensures we maintain an optimal weighted average cost of capital while safeguarding unitholder interests. Our capital allocation framework prioritises:

- ✓ Funding **yield-accretive acquisitions** in non-retail sectors.
- ✓ Executing **Asset Enhancement Initiatives (AEI)** to drive long-term value.
- ✓ Maintaining a **healthy gearing profile** with a clear path to further deleveraging post new acquisitions.
- ✓ Ensuring **sustainable distributions** to unitholders.



CEO'S LETTER TO UNITHOLDERS



ESG is part of our DNA - Embracing Sustainability

I Solar Initiative as a Strategic Pillar

In response to rising operational costs and increasing environmental expectations, Hektar REIT has embarked on a landmark sustainability journey. Our rooftop solar initiative across five shopping centres is progressing on schedule and is set to be fully operational by **1H26**. This project, developed in partnership with Samaiden Group Berhad, is expected to generate **annual energy cost savings of approximately RM2 million**, while reducing carbon emissions equivalent to planting ~100,000 trees annually.

This initiative is not merely an ESG checkbox but a strategic move to insulate our portfolio from electricity tariff volatility, enhance operational efficiency, and align with Malaysia's net-zero roadmap. It also positions Hektar REIT as a leader in sustainable real estate, appealing to a growing cohort of ESG-focused investors.



CONCLUSION: A FORWARD-LOOKING, RESILIENT DIVERSIFIED HEKTAR REIT

Hektar REIT is no longer just a retail-focused REIT. We are transforming into a **diversified real estate platform** with growing exposure to retail, education, industrial, and ground lease sectors.

Our strategy is clear:



Defend and optimise our retail portfolio through AEI and tenant remixing.



Diversify into yield accretive non-retail sectors with triple-net lease structures.



Embed sustainability into our operations and asset base.



Maintain disciplined capital management and explore **capital redeployment**.

We remain cautiously optimistic about Malaysia's economic trajectory and are confident that our strategic pivots will enhance income stability, support DPU growth, and deliver long-term value to our unitholders.

Thank you for your continued trust and support.

Sincerely,

ZAINAL ISKANDAR ISMAIL

Executive Director &
Chief Executive Officer
Hektar Asset Management Sdn Bhd
Manager of Hektar Real Estate
Investment Trust

ASSET PORTFOLIO PERFORMANCE

Hektar REIT's asset portfolio consists of a regional shopping centre, five established neighbourhood-focused shopping centres, a hotel and a private high school, all spread over the Northern, Central and Southern Regions of Peninsular Malaysia:-



1 **SUBANG PARADE**
It's Our Place!

Subang Parade,
located in Subang Jaya, Selangor

2 **MAHKOTA PARADE**
It's Our Place!

Mahkota Parade,
located in Bandar Melaka, Melaka

3 **WETEX PARADE** **CLASSIC HOTEL**
It's Our Place!

Wetex Parade & Classic Hotel,
located in Muar, Johor

4 **CENTRAL SQUARE**
It's Our Place!

Central Square Shopping Centre,
located in Sungai Petani, Kedah

5 **KULIM CENTRAL**
It's Our Place!

Kulim Central Shopping Centre,
located in Kulim, Kedah

6 **SEGAMAT CENTRAL**
It's Our Place!

Segamat Central Shopping Centre,
located in Segamat, Johor.

7 **KOLEJ YAYASAN SAAD MELAKA**

Kolej Yayasan Saad,
located in Ayer Keroh, Melaka

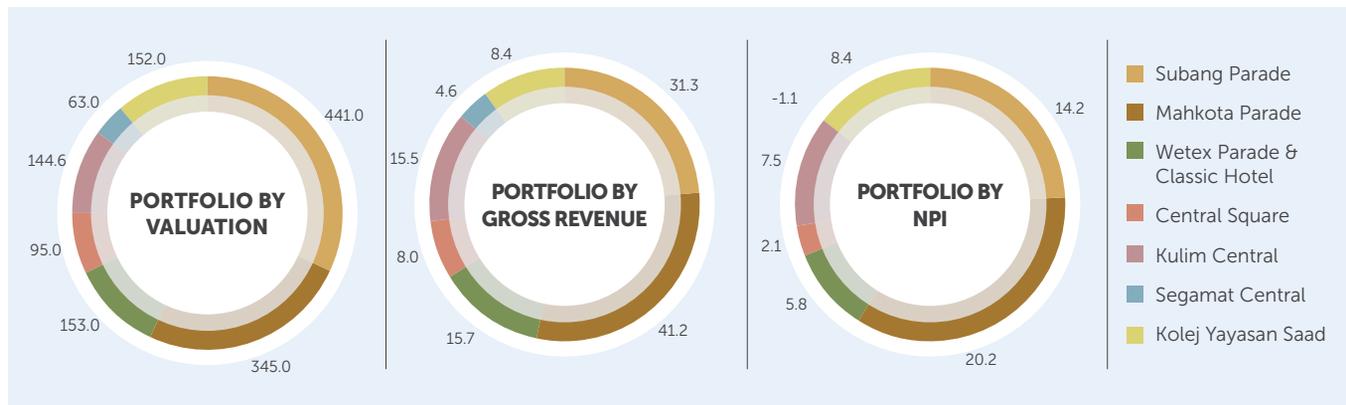
ASSET PORTFOLIO PERFORMANCE

PORTFOLIO FACTS	SUBANG PARADISE It's Our Place!		WETEX PARADE It's Our Place! CLASSIC HOTEL MUKAR		KULIM CENTRAL It's Our Place!		KOLEJ YAYASAN SAAD MELAKA	
	MAHKOTA PARADE It's Our Place!		CENTRAL SQUARE It's Our Place!		SEGAMAT CENTRAL It's Our Place!			
Financial Year 2025	Selangor	Melaka	Johor	Kedah	Kedah	Johor	Melaka	
State	Selangor	Melaka	Johor	Kedah	Kedah	Johor	Melaka	
Title	Freehold	Leasehold	Freehold	Freehold	Freehold	Leasehold	Leasehold	
Lease Expiry	-	2101	-	-	-	2116	2098	
Primary Trade Area (Population) (sq. ft.)	1,834,000	382,200	201,600	406,870	287,694	190,000	44,000	
NLA (sq. ft.)	521,373	522,346	170,463	310,902	294,872	233,017	396,874 (GFA)	
Occupied NLA (sq. ft.)	441,799	491,168	161,096	231,273	256,026	179,048	396,874	
Occupancy (%)	84.7	94.0	94.5	74.4	86.8	76.8	100	
Visitor Traffic (Million)	5.0	6.8	2.7	3.2	3.3	1.7	N/A	
Acquisition Price (RM Million)	280.0	232.0	117.5	83.0	98.0	104.0	148.5	
Valuation (RM Million)	441.0	345.0	153.0	95.0	144.6	63.0	152.0	
Gross Revenue (RM Million)	31.3	41.2	15.7	8.0	15.5	4.6	8.4	
Net Property Income (RM Million)	14.2	20.2	5.8	2.1	7.5	-1.1	8.4	

Data as at 31 December 2025

ASSET PORTFOLIO PERFORMANCE

PORTFOLIO DIVERSIFICATION



PORTFOLIO OCCUPANCY

The portfolio recorded an overall occupancy rate of 85.7% as at 31 December 2025, reflecting a continued improvement in portfolio performance driven by Hektar REIT’s proactive asset management strategy. The improvement was achieved across the portfolio, with the exception of Mahkota Parade and Wetex Parade, and was underpinned by ongoing tenant remixing and rejuvenation initiatives.

Notably, Segamat Central recorded a significant improvement in occupancy to 76.8% from 58.4% in the prior year, following focused leasing efforts and targeted repositioning measures, reinforcing the effectiveness of the Group’s asset optimisation strategy.

Retail Portfolio Occupancy (As At 31 December)	2025	2024
Subang Parade	84.7%	84.1%
Mahkota Parade	94.0%	98.2%
Wetex Parade	94.5%	96.5%
Central Square	74.4%	71.7%
Kulim Central	86.8%	83.9%
Segamat Central	76.8%	58.4%
Overall*	85.7%	84.0%

* The weighted average occupancy rate is calculated based on NLA

VISITOR TRAFFIC

In 2025, the retail portfolio demonstrated resilient and encouraging performance, with overall visitor traffic holding steady at 22.7 million visits. Subang Parade continued its positive momentum, recording higher footfall supported by its strong positioning as a neighbourhood-centric, community-focused retail destination. Mahkota Parade and Kulim Central also delivered improved visitor traffic, reflecting sustained shopper appeal and effective tenant strategies. While select assets recorded marginal moderation, overall portfolio performance remained stable. The Group’s continued focus on proactive asset management and rejuvenation initiatives positions the portfolio well to capture future growth and strengthen shopper engagement across its retail assets.

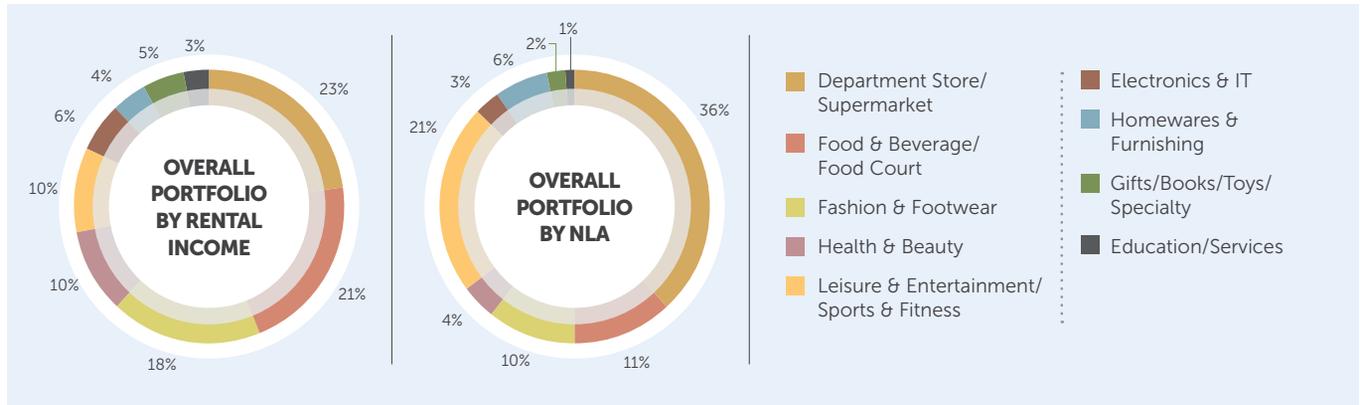
Visitor Traffic (Million)	2025	2024
Subang Parade	5.0	4.9
Mahkota Parade	6.8	6.6
Wetex Parade	2.7	2.9
Central Square	3.2	3.3
Kulim Central	3.3	3.2
Segamat Central	1.7	1.8
Overall	22.7	22.7

ASSET PORTFOLIO PERFORMANCE

PORTFOLIO TENANCY MIX

Department stores and food & beverage tenants continue to be the portfolio's primary income drivers, collectively contributing 44% of total rental income and remains dominant anchor category, accounting for 47% of total NLA, supporting stable footfall and reinforcing the portfolio's well-balanced tenant mix.

* Based on monthly rental income for December 2025



* Numbers may exceed 100% due to rounding up



ASSET PORTFOLIO PERFORMANCE

PORTFOLIO'S TOP TEN TENANTS

The top ten tenants in the portfolio contributed approximately 35.6% of total monthly rental income, providing a diversified revenue base. Aside from the top tenant, Parkson, which contributed approximately 12.1% of monthly rental income, no other tenant contributed more than 10%.

Tenant	Trade Sector	NLA (sq. ft.)	% of Total NLA	% of Monthly Rental Income*
Parkson	Department Store/Supermarket	252,515	12.3%	12.1%
The Store	Department Store/Supermarket	259,979	12.7%	8.1%
Mr. D.I.Y	Homewares & Furnishing	74,301	3.6%	2.6%
Watson	Health & Beauty	14,930	0.7%	2.4%
MM Cineplexes	Leisure & Entertainment/Sports & Fitness	75,928	3.7%	2.1%
Guardian	Health & Beauty	12,164	0.6%	2.1%
KFC	Food & Beverage/Food Court	15,792	0.8%	1.9%
Seleria	Food & Beverage/Food Court	37,052	1.8%	2.1%
GSC	Leisure & Entertainment/Sports & Fitness	54,258	2.6%	1.3%
Best Denki	Electronics & IT	20,930	1.0%	1.1%
Top 10 Tenants (By monthly Income)		817,848	39.8%	35.6%
Other Tenants		1,235,125	60.2%	64.4%
Total		2,052,973	100.0%	100.0%

* Based on monthly rental income for December 2025

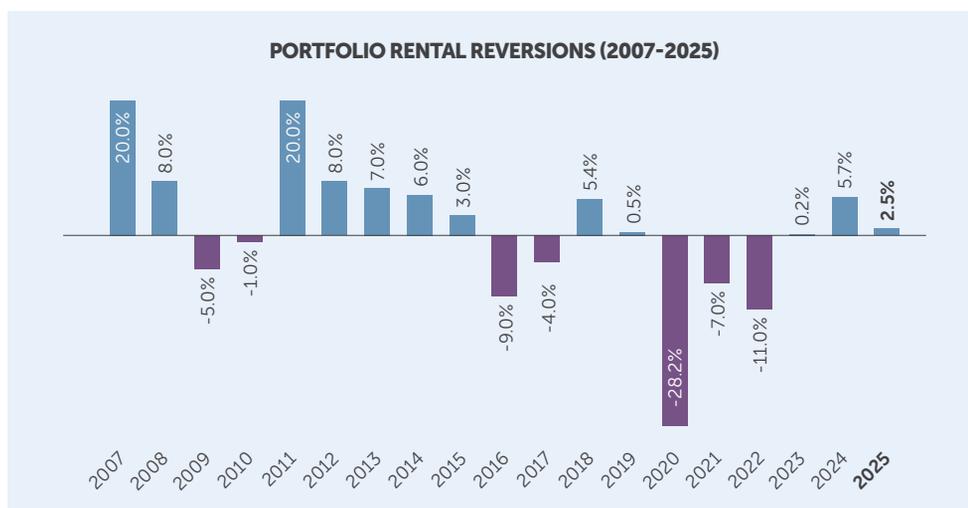


ASSET PORTFOLIO PERFORMANCE



PORTFOLIO RENTAL REVERSIONS

For the year ended 31 December 2025, the portfolio recorded 176 new and renewed tenancies, with an overall weighted average positive rental reversion of 2.5%, highlighting the effectiveness of the leasing strategy in driving sustainable rental growth while preserving stable occupancy.



As at 31 December 2025	No. of New Tenancies/Renewals	NLA (sq. ft.)	% of Total NLA	% Increase/(Decrease) Over Previous Rent Rates
Subang Parade	45	115,765	26.3%	-3.8%
Mahkota Parade	52	161,096	32.8%	6.0%
Wetex Parade	18	21,392	13.3%	2.3%
Central Square	19	73,117	40.8%	20.7%
Kulim Central	26	67,039	26.2%	-2.0%
Segamat Central	16	107,176	46.3%	1.6%
Total/Average	176	545,585	31.0%	2.5%

Note:

Subang Parade & Kulim Central recorded negative rental reversion due to ongoing tenancy remixing strategy and asset enhancement initiatives

ASSET PORTFOLIO PERFORMANCE

PORTFOLIO TENANCY EXPIRY PROFILE

A total of 377 tenancies, representing 85.8% of total NLA and 100% of monthly rental income, are scheduled to expire between 2026 and 2028 as at 31 December 2025. Of these, 197 tenancies accounting for 39.1% of total NLA and 46.4% of monthly rental income are due for expiry in 2026.

The tenancy expiry profile remains well-managed, with staggered lease maturities providing flexibility for continued tenant remixing and asset optimisation initiatives. Proactive engagement with key tenants and early renewal strategies continue to support occupancy stability and sustainable income performance across the portfolio.

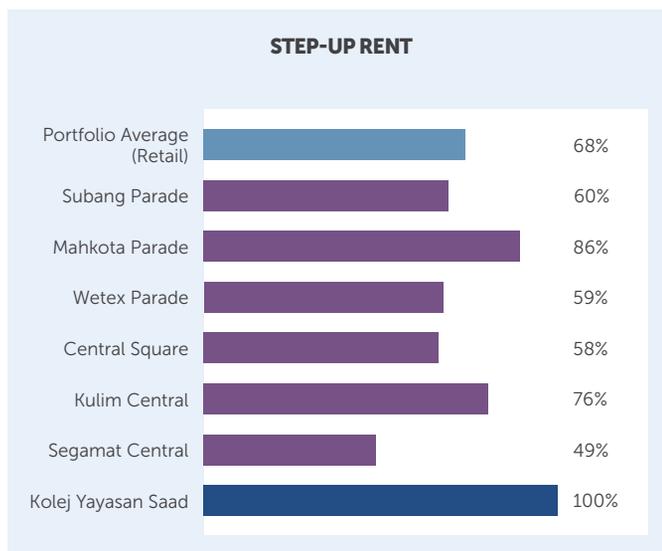
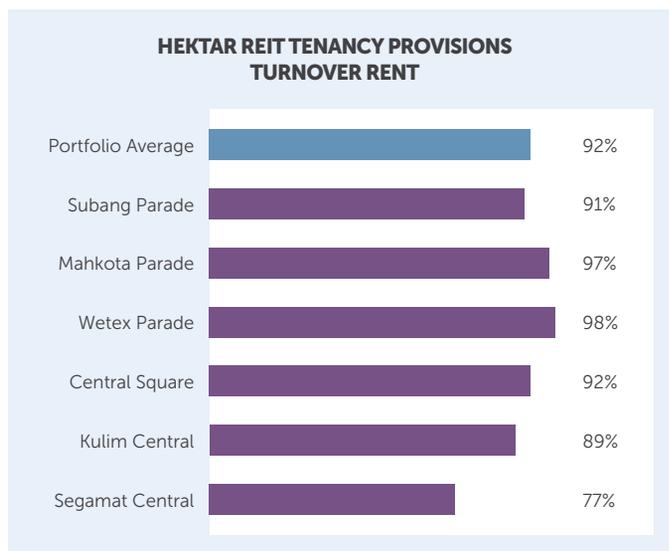
Portfolio For Year Ending 31 December 2025	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq. ft.)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
2026	197	802,432	39.1%	46.4%
2027	94	549,408	26.8%	32.6%
2028	86	408,541	19.9%	21.1%
Total/Average	377	1,760,380	85.8%	100%

* Based on monthly rental income for December 2025

PORTFOLIO TENANCY PROVISIONS

In 2025, turnover rent clauses remained widely adopted across the portfolio, with an average penetration rate of 92%, reflecting strong alignment between rental performance and tenant sales. High adoption was led by Wetex Parade (98%), Mahkota Parade (97%) and Subang Parade (91%), underscoring the emphasis on performance-linked rental structures.

Step-up rent provisions recorded an average penetration rate of 68%, with strong adoption at Mahkota Parade (86%) and Kulim Central (76%), supporting sustainable rental growth through structured escalations. Ongoing leasing initiatives continue to focus on enhancing step-up arrangements to strengthen income resilience.



ASSET PORTFOLIO PERFORMANCE

MARKETING HIGHLIGHTS



ASSET PORTFOLIO PERFORMANCE



FREEHOLD

Location

No. 5 Jalan SS 16/1, Subang Jaya
47500 Petaling Jaya, Selangor

Primary Trade Area

1,834,000
within 20-minutes drive time

Gross Floor Area

1,169,038 sq. ft.

Net Lettable Area

521,373 sq. ft.

Car Park

1,288 bays

Acquisition Price

RM280.0 million

Valuation

RM441.0 million

Tenants*

89

Occupancy

84.7 %

Visitor Traffic

5.0 million per annum

Year Opened

1988

Year Acquired

2006

Year Refurbished

2006-2007;
2019-2020;
2025 (on-going)

Data as of 31 December 2025

* Only NLA Lots

Subang Parade was the first regional shopping centre in Selangor when it opened in 1988. Strategically located in the heart of Subang Jaya, a township 25 minutes away from Kuala Lumpur, Subang Parade continues to demonstrate resilience and innovation in the face of challenging market conditions. The neighbourhood-focused mall maintained its position as a premier shopping destination, delivering sustained value to both tenants and visitors. Our commitment to enhancing the shopping experience, community engagement, and operational efficiency has contributed to another successful year.

In 2025, the mall witnessed the opening of 16 new outlets, while its visitor footfall reached 5.0 million. The list of new tenants included The Farm & Chan Rak BBQ, Chagee, Korbi Grill, Gajeto and several other stores, further elevating the mall's appeal to shoppers in the trade area. The secured tenancies comprised a more vibrant mix of food and beverage outlets as well as wellness and occupational therapy services, catering to the daily lifestyle and healthcare needs of the surrounding neighbourhood community. In 2025, the mall also underwent selected enhancement works, including the introduction of a new parents' room, upgraded surau and improved lift lobbies, while the asset enhancement initiatives continued to progress in line with the mall's repositioning strategy, further enhancing shopper comfort and overall accessibility.

Building on our community-centric approach, the mall actively engaged with the local community through various events and partnerships. Support for local businesses, cultural events, and charitable activities reinforced Subang Parade Mall's role as a key contributor to the community's social fabric.



ASSET PORTFOLIO PERFORMANCE

Subang Parade's Top Ten Tenants

Tenant	Trade Sector	NLA (sq. ft.)	% of Total NLA	% of Monthly Rental Income*
Parkson	Department Store/Supermarket	140,620	27.0%	25.1%
Best Denki	Electronics & IT	20,930	4.0%	3.8%
Game On Sports Hub	Leisure & Entertainment/Sports & Fitness	21,646	4.1%	3.5%
Village Grocer	Department Store/Supermarket	26,375	5.1%	3.3%
Nando's Chickenland	Food & Beverage/Food Court	2,610	0.5%	2.4%
GSC	Food & Beverage/Food Court	30,258	5.8%	2.4%
Caring Pharmacy	Health & Beauty	2,679	0.5%	2.3%
Oriental Parade	Food & Beverage/Food Court	9,192	1.8%	2.2%
The Farm & Chan Rak Bbq	Food & Beverage/Food Court	6,650	1.3%	2.1%
Optical 88	Fashion & Footwear	1,365	0.3%	2.0%
Top 10 Tenants		262,325	50.3%	48.9%
Other Tenants		259,048	49.7%	51.1%
Total		521,373	100.0%	100.0%

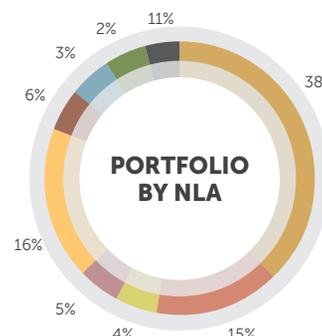
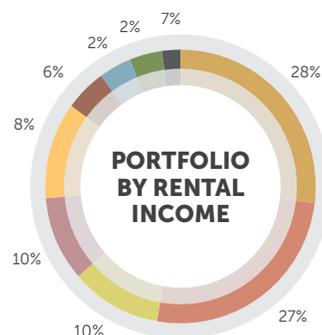
* Based on monthly rental income for December 2025. Note: changes in NLA due to reconfiguration

Subang Parade's Expiry Profile

For Year Ending 31 December 2025	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq. ft.)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
2026	41	133,698	25.6%	33.3%
2027	25	229,035	43.9%	50.3%
2028	23	79,066	15.2%	16.4%

* Based on monthly rental income for December 2025

Subang Parade's Tenancy Mix



- Department Store/Supermarket
- Food & Beverage/Food Court
- Fashion & Footwear
- Health & Beauty
- Leisure & Entertainment/Sports & Fitness
- Electronics & IT
- Homewares & Furnishing
- Gifts/Books/Toys/Specialty
- Education/Services

* Based on monthly rental income for December 2025. Numbers may exceed 100% due to rounding up



ASSET PORTFOLIO PERFORMANCE



▶ **LEASEHOLD** (until 2101)

Location

No. 1, Jalan Merdeka, 75000 Bandar Melaka, Melaka.

Primary Trade Area

382,200

within 20-minutes drive time

Gross Floor Area

1,392,623 sq. ft.

Net Lettable Area

522,346 sq. ft.

Car Park

1,079 bays

Acquisition Price

RM232.0 million

Valuation

RM345.0 million

Tenants*

93

Occupancy

94.0 %

Visitor Traffic

6.8 million per annum

Year Opened

1994

Year Acquired

2006

Year Refurbished

2010

Data as of 31 December 2025

* Only NLA Lots

Mahkota Parade was the first 'regional' shopping centre located in the heart of historic Melaka. It was injected into the REIT in 2006 and underwent a transformation soon after in 2009. Since it was re-launched in 2010, Mahkota Parade continued to flourish until today. In the fiscal year 2025, Mahkota Parade Melaka continued its legacy as a prominent retail and entertainment hub in Melaka. Anchored by the established Parkson Department Store, the centre also serves as the main destination for major community events, tourist events, and exhibitions.

The mall sustained a healthy tenant occupancy rate of 94.0% and recorded a total visitor footfall of 6.8 million, reflecting its continued attractiveness to a diverse range of retailers and shoppers. The year also saw the opening of 19 new outlets, including Oh! Some, MR. TOY, Thai Odyssey, Vivo Pizza and HLA, further strengthening the tenant mix and enhancing the overall shopping environment. These new additions, complemented by ongoing tenant remixing exercises, contributed to improved shopper experience and reinforced the mall's position as a preferred destination for retail, dining and leisure.



ASSET PORTFOLIO PERFORMANCE

Mahkota Parade's Top Ten Tenants

Tenant	Trade Sector	NLA (sq. ft.)	% of Total NLA	% of Monthly Rental Income*
Parkson	Department Store/Supermarket	111,895	21.4%	13.9%
Seleria Foodcourt	Food & Beverage/Food Court	32,654	6.3%	4.8%
KFC	Food & Beverage/Food Court	5,403	1.0%	2.8%
Family Store	Department Store/Supermarket	25,758	4.9%	2.8%
JD Sports	Fashion & Footwear	5,942	1.1%	2.7%
Oh! Some	Gifts/Books/Toys/Specialty	9,192	1.8%	2.3%
MM Cineplexes	Leisure & Entertainment/Sports & Fitness	43,496	8.3%	3.4%
Guardian	Health & Beauty	3,800	0.7%	2.2%
MR. D.I.Y.	Fashion & Footwear	16,690	3.2%	2.1%
Al-Ikhsan	Fashion & Footwear	7,000	1.3%	2.1%
Top 10 Tenants		261,830	50.1%	39.2%
Other Tenants		260,516	49.9%	60.8%
Total		522,346	100.0%	100.0%

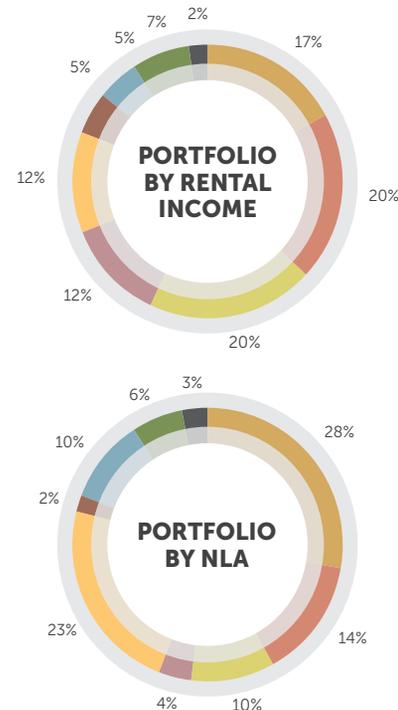
* Based on monthly rental income for December 2025

Mahkota Parade's Expiry Profile

For Year Ending 31 December 2025	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq. ft.)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
2026	36	264,124	50.6%	47.5%
2027	25	80,616	15.4%	22.6%
2028	32	146,428	28.0%	30.0%

* Based on monthly rental income for December 2025

Mahkota Parade's Tenancy Mix



- Department Store/Supermarket
- Food & Beverage/Food Court
- Fashion & Footwear
- Health & Beauty
- Leisure & Entertainment/Sports & Fitness
- Electronics & IT
- Homewares & Furnishing
- Gifts/Books/Toys/Specialty
- Education/Services

* Based on monthly rental income for December 2025. Numbers may exceed 100% due to rounding up



ASSET PORTFOLIO PERFORMANCE



FREEHOLD

Location

69, Jalan Ali, Off Jalan Sulaiman
84000 Muar, Johor

Primary Trade Area

201,600

within 20-minutes drive time

Gross Floor Area Classic Hotel GFA

281,590 sq. ft. **125,931** sq. ft.

Net Lettable Area

170,463 sq. ft.

Car Park

175 bays

Acquisition Price

RM117.5 million

Valuation

RM153.0 million

Tenants*

56

Occupancy

94.5 %

Visitor Traffic

2.7 million per annum

Year Opened

1996

Year Acquired

2008

Year Refurbished

2010 (Mall),
2018 (Hotel)

Data as of 31 December 2025

* Only NLA Lots

Wetex Parade and Classic Hotel is an integrated retail and hotel development located within the commercial heart of Muar, Johor. Opened in 1996, Wetex Parade remains as the only department store anchored shopping centre in town and serves as the premier retail destination for the royal town. Wetex Parade achieved a stable occupancy rate of 94.5% in 2025 and welcoming 3 new tenants.

Classic Hotel, the largest hotel in Muar and with the largest ballroom facilities overlooks the serene Muar River. Occupancy rate of Classic Hotel was at 34% with an average room rate of RM162 per night in 2025 supported by ongoing operational optimisation efforts and a continued focus on strengthening market positioning. Opened in the same year, the hotel underwent a comprehensive refurbishment in 2018 and has since been consistently enhanced through ongoing upgrading and maintenance programmes. It currently features 156 well-appointed rooms with classic contemporary interiors, complemented by improved facilities and amenities, to deliver greater comfort and a more refined stay experience for modern travellers.



ASSET PORTFOLIO PERFORMANCE

Wetex Parade's Top Ten Tenants

Tenant	Trade Sector	NLA (sq. ft.)	% of Total NLA	% of Monthly Rental Income*
The Store	Department Store/Supermarket	85,413	50.1%	28.6%
Watsons	Health & Beauty	2,824	1.7%	7.2%
Guardian	Health & Beauty	2,949	1.7%	3.3%
MR. D.I.Y.	Homewares & Furnishing	9,577	5.6%	3.1%
McDonald's	Food & Beverage/Food Court	2,489	1.5%	3.1%
Popular	Gifts/Books/Toys/Specialty	7,190	4.2%	2.5%
Baker House Confectionery	Food & Beverage/Food Court	990	0.6%	2.6%
Tanjongmas Bookcentre	Gifts/Books/Toys/Specialty	4,037	2.4%	2.5%
Sukan Muara	Fashion & Footwear	1,356	0.8%	2.2%
Pao Sing	Fashion & Footwear	1,023	0.6%	2.2%
Top 10 Tenants		117,848	69.1%	57.4%
Other Tenants		52,615	30.9%	42.6%
Total		170,463	100.0%	100.0%

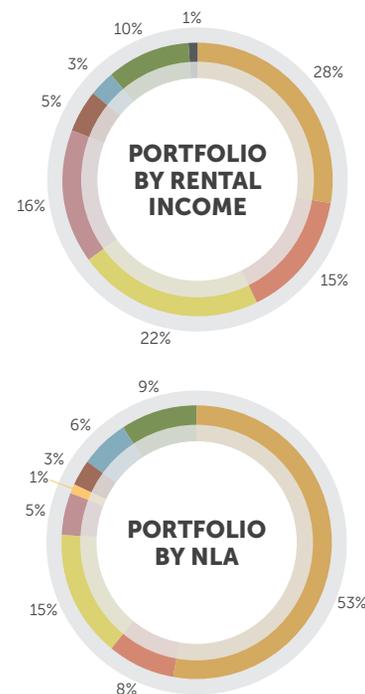
* Based on monthly rental income for December 2025. Note: changes in NLA due to reconfiguration

Wetex Parade's Expiry Profile

For Year Ending 31 December 2025	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq. ft.)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
2026	30	124,727	73.2%	57.4%
2027	14	20,567	12.1%	20.3%
2028	12	15,802	9.3%	22.3%

* Based on monthly rental income for December 2025

Wetex Parade's Tenancy Mix



- Department Store/Supermarket
- Food & Beverage/Food Court
- Fashion & Footwear
- Health & Beauty
- Leisure & Entertainment/Sports & Fitness
- Electronics & IT
- Homewares & Furnishing
- Gifts/Books/Toys/Specialty
- Education/Services

* Based on monthly rental income for December 2025. Numbers may exceed 100% due to rounding up



ASSET PORTFOLIO PERFORMANCE



▶ FREEHOLD

Location

23, Jalan Kampung Baru
08000 Sungai Petani, Kedah

Primary Trade Area

406,870

within 20-minutes drive time

Gross Floor Area

743,117 sq. ft.

Net Lettable Area

310.902 sq. ft.

Car Park

478 bays

Acquisition Price

RM83.0 million

Valuation

RM95.0 million

Tenants*

38

Occupancy

74.4%

Visitor Traffic

3.2 million per annum

Year Opened

1997

Year Acquired

2012

Year Refurbished

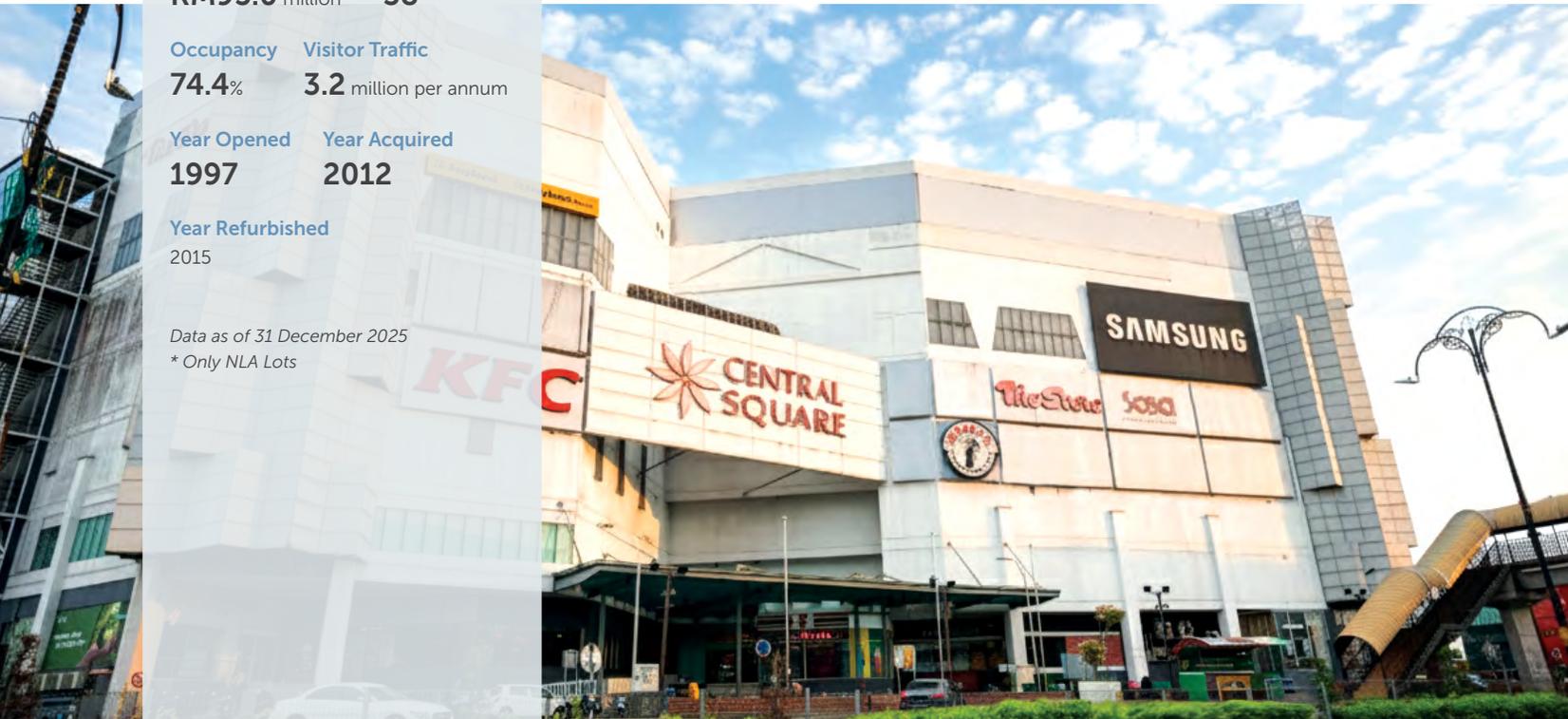
2015

Data as of 31 December 2025

* Only NLA Lots

Central Square was the fourth asset acquired by Hektar REIT back in 2012. Completed in 1997, Central Square is one of the most recognisable landmarks in its town. Nestled in the heart of Sungai Petani, Central Square enjoys a strategic location, making it easily accessible to the community. Situated amidst the bustling commercial district, it serves as a central hub for shopping, dining, and entertainment. Central Square takes pride in fostering a sense of community. Regular events, promotions, and activities bring people together, turning Central Square into more than just a shopping center but a social hub where memories are created.

Central Square continuously evolves to meet the changing needs and preferences of its patrons. Planned mini anchor remixing exercises, space reconfiguration, and collaborations ensure that it remains a dynamic and relevant part of Sungai Petani. The management remains focused on upgrading the quality of the tenant mix and positioning of Central Square, as reflected by the entry of several new tenants. In 2025, the shopping centre recorded visitor traffic of 3.2 million, while occupancy stood at 74.4%, and achieved a rental reversion rate of 20.7%, the highest across the portfolio, reflecting the effectiveness of ongoing tenant optimisation and leasing initiatives.



ASSET PORTFOLIO PERFORMANCE

Central Square's Top Ten Tenants

Tenant	Trade Sector	NLA (sq. ft.)	% of Total NLA	% of Monthly Rental Income*
The Store	Department Store/Supermarket	94,536	30.4%	42.1%
Dadi Cinema	Leisure & Entertainment/Sports & Fitness	34,412	11.1%	7.7%
KFC	Food & Beverage/Food Court	3,619	1.2%	5.7%
MR. D.I.Y.	Homewares & Furnishing	11,968	3.8%	4.2%
Guardian Pharmacy	Health & Beauty	1,443	0.5%	3.4%
Wow Wonderland Box	Leisure & Entertainment/Sports & Fitness	5,600	1.8%	2.6%
The Green Party	Gifts/Books/Toys/Specialty	1,521	0.5%	2.5%
A Sama Thaifood	Food & Beverage/Food Court	3,023	1.0%	3.3%
Watsons	Health & Beauty	1,638	0.5%	3.3%
KB Fun	Leisure & Entertainment/Sports & Fitness	3,700	1.2%	1.7%
Top 10 Tenants		161,460	51.9%	76.6%
Other Tenants		149,442	48.1%	23.4%
Total		310,902	100.0%	100.0%

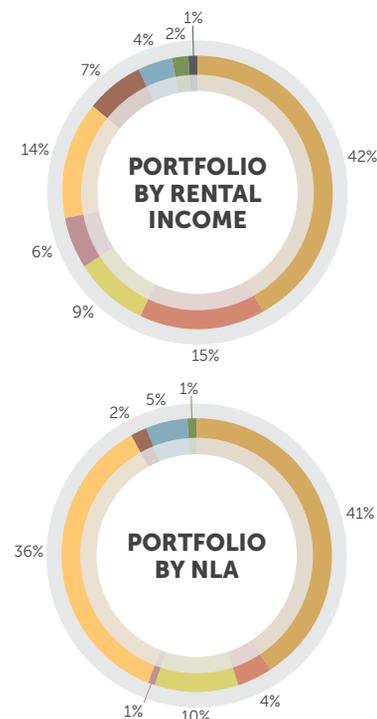
* Based on monthly rental income for December 2025

Central Square's Expiry Profile

For Year Ending 31 December 2025	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq. ft.)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
2026	27	69,680	22.4%	35.0%
2027	7	100,966	32.5%	52.4%
2028	4	60,628	19.5%	12.6%

* Based on monthly rental income for December 2025

Central Square's Tenancy Mix



- Department Store/Supermarket
- Food & Beverage/Food Court
- Fashion & Footwear
- Health & Beauty
- Leisure & Entertainment/Sports & Fitness
- Electronics & IT
- Homewares & Furnishing
- Gifts/Books/Toys/Specialty
- Education/Services

* Based on monthly rental income for December 2025. Numbers may exceed 100% due to rounding up



ASSET PORTFOLIO PERFORMANCE



FREEHOLD

Location

No. 1 Jalan KLC Satu (1),
09000 Kulim, Kedah

Primary Trade Area

287,694

within 20-minutes drive time

Gross Floor Area

513,333 sq. ft.

Net Lettable Area

294,872 sq. ft.

Car Park

519 bays

Acquisition Price

RM98.0 million

Valuation

RM144.6 million

Tenants*

66

Occupancy

86.8 %

Visitor Traffic

3.3 million per annum

Year Opened

2009

Year Acquired

2012

Year Refurbished

2017

Data as of 31 December 2025

* Only NLA Lots

Nestled in the heart of Kulim, Kedah, Kulim Central Shopping Mall stands as a beacon of modern retail, offering a diverse and enriching experience for residents and visitors alike. The only shopping centre in the area, the asset was acquired by Hektar REIT in 2012 together with Central Square.

The mall formerly known as Landmark Central was rebranded in 2017 and is now known as Kulim Central following the completion of the refurbishment and AEI exercise that was carried out in the same year. Kulim Central Shopping Mall is not just a shopping haven; it's a gastronomic delight. The mall's diverse culinary offerings cater to every palate, ranging from local delicacies to international cuisine to suit its target market.

In 2025, Kulim Central sustained an occupancy rate of 86.8% and welcomed six new tenants, including Skechers, Premium Store and Honda, alongside the successful conversion of Giant Superstore to Mercato, which enhanced the mall's anchor offering. As a result, the mall's overall retail proposition has been strengthened, enhancing its attractiveness to both residents and visitors within the wider Kulim area.



ASSET PORTFOLIO PERFORMANCE

Kulim Central's Top Ten Tenants

Tenant	Trade Sector	NLA (sq. ft.)	% of Total NLA	% of Monthly Rental Income*
The Store	Department Store/Supermarket	57,785	19.6%	10.0%
Mercato	Department Store/Supermarket	28,859	9.8%	5.5%
GSC	Leisure & Entertainment/Sports & Fitness	24,000	8.1%	4.9%
Ole-Ole Bowling	Leisure & Entertainment/Sports & Fitness	23,670	8.0%	3.8%
MR. D.I.Y.	Homewares & Furnishing	11,711	4.0%	2.9%
Watsons	Health & Beauty	2,238	0.8%	2.8%
Seleria Food Court	Food & Beverage/Food Court	4,398	1.5%	2.7%
KFC	Food & Beverage/Food Court	3,530	1.2%	2.7%
Hasani Books Store	Gifts/Books/Toys/Specialty	5,228	1.8%	2.6%
Pizza Hut	Food & Beverage/Food Court	3,530	1.2%	2.5%
Top 10 Tenants		164,949	55.9%	40.4%
Other Tenants		129,923	44.1%	59.6%
Total		294,872	100.0%	100.0%

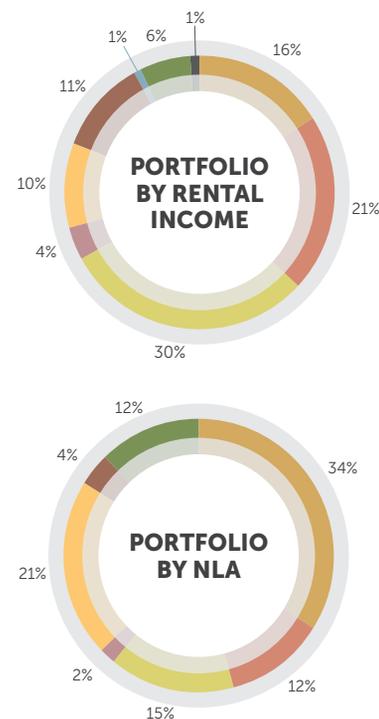
* Based on monthly rental income for December 2025

Kulim Central's Expiry Profile

For Year Ending 31 December 2025	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq. ft.)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
2026	47	146,865	49.8%	67.4%
2027	13	74,557	25.3%	21.5%
2028	6	34,604	11.7%	11.0%

* Based on monthly rental income for December 2025

Kulim Central's Tenancy Mix



- Department Store/Supermarket
- Food & Beverage/Food Court
- Fashion & Footwear
- Health & Beauty
- Leisure & Entertainment/Sports & Fitness
- Electronics & IT
- Homewares & Furnishing
- Gifts/Books/Toys/Specialty
- Education/Services

* Based on monthly rental income for December 2025. Numbers may exceed 100% due to rounding up



ASSET PORTFOLIO PERFORMANCE



▶ **LEASEHOLD** (until 2116)

Location

Jalan Kolam Air, Kampung Gubah,
85000 Segamat, Johor

Primary Trade Area

190,000

within 20-minutes drive time

Gross Floor Area

486,789 sq. ft.

Net Lettable Area

233,017 sq. ft.

Car Park

389 bays

Acquisition Price

RM104.0 million

Valuation

RM63.0 million

Tenants*

35

Occupancy

76.8 %

Visitor Traffic

1.7 million per annum

Year Opened

2011

Year Acquired

2017

Year Refurbished

2024

Data as of 31 December 2025

* Only NLA Lots

Segamat Central is the only purpose-built shopping centre in Segamat and was acquired by Hektar REIT in 2017. It has the largest cinema in Segamat, a direct link to Segamat’s main bus terminal and is within walking distance of the KTM railway station.

Since the acquisition, the centre has been undergoing a comprehensive tenant remixing strategy and upgrading process. The rebranding from “1Segamat” to Segamat Central marked a strategic shift and is now followed by the repainting and space reconfiguration exercise to enhance the overall appeal and functionality of the mall. The management has been actively implementing a rental revision strategy to retain existing tenants while also attracting mini anchors and specialty anchors to the mall.

In 2025, Segamat Central continued to strengthen its tenant mix with the introduction of Pickle Buddy, offering pickleball facilities that enhance the mall’s lifestyle and recreational appeal. The centre recorded an occupancy rate of 76.8% and visitor traffic of 1.7 million visits during the year. It is also expected to welcome the first Target Supermarket in Segamat, which is anticipated to further strengthen its anchor offering.



ASSET PORTFOLIO PERFORMANCE

Segamat Central's Top Ten Tenants

Tenant	Trade Sector	NLA (sq. ft.)	% of Total NLA	% of Monthly Rental Income*
MM Cineplexes	Leisure & Entertainment/Sports & Fitness	32,432	13.9%	18.5%
MR. D.I.Y.	Homewares & Furnishing	13,896	6.0%	9.0%
Mi	Electronics & IT	5,565	2.4%	6.5%
TS Concept Store	Department Store/Supermarket	22,245	9.5%	11.0%
Sportsz/HT Jeans	Fashion & Footwear	4,898	2.1%	4.0%
XES Premium	Fashion & Footwear	1,991	0.9%	3.7%
Switch	Electronics & IT	1,184	0.5%	3.6%
KFC	Food & Beverage/Food Court	3,240	1.4%	3.5%
Popular	Gifts/Books/Toys/Specialty	4,898	2.1%	3.2%
Guardian	Health & Beauty	1,615	0.7%	2.8%
Top 10 Tenants		91,964	39.5%	65.8%
Other Tenants		141,053	60.5%	34.2%
Total		233,017	100.0%	100.0%

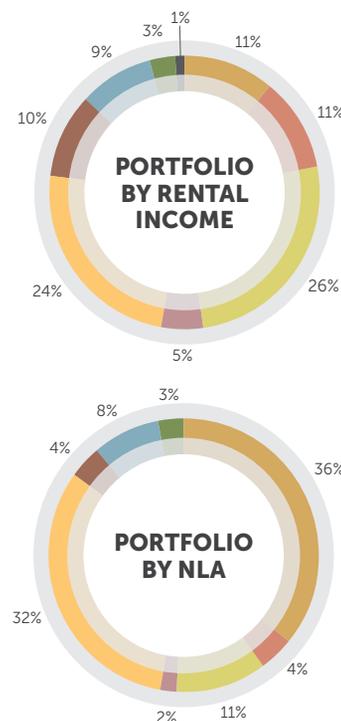
* Based on monthly rental income for December 2025

Segamat Central's Expiry Profile

For Year Ending 31 December 2025	No. of Tenancies Expiring	NLA of Tenancies Expiring (sq. ft.)	NLA of Tenancies Expiring as % of Total NLA	% of Total Monthly Rental Income*
2026	16	63,338	27.2%	48.5%
2027	10	43,667	18.7%	34.3%
2028	9	72,043	30.9%	17.2%

* Based on monthly rental income for December 2025

Segamat Central's Tenancy Mix



- Department Store/Supermarket
- Food & Beverage/Food Court
- Fashion & Footwear
- Health & Beauty
- Leisure & Entertainment/Sports & Fitness
- Electronics & IT
- Homewares & Furnishing
- Gifts/Books/Toys/Specialty
- Education/Services

* Based on monthly rental income for December 2025. Numbers may exceed 100% due to rounding up



ASSET PORTFOLIO PERFORMANCE



▶ **LEASEHOLD** (until 2098)

Location

Jalan Kolej Yayasan Saad, 75670
Ayer Keroh, Melaka

Property Type

Private Education Premise

Land Area

86 acres

Gross Floor Area

396,874 sq. ft.

Occupancy

100 %

Rental

RM8.4 million per annum

Purchase Price

RM148.5 million

Valuation

RM152.0 million

Year Acquired

2024

Year Refurbished

2017

Data as of 31 December 2025

* Only NLA Lots

Kolej Yayasan Saad (KYS) is a premier residential school in Malaysia, located in Ayer Keroh, Melaka. Established in 1995, it is a private, fully residential institution that provides high-quality education for Malaysian students. The school follows the Malaysian national curriculum but integrates various international elements to enhance students’ learning experience.

KYS is renowned for its rigorous academic curriculum, which follows the Malaysian national syllabus while integrating elements that enhance critical thinking, leadership, and global perspectives. The school consistently produces top-performing students in national examinations (Sijil Pelajaran Malaysia) and have consistently ranked top 10 schools with best SPM results. Beyond academics, KYS places a strong emphasis on co-curricular activities, including sports, music, debate, and entrepreneurship, ensuring that students develop a well-rounded skill set.

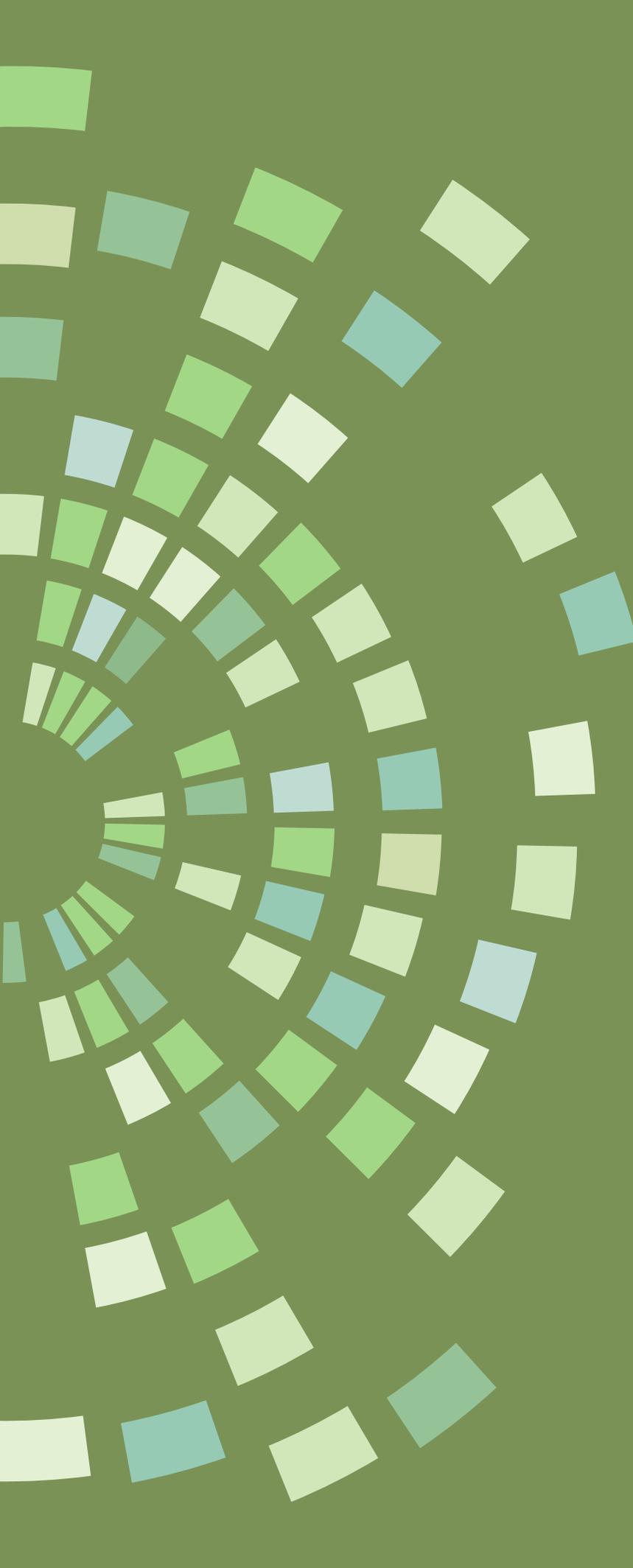
The campus is equipped with world-class facilities, including modern classrooms, science and computer laboratories, a resourceful library, and excellent sports amenities such as football fields, a swimming pool, and a multipurpose hall. The residential aspect of KYS enhances the students’ learning experience by creating a close-knit community where they can collaborate, grow, and develop lifelong friendships.

With its unwavering commitment to academic and personal excellence, KYS remains one of Malaysia’s top choices for high-achieving students seeking a balanced and enriching education.



ASSET PORTFOLIO PERFORMANCE





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SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT (“STATEMENT”)

Hektar REIT is dedicated to creating sustainable spaces where communities can thrive across our portfolio of premier shopping centres, a hotel and a school. This Statement details our performance across Environmental, Social, and Governance (“ESG”) pillars, highlighting the core principles of our framework that guide our direction as a progressive, future-focused REIT.

REPORTING SCOPE & BOUNDARY

Unless otherwise indicated, this Sustainability Statement covers the performance metrics of all Hektar REIT properties:

- Subang Parade in Subang Jaya, Selangor
- Mahkota Parade in Melaka
- Central Square in Sungai Petani, Kedah
- Kulim Central in Kulim, Kedah
- Classic Hotel in Muar, Johor
- Wetex Parade in Muar, Johor
- Segamat Central in Segamat, Johor
- Kolej Yayasan Saad in Melaka (only relevant data as a leased asset over which Hektar REIT maintains no operational control)
- Hektar Asset Management Sdn Bhd (“HAMS”) in Dutamas, Kuala Lumpur

All social indicators include complete data from Hektar Asset Management Sdn Bhd, Hektar Property Services Sdn Bhd (“HPSSB”) and Kolej Yayasan Saad. References to the “Company”, the “Group”, “we”, and “our” refer to Hektar REIT as a whole unless stated otherwise.

REPORTING PERIOD

1 January 2025 – 31 December 2025

REPORTING FRAMEWORKS AND GUIDELINES

Our statement has been prepared in compliance with Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition).

To ensure best-practice reporting, it is also guided by:

- Global Reporting Initiative (“GRI”)
- FTSE Russell ESG Indicators
- United Nations Sustainable Development Goals (“UN SDGs”)
- Task Force on Climate-Related Financial Disclosures (“TCFD”)

DATA VALIDATION AND LIMITATIONS

Hektar REIT is dedicated to delivering transparent and reliable sustainability reporting. While we have exercised best efforts to ensure accuracy through rigorous internal verification, we acknowledge that data maturity is an evolving process. This year, we refined our processes to address data gaps and have provided necessary restatements in the relevant sections of this Statement. We remain committed to strengthening our tracking processes to prepare for future independent assurance. This Statement has been reviewed and approved by the Board of Directors.

FORWARD LOOKING STATEMENTS

This Statement includes forward-looking assertions regarding Hektar REIT’s sustainability future plans and strategies. While these statements reflect our best estimates and future expectations, they are inherently subject to risk and uncertainty. Hektar REIT cautions readers that these statements are predictions, not guarantees, and should be interpreted with due consideration of the evolving business landscape.

YOUR INQUIRIES AND FEEDBACK

Your support and feedback are important for the continuous advancement of our sustainability journey. Please direct any queries and comments to:

Hektar Asset Management Sdn Bhd

D1-U3-10, Solaris Dutamas, No. 1, Jalan Dutamas 1, Sri Hartamas 50480 Kuala Lumpur

Tel : +6 03 6205 5570

Fax : +6 03 6205 5571

Email : sustainability@hektarasset.com

SUSTAINABILITY STATEMENT

AWARDS AND RECOGNITIONS

Hektar REIT’s sustainability achievements and the accolades received reflect its strong commitment to sustainable and responsible growth. These recognitions motivate Hektar REIT to continue striving for excellence to further contribute to the growth and sustainability of the financial sector.

Hektar REIT was honoured with the prestigious RAM Blueprint Award at the 22nd RAM League Awards on 24 February 2025. The award recognises Hektar REIT’s RM500 million Medium-Term Notes programme, with its inaugural RM215 million tranche rated AAA(fg) and fully guaranteed by the Credit Guarantee & Investment Facility, a trust fund of the Asian Development Bank.

This recognition marks a significant milestone in Malaysia’s capital market. The RAM Blueprint Award celebrates issuers that demonstrate innovation and excellence through distinctive bond or sukuk transactions, reflecting Hektar REIT’s forward-looking approach and commitment to strengthening the Malaysian bond and sukuk market.



➤ RAM Blueprint Award at the 22nd RAM League Awards

MEMBERSHIPS AND ASSOCIATIONS

We stay aligned with emerging trends, industry best practices, and evolving legal and regulatory expectations through our active participation/memberships in the following professional and industry associations:

FTSE4Good Bursa Malaysia Index (“F4GBM”)

Hektar REIT has been a constituent member of the F4GBM Index since 2020, a testament to our unwavering commitment to high ESG standards. As of December 2025, we achieved an ESG Rating of 3.3 out of 5.

This score not only earns us a 3-star ESG grading from FTSE Russell but also positions Hektar REIT well above the average score for Main Market PLCs, reflecting our leadership in sustainable real estate management.



FTSE Russell ESG Rating Score:
3.3 (out of 5)

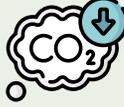
United Nations Global Compact (“UNGC”)

This year, Hektar REIT continued our membership with the UNGC as an active member, contributing to the advancement of its 10 principles across four key areas: Human Rights, Labour, Environment, and Anti-Corruption.

- Malaysian REIT Managers Association (MRMA)
- Capital Markets Services Representative’s Licence (CMSRL)
- Institute of Corporate Directors of Malaysia (ICDM)
- Malaysian Institute of Corporate Governance (MICG)
- Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVEAP)
- Institute of Industrial Engineers USA (IIE)
- Institute of Certified Sustainability Practitioners
- Global Reporting Initiative (GRI)
- Institute of Quality Malaysia (IQM)
- Malaysian Hotel Association (MAH)
- Malaysia Shopping Malls Association (PPK)
- Malaysia Retailers Association (MRA)
- Malaysia Retail Chain Association (MRCA)
- Bumiputra Retailers Organisation (BRO)
- Malaysian Association of Theme Park and Family Attractions (MAFTA)
- The Institute of Internal Auditors Malaysia
- Malaysian Institute of Accountants (MIA)

SUSTAINABILITY STATEMENT

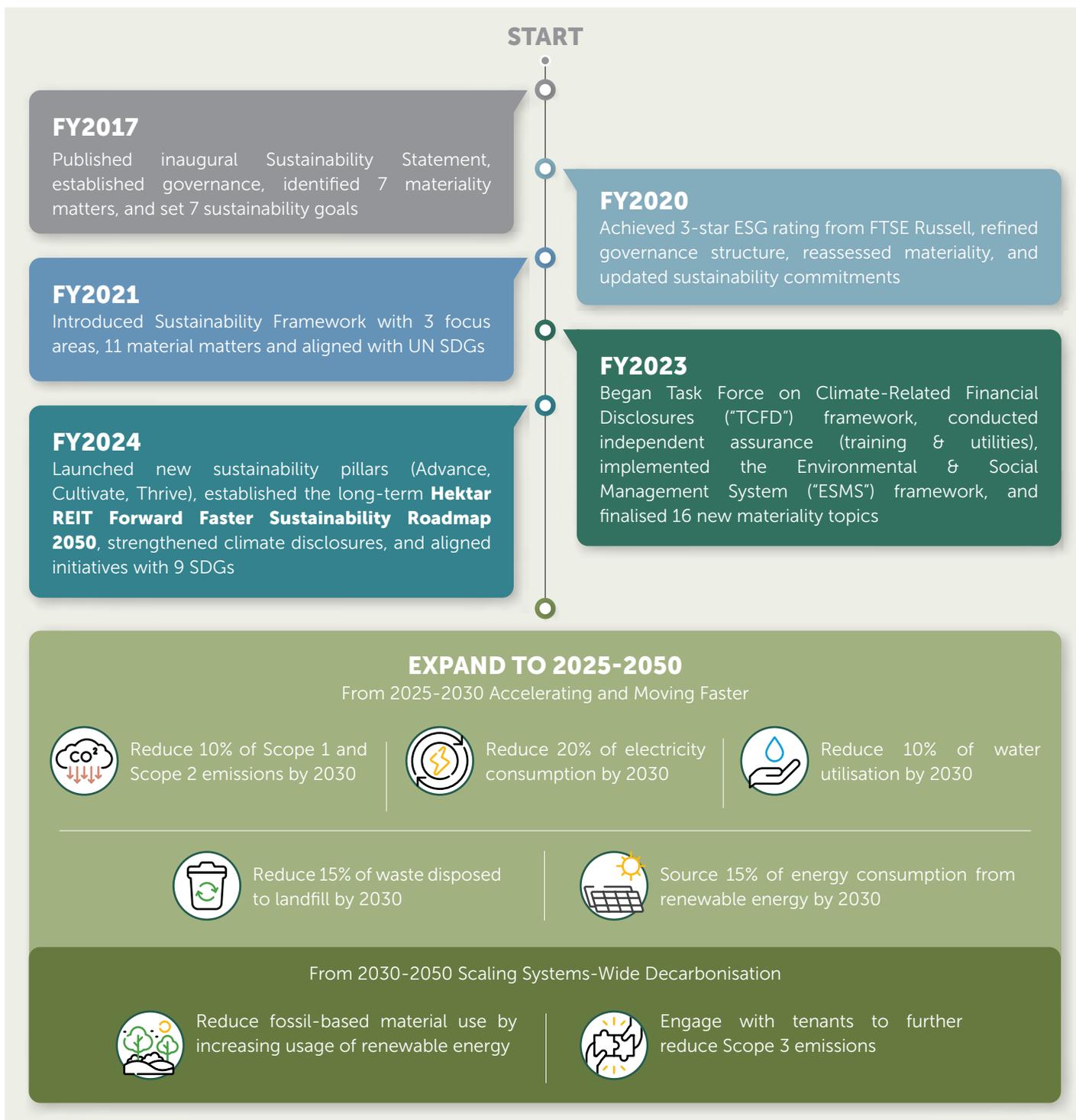
SHOWCASING OUR 2025 ACHIEVEMENTS

 <p>ADVANCE</p>	<p>Initiated Solar PV Project across 5 properties that will reduce electricity consumption by up to 15%</p> 	<p>3.35% Reduction in Scope 1 and Scope 2 GHG emissions intensity across all properties against 2024</p> 	<p>18.42% Reduction in water utilisation intensity against 2024</p> 
	<p>14,903kg of waste has been recycled</p> 	<p>Fabric 13,968kg</p> 	<p>PET-1 bottles 730kg</p> 
 <p>CULTIVATE</p>	<p>0 Substantiated complaints regarding human rights violations</p> 	<p>0 Substantiated cases of discrimination</p> 	
	<p>100% of procurement expenditure on local suppliers</p> 	<p>5,053.5 Total training hours provided to employees</p> 	
 <p>THRIVE</p>	<p>0 Substantiated incidents of privacy breaches or data loss</p> 	<p>0 Confirmed cases of bribery, corruption or whistleblowing</p> 	
	<p>RM574,336 Invested into community programmes impacting 87,900 beneficiaries throughout Malaysia</p> 		

SUSTAINABILITY STATEMENT

LOOKING BACK, MOVING FORWARD

Since embarking on our sustainability journey in 2017, Hektar REIT has continued to advance toward our goals of sustainable growth and long-term value creation. As we move ahead, we remain focused on strengthening and integrating our sustainability initiatives across our operations to support continued progress and enduring success.

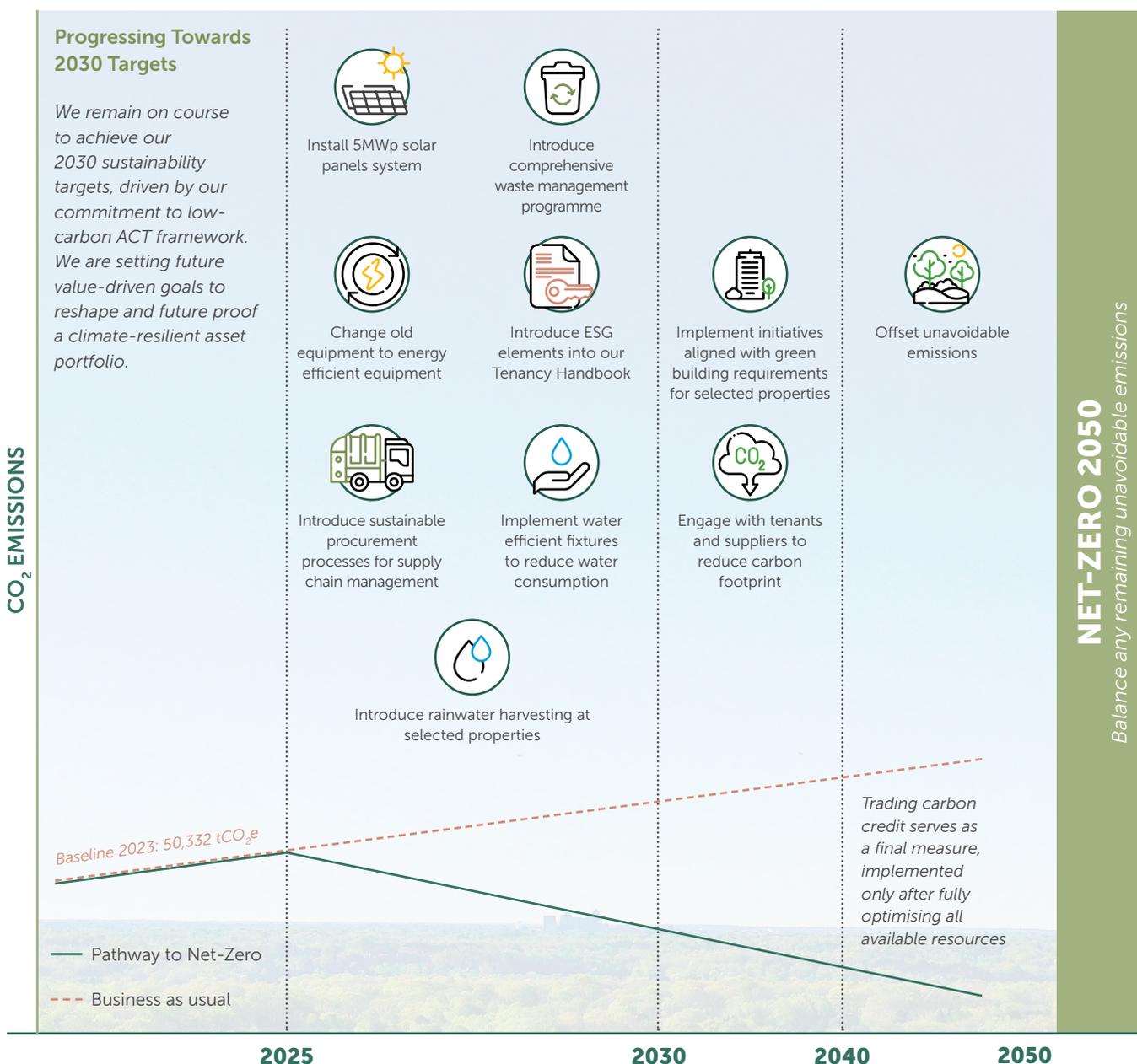


SUSTAINABILITY STATEMENT

FORWARD FASTER SUSTAINABILITY ROADMAP 2050

Our Sustainability Roadmap sets a clear and ambitious course, charting our journey to achieve Net-Zero emissions by 2050. Grounded in science-based targets and guided by global best practices, it reflects our steadfast commitment to decarbonisation, resilience, and long-term value creation.

At the core of this roadmap lies our Sustainability Framework, ACT (Advance, Cultivate, Thrive), which shapes our aspirations and drives meaningful impact. Both the ACT Framework and the Hektar REIT Forward Faster Sustainability Roadmap work hand-in-hand to outline a well-defined route towards decarbonisation, while embedding sustainability firmly within our business strategy.



Note:
Baseline 2023 has been restated

SUSTAINABILITY STATEMENT

ADVANCING SUSTAINABILITY AT HEKTAR REIT

The Overarching Sustainability Strategy

Grounded in our Vision, Mission, and Purpose, our Advance, Cultivate, and Thrive (“ACT”) sustainability pillars integrate responsible practices across our operations. Aligned with the UN SDGs, this framework drives meaningful socioeconomic progress and long-term value for our stakeholders.

OUR VISION, MISSION AND PURPOSE	
<p>OUR VISION: To be the leading sustainable real estate investment trust, creating long-term value through responsible growth, environmental stewardship, and social impact, ensuring a resilient and future-proof portfolio.</p>	<p>OUR PURPOSE:</p> <p>Advance: Proactively reducing carbon emissions and enhancing asset-efficiency through strategic investments in renewable energy, green technologies, and sustainable construction practices.</p> <p>Cultivate: Upholding corporate integrity, responsible governance, and stakeholder inclusivity to foster long-term trust and transparency.</p> <p>Thrive: Driving innovation and resource management to create thriving, community-centric, and environmentally responsible spaces.</p>
<p>OUR MISSION: We are committed to embedding sustainability across our operations and investments by:</p> <ul style="list-style-type: none"> Advancing low-carbon, climate-resilient assets to future-proof our portfolio. Cultivating responsible business practices that drive positive social and environmental change. Thriving the business and build the environment through innovative, resource-efficient solutions that enhance stakeholder value 	

SUSTAINABILITY PILLARS AND FOCUS AREAS		
<p>Advance</p> <ul style="list-style-type: none"> Risk Management Climate Resilience Responsible Investment Resource Efficiency 	<p>Cultivate</p> <ul style="list-style-type: none"> Business Ethics and Integrity Empowering Growth Safety and Health 	<p>Thrive</p> <ul style="list-style-type: none"> Business Ethics and Integrity Community Well-being Safety and Health 

RELATED POLICIES		
<ul style="list-style-type: none"> Climate Change Policy Water Stewardship Policy 	<ul style="list-style-type: none"> Occupational Safety & Health (“OSH”) Policy Environmental, Social, Health & Safety (“ESHS”) Policy Safety, Health and Environment Policy Statement Sustainable Procurement Policy Human Rights Policy Code of Conduct and Ethics Policy 	<ul style="list-style-type: none"> Event Stewardship Policy Sustainable Investment Principles Anti-Money Laundering (“AML”) Policy Anti-Bribery and Anti-Corruption (“ABAC”) Policy

MATERIAL MATTERS		
<ol style="list-style-type: none"> Energy and Climate Change Water Management Waste Management Effluent Management Green Office Practices Eco-friendly Building Materials High-quality Real Estate and Enhancement Green Leases 	<ol style="list-style-type: none"> Supply Chain Management Human Rights, Diversity, Equity and Inclusion Occupational Health and Safety Labour Practices and Standards 	<ol style="list-style-type: none"> Corporate Governance and Anti-Corruption Data Privacy and Cybersecurity Public Safety Community Engagement and Contribution

CONTRIBUTION TO UN SDGs		
		

STAKEHOLDER GROUPS					
Investor Community	Government, Local Authorities and Regulator	Tenants and Prospects	Joint Management Bodies	Property Managers/Employees	Shoppers
Suppliers	Media	Community/ NGOs			

SUSTAINABILITY STATEMENT

Outlining Our Path Towards Sustainable Growth

Our sustainability policies formalise our commitment to responsible and sustainable practices. Designed to guide our strategies, decision-making processes, and daily operations, these policies enable us to integrate sustainability principles systematically across our REIT activities, striking a balance between strong performance and long-term sustainable growth.



Environmental Stewardship

Hektar REIT strives to minimise the environmental impact of our activities by reducing our energy consumption, promoting responsible waste management, and supporting initiatives that contribute to a sustainable environment. We will continue to monitor and improve the environmental performance of our assets and overall business practices.

Climate Change Policy:

Accelerates our transition to a low-carbon economy with a definitive target of Net-Zero emissions by 2050, driven by energy efficiency, renewable integration, and climate risk mitigation.

Water Stewardship Policy:

Ensures sustainable resource management and operational continuity by optimising consumption through efficient technologies, regulatory compliance, and robust backup storage measures.



Social Impact & Well-Being

We aim to create positive impacts on the communities in which we operate, committing to fostering inclusivity, improving the well-being of our stakeholders, and supporting social development initiatives. We will continue to engage with local communities and prioritise health, safety, and equal opportunities for everyone.

Occupational Safety & Health Policy:

Dedicated to safeguarding the well-being of our employees, visitors, and stakeholders.

Human Rights Policy:

Upholds fundamental human rights across our operations and supply chain by guaranteeing freedom of association, prohibiting forced labour, and ensuring a safe, inclusive workplace.



Economic Growth and Governance

We are dedicated to achieving sustainable financial growth by operating with transparency, integrity and ethical business practices, upholding robust governance structures and ensuring compliance with all relevant laws and regulations. Hektar REIT strives to enhance stakeholder value while maintaining the trust and confidence of our unitholders, investors, employees and other key stakeholders.

Sustainable Procurement Policy:

Prioritises suppliers who demonstrate environmental responsibility and ethical labour standards, integrating sustainability criteria alongside cost and quality evaluations.

Event Stewardship Policy:

Minimises the environmental footprint of our events by enforcing strict waste management hierarchies and prioritising responsible sourcing to drive positive social impact.

Anti-Money Laundering Policy:

Mandates strict compliance with Anti-Money Laundering and Anti-Terrorism Financing Act (AMLATFA) 2001 through rigorous customer due diligence and zero-tolerance protocols to safeguard against financial crimes.



Sustainable Investment

We aim to invest in properties and initiatives that align with our sustainability objectives, focusing on assets that are environmentally responsible, economically viable, and socially beneficial. Hektar REIT shall ensure that appropriate and adequate measures are planned for implementation to minimise and mitigate any potential and/or identified ESG risks for new acquisitions.

Sustainable Investment Principles:

Integrates robust ESG criteria - including climate resilience and ethical governance - into all acquisition and asset management decisions to build a Net-Zero aligned portfolio.

SUSTAINABILITY STATEMENT

Contributing to Global Progress

The United Nations Sustainable Development Goals (“SDGs”) comprise 17 global priorities aimed at driving meaningful change toward a more sustainable and equitable world. Hektar REIT has adopted nine of those goals most relevant to our operations, ensuring that our initiatives as a REIT make a purposeful contribution to the 2030 Agenda for Sustainable Development.

SDG 4: Quality Education

 **Target 4.4:** Increase the number of people with relevant skills for financial success

- Provided 5,053.5 total training hours this year through diverse training modules and continuous learning opportunities for our employees



SDG 8: Decent Work and Economic Growth

 **Target 8.5:** Full employment and decent work with equal pay

- Adhered to equal pay principles and complied with the Employment Act 1955 and the Minimum Wages Order
- Provided compensation and benefits packages that exceed the minimum requirements under local labour laws



SDG 5: Gender Equality

 **Target 5.5:** Ensure full participation in leadership and decision-making

- 20% of the Board of Directors in 2025 comprised of women



SDG 10: Reduced Inequalities

 **Target 11.7:** Provide access to safe and inclusive public spaces

- By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- Institutionalise our Human Rights Policy to uphold our commitment to protecting human rights in line with the United Nations Universal Declaration of Human Rights



SDG 7: Affordable and Clean Energy

 **Target 16.5:** Double the improvement in energy efficiency

- Conducted energy audits and implemented energy efficiency measures such as LED upgrades, cooling coil replacements, and air-conditioning optimisation
- Solar panel installations across five properties are expected to be completed by Q1 2026, generating green energy equivalent to approximately 15% of each property’s electricity consumption



SUSTAINABILITY STATEMENT



SDG 11: Sustainable Cities and Communities

 **Target 11.7:** Provide access to safe and inclusive public spaces

- Enhanced accessibility with disability-friendly designs, including wheelchair access and dedicated facilities
- Strengthened security through upgraded surveillance, panic buttons, 24-hour security, and ladies-only parking
- Conducted regular fire drill and safety-device maintenance, and performed on-site inspections



SDG 13: Climate Action

 **Target 16.5:** Strengthen resilience and adaptive capacity to climate-related disasters

- Established Climate Change Policy
- Enhanced climate-related disclosures by identifying climate-related risks and opportunities



SDG 12: Responsible Consumption and Production

 **Target 16.5:** Substantially reduce waste generation

- Encouraged recycling by installing additional bins across shopping malls
- Collected 13,968kg of fabrics, 730kg of PET-1 bottles and 205kg of aluminium cans for recycling at Subang Parade



SDG 16: Peace, Justice and Strong Institutions

 **Target 16.5:** Substantially reduce corruption and bribery

- Introduced an Anti-Money Laundering Policy alongside the Anti-Corruption and Anti-Bribery Policy
- Conducted regular anti-corruption training for employees and Board members
- Recorded zero confirmed cases of bribery or corruption in FY2025

SUSTAINABILITY STATEMENT

THE SUSTAINABILITY SCORECARD

We monitor our advancement towards our sustainability ambitions through a set of Key Performance Indicators (“KPIs”) aligned with the Hektar REIT Forward Faster Sustainability Roadmap 2050. These KPIs serve as clear, measurable milestones that help us track our progress, stay accountable, and identify opportunities for continued improvement. The following section details our KPIs as well as our performance in FY2025 against the baseline.

2030 TARGETS	OUR PERFORMANCE IN FY2025
<div style="display: flex; align-items: center;"> <div> <h3>ADVANCING</h3> <p>Advancing low-carbon portfolios and strategically acquiring sustainable assets</p> </div> </div>	
<p>Reduce 10% of Scope 1 and Scope 2 emissions by 2030 <i>Baseline: 4.743 kgCO₂e/ft²</i></p> <hr/> <p>Reduce 20% of electricity consumption by 2030 <i>Baseline 2023: 8.37 kWh/ft²</i></p> <hr/> <p>Reduce 10% of water utilisation by 2030 <i>Baseline 2023: 0.026 m³/visitor</i></p> <hr/> <p>Reduce 15% of waste disposed to landfill by 2030 <i>Baseline 2023: 1.485 kg/ft²</i></p>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 5px;"> <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> </div> <div>2.68% reduction</div> </div> <hr/> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 5px;"> <input type="radio"/> <input checked="" type="radio"/> <input type="radio"/> </div> <div>0.79% increase</div> </div> <hr/> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 5px;"> <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> </div> <div>14.15% reduction</div> </div> <hr/> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 5px;"> <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> </div> <div>3.30% reduction</div> </div>
<div style="display: flex; align-items: center;"> <div> <h3>CULTIVATING</h3> <p>Cultivating a responsible value chain and a committed, dignified workforce</p> </div> </div>	
<p>Conduct annual sustainability assessments for all newly onboarded vendors and those with large active contracts</p> <hr/> <p>Provide at least 20 hours of Learning & Development for each employee</p> <hr/> <p>Maintain at least 30% women representation on the Board</p>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 5px;"> <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> </div> <div>Completed sustainability assessments for 117 key vendors, prioritising new registrations and those with large active contracts</div> </div> <hr/> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 5px;"> <input type="radio"/> <input checked="" type="radio"/> <input type="radio"/> </div> <div>19.14 of training hours/employee</div> </div> <hr/> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 5px;"> <input type="radio"/> <input checked="" type="radio"/> <input type="radio"/> </div> <div>20% of women representation on the Board of Directors</div> </div>
<div style="display: flex; align-items: center;"> <div> <h3>THRIVING</h3> <p>Thriving through investment in community, inclusivity, and transparency in excellence</p> </div> </div>	
<p>Achieve zero-reported incidents of bribery and corruption</p> <hr/> <p>Commit to 1 annual company pledge to support community development initiatives</p> <hr/> <p>Maintain a FTSE4GOOD Bursa Malaysia ESG rating higher than 3.0</p>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 5px;"> <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> </div> <div>0 case reported</div> </div> <hr/> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 5px;"> <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> </div> <div>Hektar REIT committed to RM10,000 pledge with Dignity Malaysia</div> </div> <hr/> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 5px;"> <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> </div> <div>As of December 2025, Hektar REIT stands at 3.3 with 3-star rating</div> </div>

● Not progressing
 ● Progressing but not meeting interim target
 ● Meeting interim targets, maintain performance towards 2030 targets

Note: From FY2025 onwards, Hektar REIT adopted intensity-based environmental tracking using Gross Floor Area (“GFA”) for emissions and electricity consumption, number of visitors for water utilisation, and Occupied Net Lettable Area (all malls) and Gross Floor Area (Classic Hotel) for waste disposed to landfill, replacing absolute reduction targets to better reflect operational efficiency across a growing portfolio. The FY2023 baseline was reassessed and recalibrated to ensure a transparent and reliable reference point for the Group’s 2030 environmental targets, supporting stronger data governance and more consistent reporting

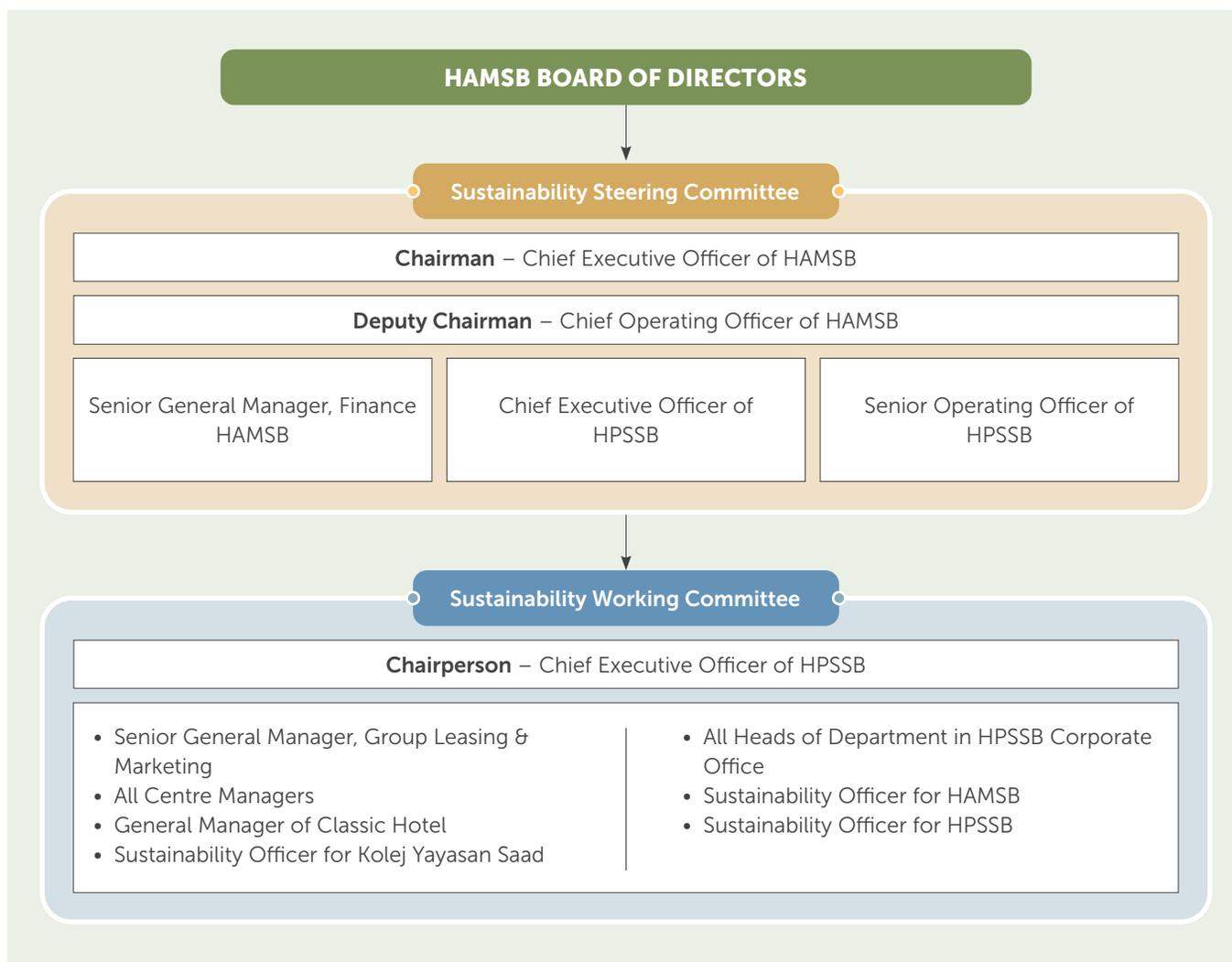
SUSTAINABILITY STATEMENT

SUSTAINABILITY LEADERSHIP AT HEKTAR REIT

Our sustainability governance structure clearly outlines the roles and responsibilities at every level, ensuring accountability and ethical decision-making throughout the organisation. At the helm is the Board of Directors, which upholds ethical business conduct and oversees adherence to sustainability governance principles.

Supporting the Board is the Sustainability Steering Committee (“SSC”), which provides strategic direction, approves key sustainability initiatives, and monitors progress against established KPIs.

The SSC is further supported by the Sustainability Working Committee (“SWC”), which is responsible for developing and coordinating initiatives aligned with our strategic priorities. At the operational level, the Sustainability Department manages the execution of day-to-day sustainability actions, ensuring consistent and effective implementation across the REIT.



Note:
 - HAMS - Hektar Asset Management Sdn Bhd
 - HPSSB - Hektar Property Services Sdn Bhd

SUSTAINABILITY STATEMENT

RECOGNISING AND RESPONDING TO STAKEHOLDER EXPECTATIONS

Engaging meaningfully with our stakeholders is vital to building a resilient and forward-looking organisation. Our ability to create lasting value depends on our understanding of the needs and priorities of our diverse stakeholder groups. By actively seeking their views through a range of engagement channels, we ensure their insights inform our planning and guide our strategic decisions, helping us remain responsive, responsible, and well-aligned with their expectations.

STAKEHOLDER	AREA OF INTEREST	OUR RESPONSE	ENGAGEMENT METHOD
 <p>Investor Community</p>	<ul style="list-style-type: none"> • Strong financial performance and consistent returns • Sustainable growth in net asset value • Prudent asset and capital management • Strategic outlook and growth prospects 	<ul style="list-style-type: none"> • Deliver consistent returns through strong asset performance and dividends • Provide transparent and timely reporting on financial results • Ensure robust governance and risk management • Focus on strategic acquisitions and portfolio growth 	<p>Ongoing</p> <ul style="list-style-type: none"> • Website updates • Attending inquiries via call, emails and walk-ins <p>Quarterly</p> <ul style="list-style-type: none"> • Financial results announcements and analyst briefing <p>Annually</p> <ul style="list-style-type: none"> • Annual reports • Annual general meetings <p>As needed</p> <ul style="list-style-type: none"> • Extraordinary general meetings • Roadshows, online and offline communications • Engagement dinners • Retail briefings
 <p>Government, Local Authorities and Regulators</p>	<ul style="list-style-type: none"> • Compliance with relevant legislation, regulations, and policies • Tax contributions and economic development • Participation in MRMA (Malaysian REIT Manager Association) regulatory dialogues • Participate in scheduled inspections; audit and regulating reviews to ensure compliance • Conduct of internal and external audits to maintain transparency standards • Attending SC briefings and updates 	<ul style="list-style-type: none"> • Adhere to all relevant laws and regulations • Building and maintaining rapport with local authorities • Contribute to local economies through taxes and job creation • Advocacy for REIT-friendly policies that protects investors and market stability • Collaboration with SC and Bursa to align industry practice with market expectations 	<p>As needed</p> <ul style="list-style-type: none"> • Inspection • Audits • Meetings and consultation • Active participation • Community engagement with city councils and joint initiatives • SC briefings and updates • Supporting CSR initiatives • Stay informed of regulatory changes
 <p>Tenants and Prospects</p>	<ul style="list-style-type: none"> • Consistent and high shopper traffic • Well-maintained properties with excellent management and service quality • Competitive rental rates that are value for money • Safety, security and well-being 	<ul style="list-style-type: none"> • Drive traffic through marketing events • Ensure regular maintenance, sustainability integration, and efficient property management • Fair, flexible, and market-driven rental solutions • Uphold strict safety standards 	<p>Ongoing</p> <ul style="list-style-type: none"> • Regular communication and engagement • Tenant circulars <p>Quarterly</p> <ul style="list-style-type: none"> • Tenant feedback meetings <p>As needed</p> <ul style="list-style-type: none"> • Support for critical tenants' corporate milestone events • Direct meetings and email exchanges • Tenant and shopper complaint form • Tenant briefings
 <p>Shoppers</p>	<ul style="list-style-type: none"> • Quality and variety of retail offerings • Clean, safe, and enjoyable environments • Convenient with good accessibility and connectivity • Engaging promotions, events and overall customer experience 	<ul style="list-style-type: none"> • Optimise tenants mix to enhance shopping experience • Provide conducive retail environments based on international best practices • Maintain high cleanliness and safety standards 	<p>Ongoing</p> <ul style="list-style-type: none"> • Social media • Regular shopper events <p>Quarterly</p> <ul style="list-style-type: none"> • Focus group studies <p>As needed</p> <ul style="list-style-type: none"> • Shopper's survey • Feedback forms

SUSTAINABILITY STATEMENT

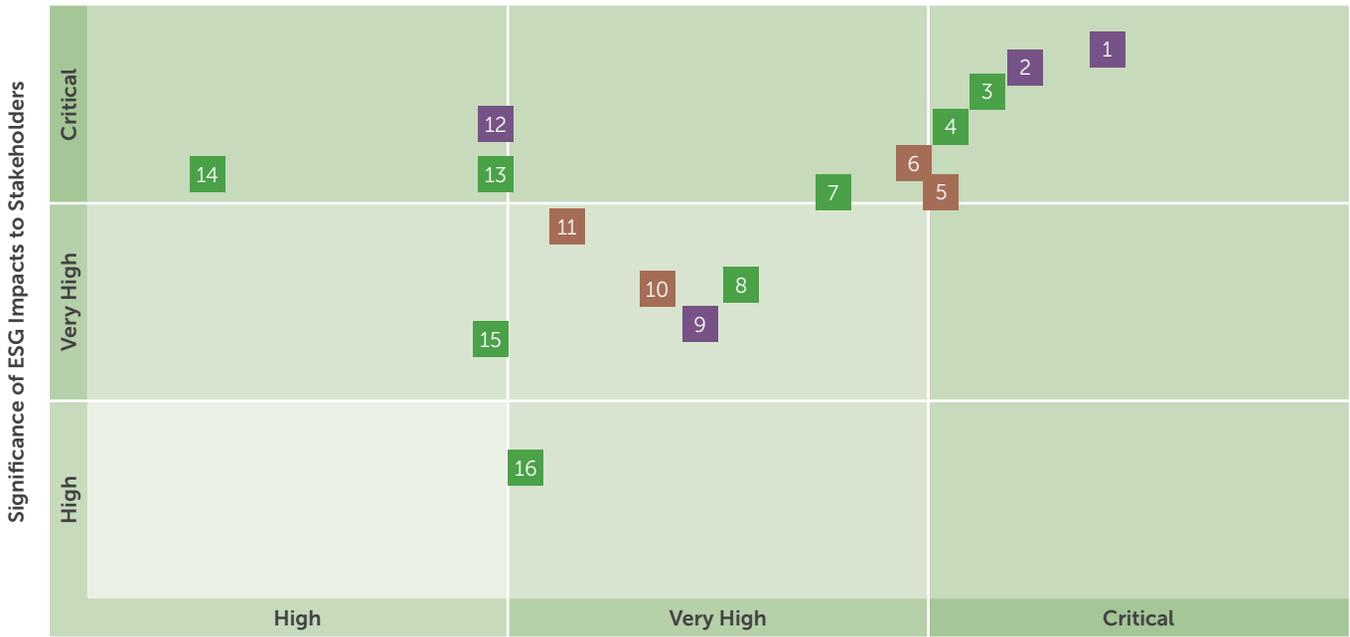
STAKEHOLDER	AREA OF INTEREST	OUR RESPONSE	ENGAGEMENT METHOD
 <p>Joint Management Bodies (“JMB”)</p>	<ul style="list-style-type: none"> • Efficient property operations and maintenance • Effective management of common areas and shared facilities in strata properties 	<ul style="list-style-type: none"> • Fair and transparent collaboration for smooth operations • Maintain high standards for shared spaces • Focus on maintaining property quality and tenant happiness 	<p>As needed</p> <ul style="list-style-type: none"> • JMB and MC Voting • Audited accounts and AGM minutes submission to the Commissioner of Buildings
 <p>Property Managers/ Employees</p>	<ul style="list-style-type: none"> • Clear KPIs for property manager and centre management • Operational performance and tenant satisfaction • Training, development, and career growth opportunities • Working together to resolve tenant issues 	<ul style="list-style-type: none"> • Provide resources for effective property management • Fair and equal employment opportunities • Invest in employees training, development and career progression • Safe and healthy working environment 	<p>Weekly meetings</p> <ul style="list-style-type: none"> • Operations <p>On-going</p> <ul style="list-style-type: none"> • Internal communications <p>Monthly</p> <ul style="list-style-type: none"> • Employee engagement programmes • Workshops and trainings • Performance reviews <p>Annually</p> <ul style="list-style-type: none"> • Performance appraisal • Employee satisfaction survey • Annual operating plan • Strategic alignment meetings <p>As needed</p> <ul style="list-style-type: none"> • Town hall sessions • ESG day
 <p>Suppliers</p>	<ul style="list-style-type: none"> • Fair procurement processes and payment terms • Long-term partnerships and business opportunities • Support of local suppliers 	<ul style="list-style-type: none"> • Ensure fair contract terms and timely payment • Foster long-term supplier relationships • Ensure supplier compliance with health and safety standards 	<p>Biannually</p> <ul style="list-style-type: none"> • Suppliers briefing and training programme <p>Annually</p> <ul style="list-style-type: none"> • Supplier screening and assessment <p>As needed</p> <ul style="list-style-type: none"> • Products and services quality feedback • Tender interview and request for proposal • Meetings and workshops
 <p>Community/Non-Governmental Organisations (“NGOs”)</p>	<ul style="list-style-type: none"> • Venue sponsors and donations • Social contributions and community engagement • Local economic development and employment opportunities 	<ul style="list-style-type: none"> • Provide support in community development and activities • Create jobs and support local economic growth 	<p>On-going</p> <ul style="list-style-type: none"> • Community engagement • Charity drives, sponsorships, donations and events • Collaborations and NGOs <p>Quarterly</p> <ul style="list-style-type: none"> • Festive and other get-together celebrations
 <p>Media</p>	<ul style="list-style-type: none"> • Timely and transparent communication of updates • Business performance and achievements • ESG commitments and corporate reputation 	<ul style="list-style-type: none"> • Provide regular and clear business updates • Share key performance and milestones • Highlight ESG efforts to strengthen reputation 	<p>Quarterly</p> <ul style="list-style-type: none"> • Media and analyst briefings <p>As needed</p> <ul style="list-style-type: none"> • Media conferences and interviews • Media releases • Corporate website • Social media

SUSTAINABILITY STATEMENT

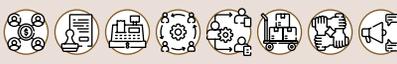
MATERIALITY ASSESSMENT

Understanding which sustainability matters genuinely shape our business is fundamental to driving real impact. At Hektar REIT, we pinpoint these priority areas through materiality assessments, helping us stay in step with what our stakeholders value most.

A comprehensive materiality assessment completed in FY2023 identified 16 material matters, followed by an update in FY2024 to align with the ACT Framework. While the next full assessment is scheduled for FY2026, an internal review conducted in FY2025 reaffirmed the relevance of these priorities and confirmed continued alignment with our strategy and market developments.



Significance of ESG Impacts to Business

 ADVANCING	 CULTIVATING	 THRIVING
<ul style="list-style-type: none"> 3. Energy and Climate Change 4. Water Management 7. Waste Management 8. Effluent Management 13. High-quality Retail Estate and Enhancement 14. Green Office Practices 15. Green Leases 16. Eco-friendly Building Materials <hr/> <p>UN SDGs</p> <div style="display: flex; justify-content: space-around;">    </div> <hr/> <p>Key Stakeholder Groups</p> <div style="display: flex; justify-content: space-around;">  </div>	<ul style="list-style-type: none"> 5. Human Rights, Diversity, Equity and Inclusion 6. Supply Chain Management 10. Occupational Health and Safety 11. Labour Practices and Standards <hr/> <p>UN SDGs</p> <div style="display: flex; justify-content: space-around;">    </div> <hr/> <p>Key Stakeholder Groups</p> <div style="display: flex; justify-content: space-around;">  </div>	<ul style="list-style-type: none"> 1. Public Safety 2. Corporate Governance and Anti-Corruption 9. Data Privacy and Cybersecurity 12. Community Engagement and Contribution <hr/> <p>UN SDGs</p> <div style="display: flex; justify-content: space-around;">    </div> <hr/> <p>Key Stakeholder Groups</p> <div style="display: flex; justify-content: space-around;">  </div>

SUSTAINABILITY STATEMENT

SETTING OUR TRAJECTORY TOWARDS NET-ZERO

As climate crises intensify, gaining a clear view of how our broader portfolio is affected has never been more important. By following established climate-related disclosure standards, we are better positioned to refine our transition strategy and provide stakeholders with a clearer and more detailed understanding of the climate-related risks and opportunities shaping the REIT.

Governance

As per our Sustainability Governance Structure outlined in the section **Sustainability Leadership at Hektar REIT**, HAMS B's Board provides oversight of climate-related risks and opportunities across our operations, ensuring they remain consistent with Hektar REIT's mission, vision, strategy and overall objectives. This work is supported by the SSC and led by HAMS B's Chief Executive Officer, who is responsible for evaluating and managing these climate-related risks and opportunities at a strategic level. The roles and responsibilities are outlined as below:

Oversight and Management of Climate-Related Risks and Opportunities

Board's Oversight

Board of Directors – Strategic Oversight & Governance

The Board ensures sustainability is integrated into the company's long-term strategy and risk management. Their key responsibilities include:

Setting Sustainability Vision & Strategy

- Approving the company's sustainability strategy, ensuring alignment with corporate goals and stakeholder expectations.
- Defining long-term commitments, including Net-Zero targets and ESG priorities.

Governance & Accountability

- Establishing a robust sustainability governance structure, including board committees (e.g., ESG or Risk Committee).
- Holding senior management accountable for achieving sustainability objectives.

Risk Management & Compliance

- Overseeing climate-related and ESG risks that could impact financial performance and business continuity.
- Ensuring regulatory compliance with local and international sustainability frameworks (e.g., Bursa Malaysia, TCFD, ISSB, GRI, UNGC).

Stakeholder Engagement & Reporting

- Approving ESG disclosures, sustainability reports, and investor communications.
- Engaging with shareholders and regulators on ESG-related expectations.

Approving Major Sustainability Investments & Initiatives

- Reviewing and approving high-value sustainability projects (e.g., solar panel investments, green financing, carbon reduction strategies).
- Ensuring capital allocation supports long-term sustainable growth.

Monitoring & Performance Evaluation

- Reviewing sustainability KPIs and ESG performance against targets.
- Holding management accountable for sustainability-linked executive remuneration.

Management's Role

Management – Execution & Implementation

Management is responsible for the operational execution of sustainability initiatives. Their key roles include:

Developing & Executing Sustainability Plans

- Translating the Board's sustainability vision into actionable policies, programmes, and initiatives.
- Driving implementation of energy efficiency, waste management, carbon reduction, and social impact initiatives.

Operational Risk Management & Compliance

- Ensuring day-to-day compliance with sustainability regulations and industry best practices.
- Managing internal sustainability audits and certification process.

Stakeholder & Employee Engagement

- Leading internal sustainability training, awareness, and capacity-building.
- Engaging tenants, suppliers, and community partners on sustainability initiatives.

Data Collection & Reporting

- Monitoring and tracking sustainability performance metrics (e.g., carbon footprint, energy intensity, water usage).
- Preparing sustainability disclosures, reports, and ESG performance dashboards for Board review.

Project Execution & Continuous Improvement

- Managing the rollout of sustainability projects, such as solar panel installations, green building certifications, and resource efficiency measures.
- Identifying new sustainability opportunities, innovations, and technologies for adoption.

Reporting to the Board

- Presenting regular updates on sustainability progress, challenges, and emerging risks.
- Providing data-driven insights to support Board decision-making on ESG matters.

SUSTAINABILITY STATEMENT

Strategy

Our climate-related risks fall into two categories: transition risks and physical risks. Transition risks arise from the move towards a low-carbon economy, driven by regulatory developments and changes in market expectations. Physical risks, on the other hand, result from the direct effects of climate change, including extreme weather events and rising temperatures, which can impact our assets and operations.

We have outlined the potential impacts and corresponding opportunities below. For more information on our climate strategy, refer to the “Forward Faster Sustainability Roadmap 2050”.

Transition Risks and Opportunities	
Potential Impacts	Opportunities
<p style="text-align: center;">Policy and Legal Effects of current and emerging regulations</p>	
<ul style="list-style-type: none"> Increased costs from more stringent environmental regulations and standards; non-compliance may lead to legal liabilities. 	<ul style="list-style-type: none"> Investing in smart building systems enhances our properties’ building energy index and reduces costs associated with energy consumption. Establishing robust emissions reporting systems ensures compliance and mitigates legal risks associated with climate regulations.
<p style="text-align: center;">Technology Transitioning to lower-emission alternatives</p>	
<ul style="list-style-type: none"> Significant capital investments in solar panels and smart building solutions to enhance energy efficiency. 	<ul style="list-style-type: none"> Long-term cost savings from lower energy use and improved efficiency, enhancing asset resilience and supporting a low-carbon portfolio.
<p style="text-align: center;">Market Changing market demand for sustainable and low-carbon assets</p>	
<ul style="list-style-type: none"> Properties that do not meet sustainability standards may face devaluation. Increasing energy costs may prompt tenants to favour energy-efficient buildings. Potential loss of tenants or difficulty in attracting new tenants. 	<ul style="list-style-type: none"> Upgrading to energy-efficient and sustainable properties can attract eco-conscious tenants. Obtaining green building certifications can enhance property value and attract investors.
<p style="text-align: center;">Reputation Changing consumer perceptions based on contribution to a low-carbon economy</p>	
<ul style="list-style-type: none"> Negative perceptions of the REIT’s environmental impact may reduce consumer loyalty and foot traffic to retail properties. 	<ul style="list-style-type: none"> Proactively promoting sustainability initiatives can attract eco-conscious tenants and consumers. Investing in sustainable practices and green certifications can enhance our reputation, fostering loyalty and trust among stakeholders.

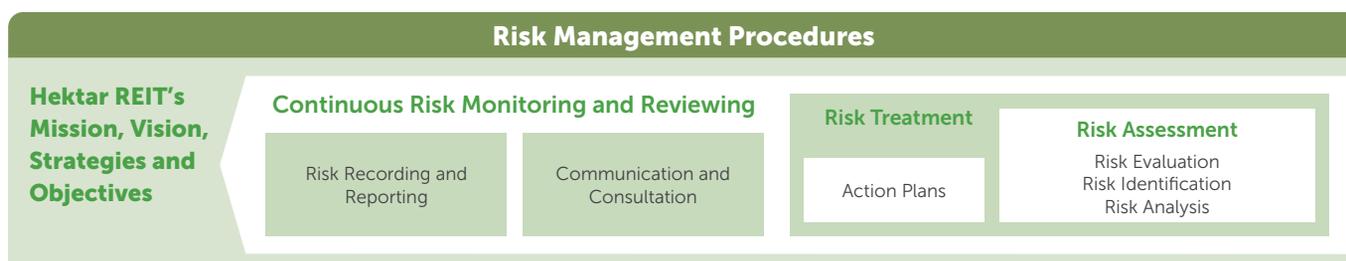
SUSTAINABILITY STATEMENT

Physical Risks and Opportunities	
Potential Impacts	Opportunities
Acute	
Exposure to increasingly frequent and severe extreme weather events such as floods, storms and landslides	
<ul style="list-style-type: none"> • Potential damage to properties, leading to costly repairs and maintenance. • Early asset write-offs may occur for properties in high-risk areas. 	<ul style="list-style-type: none"> • Retrofitting properties with climate-resilient features enhances asset value. • Implementing risk management strategies protects assets and reduces the risk of asset write-offs. • Diversifying investments in low-risk areas reduces exposure to extreme weather.
Chronic	
Exposure to prolonged climate shifts, including rising temperatures, changing precipitation patterns, and rising sea levels	
<ul style="list-style-type: none"> • Increasing operational costs during periods of higher energy demand for cooling. • Potential increase in insurance premiums. 	<ul style="list-style-type: none"> • Adopting energy-efficient technologies, such as solar panels and Heating, Ventilation, and Air Conditioning (“HVAC”) systems reduces operational costs. • Conducting regular insurance reviews to ensure adequate climate-related coverage and reduce financial risk. • Investing in resilient infrastructure and retrofits to reduce vulnerability to climate impacts, potentially lowering insurance costs.

Risk Management

The Manager carries out annual risk assessments to identify, assess, and document material risks, including relevant sustainability risks, key controls, and mitigation measures. Our Enterprise Risk Management (“ERM”) Framework aligns with the ISO 31000:2018 Risk Management - Guidelines and sets out the policies and procedures required for effective risk management.

The Board holds ultimate responsibility for risk management and the implementation of the ERM Framework, and carries out oversight through the Audit and Risk Management Committee (“ARMC”). The Risk Officer prepares a half-yearly Risk Report to highlight significant risk exposures across Hektar REIT. Management reviews the consolidated material risks, along with their associated controls, before presenting them to the ARMC and the Board.



Climate-related risks are now fully integrated into our ERM framework. To strengthen our oversight, we have formally embedded climate change into our risk register, ensuring these exposures are evaluated alongside critical business priorities. Moving forward, we are expanding our assessment to encompass broader sustainability-related risks, ensuring full alignment with the International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standards (IFRS S1 & S2).

SUSTAINABILITY STATEMENT

Metrics & Targets

We track and report our annual Scope 1, Scope 2, and limited Scope 3 GHG emissions, covering sources such as business travel and employee commute. All emissions are calculated according to the methodology outlined in the GHG Protocol Corporate Accounting and Reporting Standard to ensure accuracy and consistency in our reporting.

Metric	Unit	Description
GHG Emissions	tonnes of Carbon Dioxide equivalent ("tCO ₂ e")	Quantifies Scope 1, 2 and 3 (limited to business travels, employee commute and downstream leased assets) GHG emissions
Energy Usage	Gigajoules ("GJ")	Tracks total fuel and electricity consumption
Fuel Consumption	Litres ("L")	Measures the total amount of fuel used
Electricity Consumption	kilowatt-hours ("kWh")	Records the total electricity consumption
Waste	Tonnes	Measures total amount of waste generated
Water Usage	cubic metre ("m ³ ")	Measures total water consumption

In addition, a series of KPIs drawn from the Hektar REIT Forward Faster Sustainability Roadmap 2050 targets the reduction of GHG emissions, the improvement of energy and water efficiency, and the enhancement of waste management, with short-term objectives set for completion by FY2030.

Further details on our management approach and performance metrics are provided in the "Energy and Climate Change" section.

Following Malaysia's introduction of the National Sustainability Reporting Framework ("NSRF"), Hektar REIT is actively transitioning its reporting to align with the global IFRS S1 and S2 standards. This transition allows us to provide stakeholders with a transparent view of how climate-related risks translate into current and anticipated financial effects. Anchored by the core pillars of Governance, Strategy, Risk Management, and Metrics & Targets, we remain committed to contributing to national and global climate goals.



ADVANCING LOW-CARBON PORTFOLIO AND STRATEGICALLY ACQUIRING SUSTAINABLE ASSETS



Hektar REIT regards sustainability as a key driver of long-term resilience within an increasingly complex and evolving environmental landscape. We prioritise the integration of environmental initiatives across our built assets, seeking to advance national sustainability priorities while supporting our continued growth as a commercial real estate REIT.

Contribution to UN SDGs



Material Matters

- Energy and Climate Change
- Water Management
- Waste Management
- Effluent Management
- Green Office Practices
- Eco-friendly Building Materials
- High-quality Retail Estate and Enhancement
- Green Leases

Key Stakeholder Groups

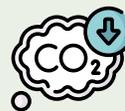


FY2025 Highlights

Initiated Solar PV Project across 5 properties that will reduce electricity consumption by **up to 15%**



3.35% Reduction in Scope 1 and Scope 2 GHG emissions intensity across all properties against 2024



18.42% Reduction in water utilisation intensity against 2024



14,903kg of waste has been recycled



Fabric **13,968kg**



PET-1 bottles **730kg**



Aluminium cans **205kg**



SUSTAINABILITY STATEMENT

ENERGY AND CLIMATE CHANGE

Climate change is reshaping the way assets are managed, and we recognise the responsibility this places on us as a property manager. Our approach focuses on strengthening the resilience of our portfolio while supporting the transition towards a lower-carbon future. By embedding sustainability into how we plan, operate, and invest, we aim to deliver enduring value for our stakeholders.

Net-Zero Ambition and Climate Action

We have set a long-term ambition to achieve net-zero carbon emissions across all properties by 2050, encompassing both operational and embodied carbon. Progress towards this goal will be driven by targeted actions, including:

Lowering operational emissions (Scope 1 and 2)
by 2030 through improved energy performance and closer collaboration with tenants, suppliers, and partners to adopt cleaner, more efficient solutions.

Influencing value-chain emissions (Scope 3)
by working with stakeholders to encourage responsible practices and accelerate the adoption of low-carbon alternatives by 2030.

Enhancing asset sustainability
by integrating energy-efficient technologies and sustainable design principles into new acquisitions and ongoing asset enhancement works.

Our Climate Action Priorities

Our approach to climate action centres on reducing emissions, strengthening asset resilience and embedding sustainability into investment and operational decisions. Through the following priority areas, we seek to lower our environmental impact while creating long-term value across our portfolio.

Energy efficiency and clean energy adoption

We are taking active steps to curb energy consumption across our properties by upgrading systems, retrofitting existing assets and progressively increasing the use of renewable energy. These efforts are designed to reduce emissions while delivering long-term operational efficiencies.

Responsible materials and construction practices

Where development or refurbishment is undertaken, we prioritise the use of responsibly sourced and environmentally considerate materials with lower embodied carbon. Our focus extends to minimising material waste and reducing overall resource intensity throughout the project lifecycle.

Embedding climate risk into decision-making

Climate-related risks are systematically evaluated across our portfolio and factored into strategic planning. By identifying and prioritising both adaptation and mitigation measures, we aim to enhance the resilience and long-term performance of our assets.

Partnerships for wider impact

Recognising that a significant portion of our carbon footprint lies beyond our direct operations, we work closely with tenants, suppliers and local communities to promote sustainable practices. Collaboration and shared responsibility are central to driving meaningful progress on climate action.

Sustainability-led investment strategy

Our investment decisions are guided by our Sustainable Investment Principles, with emphasis placed on assets that offer opportunities for sustainability improvements and energy optimisation. This approach supports value creation while aligning our portfolio with long-term environmental objectives.

SUSTAINABILITY STATEMENT

Solar Photovoltaic (“PV”) Installation Programme

As part of our commitment to climate-conscious operations, we are rolling out on-site PV systems across our retail portfolio, including Subang Parade, Mahkota Parade, Central Square, Kulim Central, and Segamat Central through a 20-year strategic partnership with Samaiden Group Berhad (“Samaiden”). Samaiden assumes full responsibility starting from the end-to-end solar design, installation, and maintenance of the systems for the 20 years tenure.

Scheduled for full commercial operation by the first half of 2026, this project is a core pillar of our ACT (Advance, Cultivate, Thrive) Framework and aligns with the United Nations Global Compact (“UNGC”) principles. By integrating a Zero-Capex Model, we are advancing our sustainability credentials without upfront capital expenditure, allowing us to redirect resources toward other strategic priorities while securing immediate operational efficiencies.

This transition is designed to optimise the Triple Bottom Line by enhancing environmental impact, ensuring financial resilience, and delivering long-term benefits to our tenants, investors, and communities. By diversifying our energy mix with a total capacity of 5,012.08 kWp, we are directly supporting Malaysia’s Renewable Energy Roadmap (“MyRER”) and the national goal of Net-Zero emissions by 2050 while mitigating exposure to electricity price volatility.



Project Milestones at a Glance



RM41.3 million

total projected cumulative energy cost savings over the 20-year tenure (Approx. RM2.06 million annually)



Estimated avoidance of **98,640 tCO₂e**

of Scope 2 carbon emissions over the project lifespan



The environmental impact equivalent to planting over 200 thousand trees per year
(205,500 trees per year)



Up to **15% potential reduction** of annual operational electricity costs across participating assets



➤ Hektar REIT and Samaiden Group at the signing ceremony for the solar panel project



➤ Zainal Iskandar Bin Ismail, Executive Director & Chief Executive Officer of Hektar REIT, delivering his speech during the ceremony

SUSTAINABILITY STATEMENT

Energy Efficiency Initiatives

In addition to our transition toward renewable energy adoption, Hektar REIT continues to implement operational initiatives to improve energy efficiency across our portfolio. These efforts focus on optimising equipment performance and reducing unnecessary electricity consumption while maintaining high operational standards. Key initiatives include:



Scheduling a **2-hour chiller shutdown** from 3am to 5am at Classic Hotel that saves approximately RM4K to RM5K per month



Installation of a **digital timer for the Water-Cooled Packaged Unit ("WCPU")** to reduce electricity consumption through scheduled operation at Wetex Parade

These comprehensive efforts encompassing both our green energy transition and our efficiency measures are directly linked to the Sustainability-Linked Financing (SLF) secured with CIMB Bank.



Sustainability-Linked Financing with CIMB Bank

This facility ties our interest rate margins to our electricity consumption performance across our retail malls and hotel assets. By meeting these energy reduction targets, Hektar REIT is eligible for a stepped-down interest rate

This effectively aligns our environmental stewardship with optimised financing costs. This financial incentive reinforces our commitment to advancing green energy adoption, improving operational efficiency, and delivering long-term value creation

In FY2025, Hektar REIT’s total landlord energy consumption was 29,424,939 kWh of electricity, alongside 111.17 GJ of energy from diesel used for generator operations.

In response to energy audit recommendations, we have implemented targeted efficiency measures to optimise current consumption. Concurrently, larger-scale initiatives requiring significant capital investment are being evaluated for inclusion in our long-term energy strategy to ensure continued progress toward our sustainability goals.

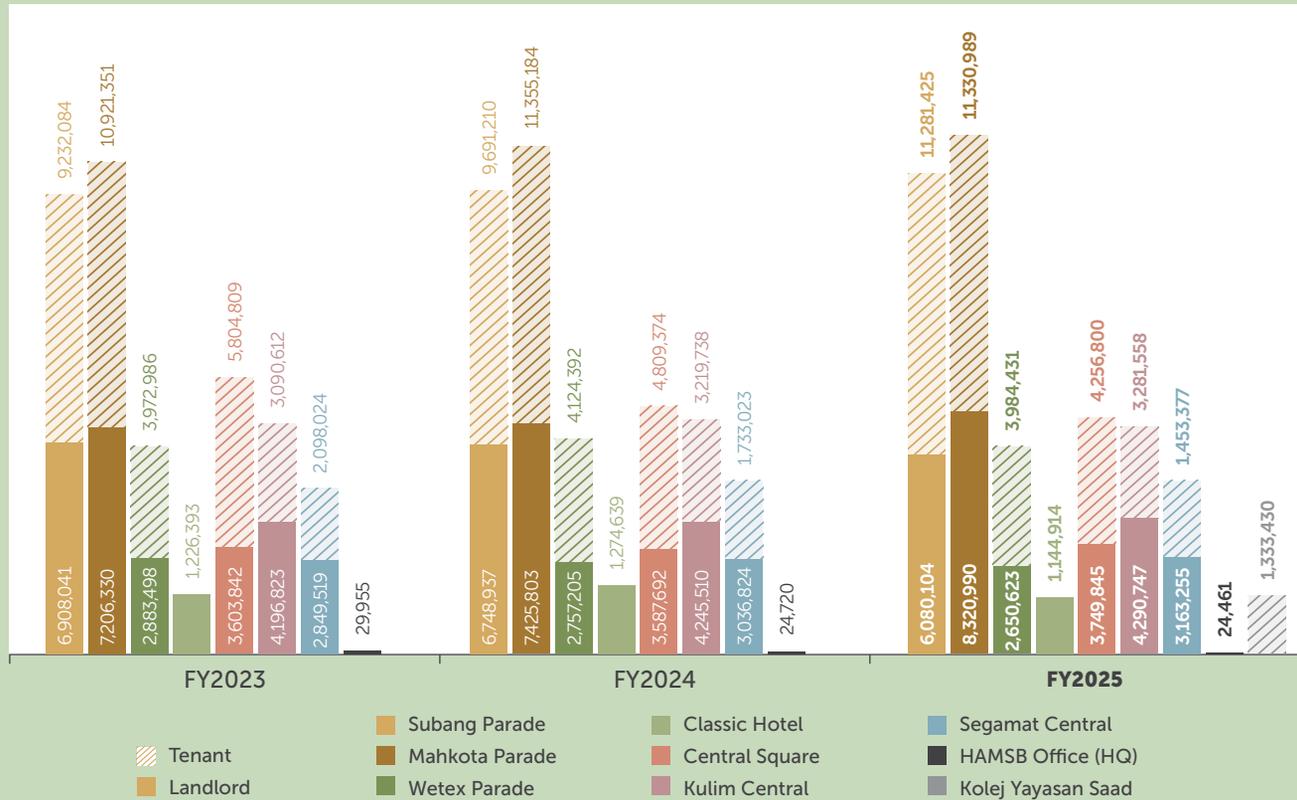
	FY2023	FY2024	FY2025
Total Building Energy Index ("BEI") (kWh/m ² /year)	146.04	146.06	139.60

Notes:

- Data include all properties managed by Hektar REIT including leased asset Kolej Yayasan Saad in the FY2025 data following its acquisition in July 2024
- Data was calculated based on electricity consumption from Hektar’s TNB bills against the Gross Floor Area. Gross Floor Area ("GFA") was used for all properties as declared in our Annual Report

SUSTAINABILITY STATEMENT

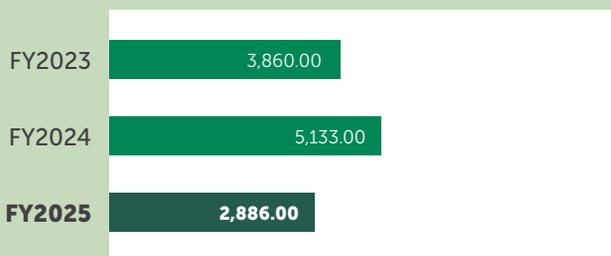
Total Building Electricity Consumption (kWh)



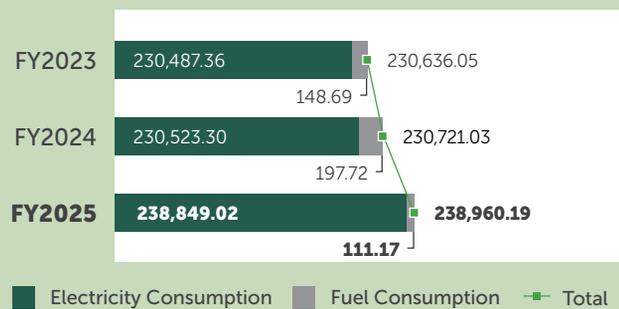
Notes:

- Figures stated may not add up due to rounding of decimals
- Data for FY2023 and FY2024 have been restated
- Tenant electricity consumption is derived from tenants' own TNB meters or from Hektar REIT submeters where electricity is supplied by the Group and recharged to tenants
- Sole lots and leased asset (Kolej Yayasan Saad) electricity consumption is included within Tenant electricity consumption

Fuel Consumption (L)



Total Energy Consumption (GJ)



Notes:

- Figures stated may not add up due to rounding of decimals
- Data for FY2023 and FY2024 have been restated
- Electricity consumption under Total Energy Consumption includes both landlord and tenant consumption, with sole lots and the leased asset (Kolej Yayasan Saad) included within tenant electricity consumption

SUSTAINABILITY STATEMENT

Total GHG Emissions

Our total GHG emissions comprise direct Scope 1 emissions from fuel consumption, indirect Scope 2 emissions from landlord electricity consumption, and Scope 3 emissions, which encompass activities such as business travel, employee commutes and downstream leased assets (i.e: tenant, leased asset and sole lots electricity consumption).

In FY2025, there is a 2.05% reduction in total emissions, equivalent to 1,036.83 tCO₂e, compared to previous year.

	FY2023	FY2024	FY2025
Total GHG Emissions (tCO ₂ e)	50,332.05	50,580.17	49,543.35

Scope 1 and Scope 2 GHG Emissions

Our greenhouse gas emissions are mainly driven by electricity consumption across our buildings and fuel use for generator operations across our properties. We achieved an overall 3.35% intensity reduction in combined Scope 1 and 2 emissions against 2024. This positive outcome reflects the effectiveness of our Group-wide energy efficiency initiatives, which more than offset the emissions impact of portfolio expansion.

	FY2023	FY2024	FY2025
Total Scope 1 and Scope 2 GHG Emissions (tCO ₂ e)	22,382.27	22,538.09	21,782.14
Total Scope 1 and Scope 2 GHG Emissions Intensity kgCO ₂ e/ft ²	4.743	4.776	4.616

Note:

- Data for GHG Emissions Intensity was calculated using the Gross Floor Area. Gross Floor Area ("GFA") was used for all properties as declared in our Annual Report



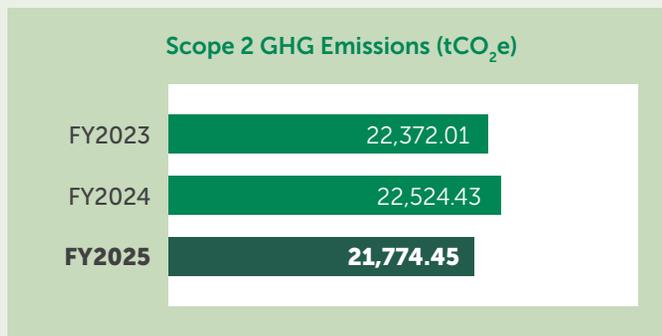
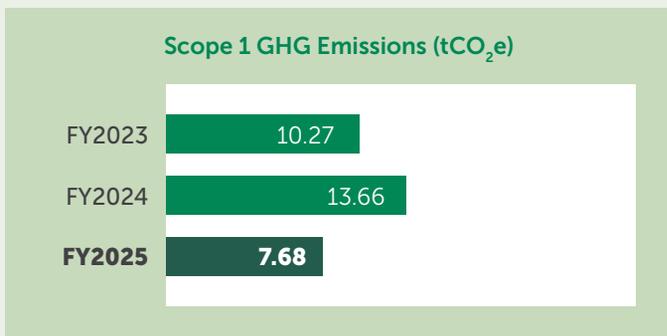
3.35%

Reduction in Scope 1 and Scope 2 GHG Emissions Intensity across all properties against 2024



➤ Solar panel installation at Mahkota Parade

SUSTAINABILITY STATEMENT



Notes:

- Figures stated may not add up due to rounding of decimals
- Data for FY2023 and FY2024 have been restated
- Scope 1 emissions result from the direct combustion of diesel for genset by centres. These were calculated using the UK Department for Environment, Food & Rural Affairs (DEFRA) guidelines with the following emission factors (kgCO₂e/L):
 - Diesel: FY2023 (2.66), FY2024 & FY2025 (2.66155)
 - Petrol: FY2023 (2.35), FY2024 (2.35372), FY2025 (2.33984)

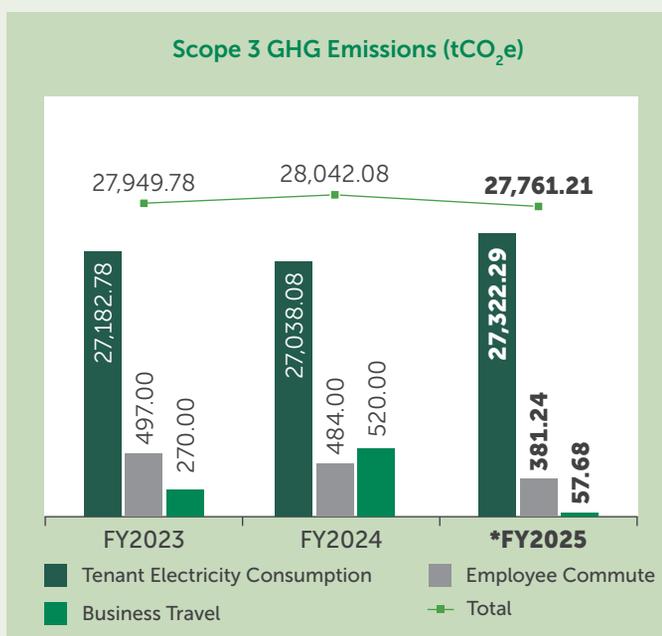
- Scope 2 emissions stem from purchased grid electricity by landlord operations and were calculated using the Grid Emission Factor (GEF) from Malaysia's Energy Commission (Suruhanjaya Tenaga) with the following emission factors (kgCO₂e/kWh):
 - FY2023 & FY2024 (0.774)
 - FY2025 (0.74)

Scope 3 GHG Emissions

In FY2025, our Scope 3 emissions totalled 27,761.21 tCO₂e, comprising tenant, leased asset and sole lots electricity consumption, business travel, and employee commuting. Emissions from tenant, leased asset and sole lots electricity consumption were influenced by factors such as space usage, operating hours, and installed equipment.

For this reporting period, our business travel disclosures focused specifically on land-based travel to ensure consistent and accurate data tracking.

Additionally, we surveyed employees across Hektar REIT to better understand commuting patterns. These insights enable us to set more precise targets and take meaningful steps to reduce our overall environmental impact.



Notes:

- Figures stated may not add up due to rounding of decimals
- Data for Tenant Electricity Consumption FY2023 and FY2024 have been restated
- *FY2025 Scope 3 emissions were calculated based on a survey response rate of 37.88% (100 out of 264 employees) and prorated to represent the full employee population
- Tenant electricity consumption is derived from tenants' own TNB meters or from Hektar REIT submeters where electricity is supplied by the Group and recharged to tenants. Sole lots and leased asset (Kolej Yayasan Saad) electricity consumption is included within Tenant electricity consumption. These were calculated using the Grid Emission Factor (GEF) from Malaysia's Energy Commission (Suruhanjaya Tenaga) with the following emission factors (kgCO₂e/kWh):
 - FY2023 & FY2024 (0.774)
 - FY2025 (0.74)

- Emission for employee commute and business travel for FY2025 were calculated using the emission factor from UK Department for Environment, Food & Rural Affairs (DEFRA) 2025 guidelines with the following emission factors:
 - Car (kg CO₂e/vehicle-km): Diesel (0.17304), Petrol (0.16272), Hybrid (0.12825)
 - Motorcycle (kg CO₂e/vehicle-km): 0.11367
 - Train (kg CO₂e/passenger-km): 0.0286
 - Bus (kg CO₂e/passenger-km): 0.10385

SUSTAINABILITY STATEMENT

WATER MANAGEMENT

While Hektar REIT’s properties are not located in water-stressed areas, we recognise the growing importance of responsible water stewardship in addressing long-term scarcity risks and reducing environmental impact. We refer to our Water Stewardship Policy to guide us in our water management approach, focusing on managing risk, improving efficiency and strengthening operational resilience across the portfolio. We integrate responsible water management into daily operations while ensuring compliance with regulatory requirements and preparedness for water-related disruptions.

Water Stewardship Policy	
Regularly assessing water-related risks and opportunities with potential financial or strategic implications across the portfolio	Ensuring backup water storage capacity meets or exceeds regulatory minimums, with continuous monitoring of effluent discharge against environmental standards
Establishing and maintaining standard operating procedures for managing water shortages, supply disruptions and water-related incidents at all operational sites	Embedding water-efficient technologies across properties to optimise usage
Incorporating water efficiency requirements into tenant fit-out guidelines to encourage responsible consumption	Assessing the feasibility of rainwater harvesting and other non-potable water solutions at operational sites

SUSTAINABILITY STATEMENT

Oversight of water stewardship lies with the Board of Directors, supported by the Sustainability Department, which coordinates implementation and tracks performance against targets. Each property is responsible for on-site execution, working closely with tenants to foster responsible water use. Key water management initiatives implemented over the past year include:

Water Management Initiatives

 <p>Sub-metering by zone to monitor water consumption more accurately and identify abnormal water readings or high-usage areas.</p>	 <p>Installation of water-efficient fixtures, including low-flow faucets, sensor taps, and water-saving fittings.</p>
 <p>Optimisation of cooling tower operations, including efficient management of blowdown cycles to reduce water loss.</p>	 <p>Regular inspection and maintenance of piping systems by the in-house maintenance team to promptly detect and repair leaks.</p>
 <p>Awareness campaigns to promote responsible water use among tenants and employees.</p>	 <p>Sustainable landscaping practices, such as selecting low-water-demand plants, to minimise irrigation needs.</p>

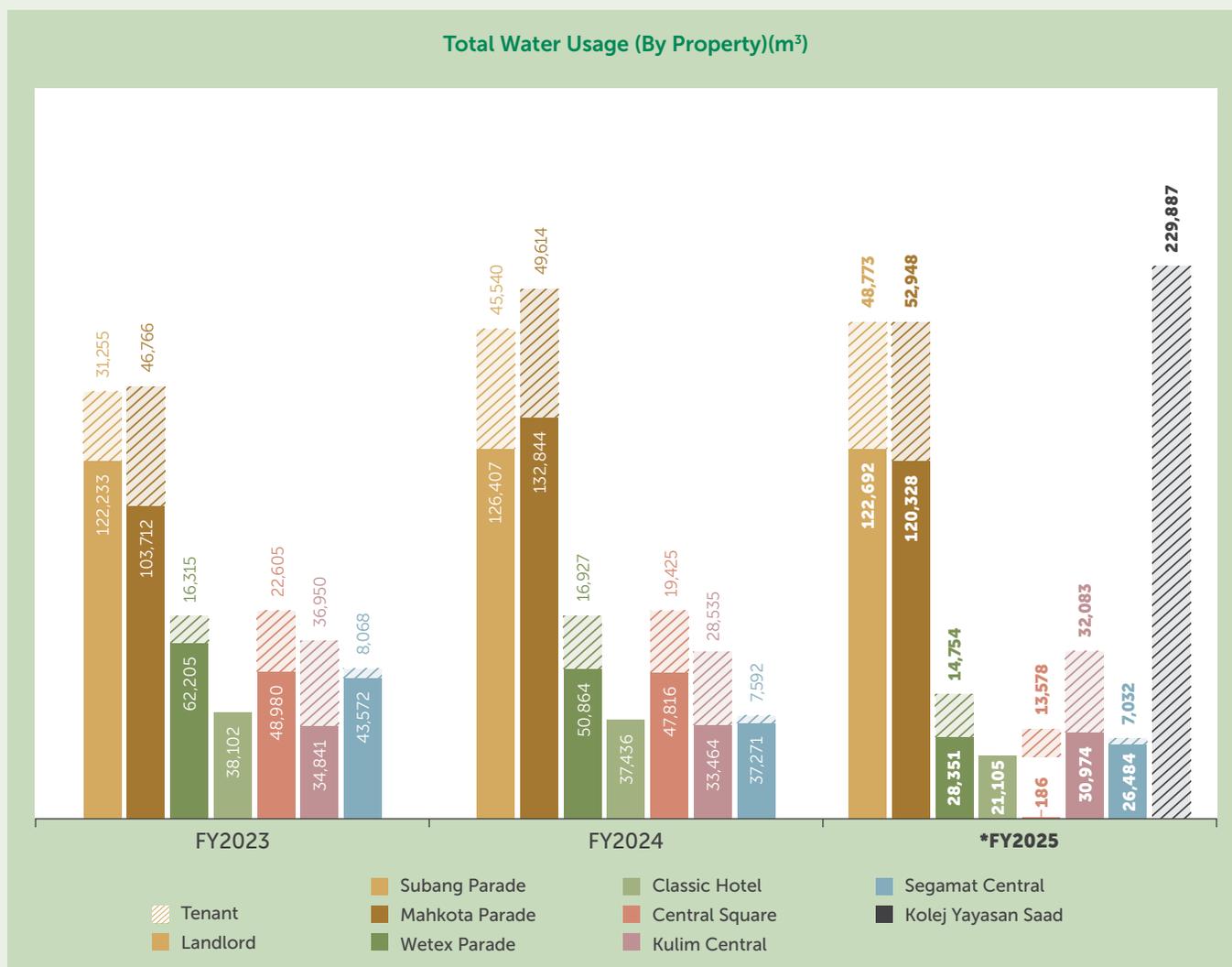
The following data outlines our water consumption patterns over the last three financial years. The breakdown by property illustrates the impact of our conservation efforts and the expansion of our portfolio.

	FY2023	FY2024	*FY2025
Total Water Usage Intensity (m ³ /visitor)	0.026	0.028	0.023

Notes:

- * Data was calculated using the number of visitors for the year. Number of visitors was used for all malls and number of guests was used for Classic Hotel
- * Data does not include HAMS Office (HQ) as there is no water bill

SUSTAINABILITY STATEMENT



Notes:

- Figures stated may not add up due to rounding of decimals
- Data for FY2023 and FY2024 have been restated
- *Data include all properties except for HAMS B Office (HQ). FY2023 and FY2024 data does not include Kolej Yayasan Saad, starting FY2025 reporting boundary was expanded to include our leased asset, Kolej Yayasan Saad
- Data is inclusive of both tenant and landlord water consumption, based on water bills
- Tenant water consumption is derived from tenants' own water submeters where water is supplied by the Group and recharged to tenants

SUSTAINABILITY STATEMENT

WASTE AND EFFLUENT MANAGEMENT

Hektar REIT adopts a proactive approach to waste management, guided by our ESHS Policy. Our goal is to minimise the environmental impact of day-to-day operations through structured and responsible waste handling practices. The Property Manager is responsible for implementing Waste Management SOPs across all operational areas, including tenant activities, food and beverage outlets, and refurbishment works.

Where waste generation cannot be eliminated, we seek to minimise its impact through sustainable, legally compliant methods. Our approach is aligned with the waste management principles – prevention, reduction, reuse, recycling, recovery and, as a last resort, disposal – and complies with the Solid Waste and Public Cleansing Management Act 2007.

Key Waste Management Practices



Property-Level Waste Plans

Each property operates under a structured Waste Management Plan, ensuring all environmental documentation meets regulatory standards and internal benchmarks.



Green Office Practices

We have accelerated the adoption of digital solutions, reducing paper dependency and optimising workflows.



Tenant Compliance

We embed waste management obligations directly into Tenancy Agreements. Compliance is verified through periodic site inspections.



Regulated Disposal

We partner with licensed contractors to ensure that all waste collection and disposal processes adhere to environmental regulations and safety protocols.



Waste Segregation

Properties and tenants are provided with temporary storage facilities for domestic, scheduled and non-hazardous waste.



Recycling Bins and Awareness Campaigns

Some of our properties have recycling bins installed with awareness campaigns to improve waste management and sustainability performance.



Recycling Consumables

We provide conveniently located recycling bins in our guest rooms at Classic Hotel to encourage our guests to join us in reducing waste by recycling shampoo and water bottles during their visit.



Fabric Collection for Recycling

In collaboration with Kloth Cares, we continue to host fabric recycling bins in our basement car parks. This initiative facilitates the responsible disposal of textiles, and has successfully collected 13,968kg of fabric to date.



Plastic Bottles & Aluminium Cans Collection for Recycling

We continue to host the KLEAN machines on the Lower Ground Floor, allowing users to exchange plastic bottles and aluminum cans for reward points via the KLEAN app. To date, we have successfully collected 935.43kg of Polyethylene Terephthalate (PET) and aluminum cans.

SUSTAINABILITY STATEMENT

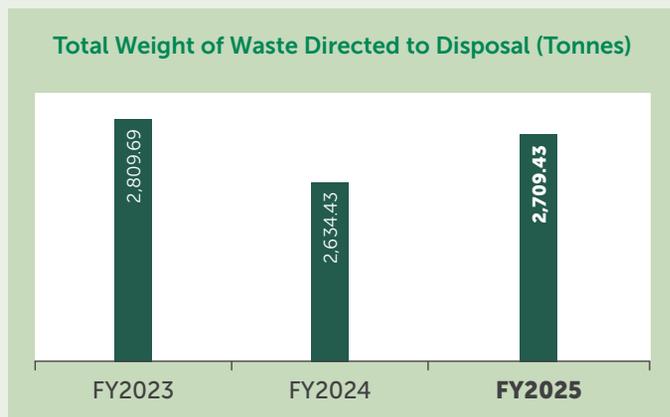
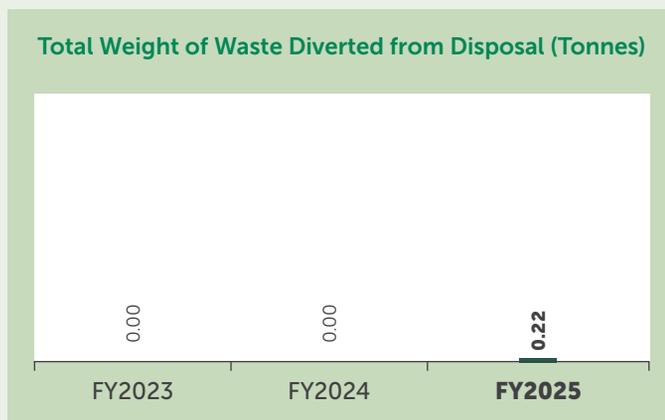
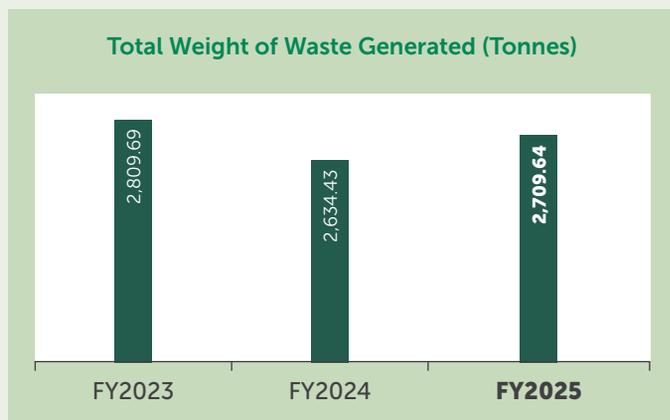
In FY2025, our total waste disposed to landfill intensity shows a slight increase compared to FY2024. While the waste diverted through initiatives such as Kloth Cares and KLEAN does not contribute to this specific increase, given that the recyclables were collected from the public rather than generated by the properties, these efforts nevertheless reinforce our commitment to responsible waste management and circular economy practices.

Nonetheless, these initiatives play a meaningful role in reducing broader community waste and promoting sustainable disposal practices.

	FY2023	FY2024	FY2025
Total Waste Disposed to Landfill Intensity (kg/ft ²)	1.485	1.431	1.436

Note:

- Data was calculated using Occupied Net Lettable Area for all malls and Gross Floor Area for Classic Hotel. Total Occupied Net Leasable Area and Gross Floor Area are as declared in our Annual Report



Notes:

- Figures stated may not add up due to rounding of decimals
- Data for FY2023 and FY2024 have been restated
- Data does not include HAMS Office (HQ) and our leased asset, Kolej Yayasan Saad as their waste is collected by the local municipal/building management which quantity cannot be traced
- Waste disposed to landfill is based on the weight declared and claimed by the waste management company that handles our centres waste disposal. The weight is based on the weighbridge measurement at the landfill they dispose at

We believe that a greener planet starts at the office. We encourage our employees to join our waste reduction efforts by adopting some green office practices, including double-sided printing to reduce paper usage and use of reusable cups and kitchenware.

SUSTAINABILITY STATEMENT

To strengthen effluent control and environmental protection, a wastewater management SOP was implemented and is overseen by the Property Manager, ensuring effective and compliant effluent discharge management across our portfolio. Some ongoing practices are:



Regular Inspections

Daily and weekly checks on sewage treatment plants



Maintenance Activities

Grease traps and discharge pipes cleaning, as well as conducting monthly water discharge tests as part of Planned Preventive Maintenance

HIGH-QUALITY RETAIL ESTATE AND ENHANCEMENT

At Hektar REIT, sustainability is integral to the way we design and operate our retail spaces, shaping every aspect of the customer experience. Our upgrades prioritise energy efficiency, passive design features, and the use of eco-conscious, responsibly sourced materials, creating spaces that are both environmentally responsible and adaptable to the changing needs of tenants and visitors.

Tenant Satisfaction Survey

We conducted Tenant Satisfaction Surveys across all properties to gather feedback across seven key areas:

- ✦ Condition and Appearance of the Shopping Centre
- ✦ Cleanliness in Common Areas and Responsiveness
- ✦ Reliability and Speed of Maintenance
- ✦ Security Management
- ✦ Car Park Conditions
- ✦ Leasing Support and Services
- ✦ Marketing Efforts and Services

Tenant Satisfaction Score (Rating):-



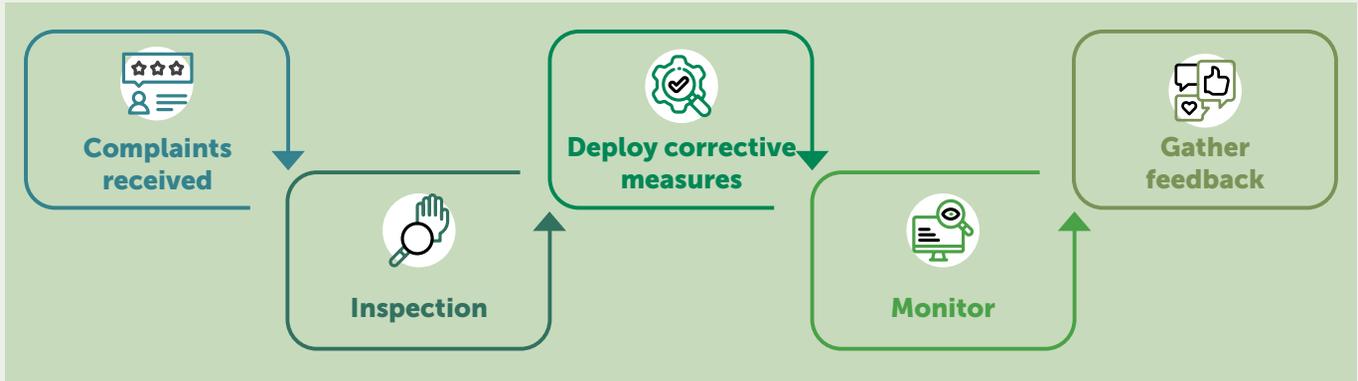
The survey results reflect tenant satisfaction score across properties, highlighting positive performance while identifying opportunities for continued improvement in tenant engagement and service excellence.

Note: Data is not applicable for Kolej Yayasan Saad, HAMS Office (HQ) and Classic Hotel

SUSTAINABILITY STATEMENT

Processes to remediate negative impacts

To address any negative impacts highlighted through tenant and customer feedback, the Group has established clear grievance management processes:



All tenant and customer feedback is promptly acknowledged and addressed, with department heads and managers coordinating appropriate measures to maintain a safe, comfortable, and well-managed environment.

Each case is carefully monitored to ensure effective resolution, while insights gathered through feedback forms, emails, and on-site observations drive ongoing improvements across all properties.

In FY2025,

 **16**
 Tenant grievances have been resolved

 **13**
 Public grievances have been resolved

ECO-FRIENDLY BUILDING MATERIALS

We prioritise the use of environmentally responsible materials across our refurbishments and maintenance works. By shifting away from conventional options, we actively reduce the environmental “weight” of our physical assets. Here is how Mahkota Parade put this into practice over the past year:

Compliance with Recognised Standards and Certifications

Eco-friendly materials used in the project comply with recognised sustainability standards, including:

- **Sustainable Forestry:** FSC (Forest Stewardship Council) certification for all timber and plywood products to ensure responsible forest management.
- **Indoor Environmental Quality:** Low-VOC and Green Label-certified paints, in accordance with Malaysian Standards (MS) and ISO environmental requirements.
- **Circular Materiality:** Verification of recycled content for steel and plastic composites, supported by supplier-provided certification.
- **Green Building Framework:** Selection of materials, such as cool-roof systems and insulation, that align with **Green Building Index (“GBI”)** recommendations to enhance asset efficiency.

SUSTAINABILITY STATEMENT

Types of Eco-Friendly Materials Used

Mahkota Parade adopts various eco-friendly building materials:

- **Recycled Steel:** Utilised in structural refurbishments to minimise reliance on virgin materials and promote circularity.
- **Low-VOC Paints:** Deployed in common areas and offices to enhance indoor air quality and occupant well-being.
- **Sustainably Sourced Timber:** FSC-certified timber and plywood used for carpentry and hoardings, ensuring responsible forest management.
- **Low-Carbon Concrete & RCA:** Incorporating Recycled Concrete Aggregates in pavement and non-load-bearing works to reduce carbon intensity and construction waste.
- **Recycled Plastic Composites:** Repurposed plastics used for durable outdoor fittings, landscaping, and partitions.
- **Cool Roof Coatings:** High-reflectivity coatings applied to roof surfaces to lower heat absorption and optimise HVAC energy efficiency.

Environmental Benefits

The use of eco-friendly materials delivers the following environmental benefits:

Lower Carbon Footprint

- Using recycled steel and low-carbon concrete that cuts emissions right at the source.
- Cool-roof coatings keep our buildings naturally cooler, saving electricity on air conditioning.

Lower Embodied Energy

- Materials such as recycled concrete aggregates (RCA), recycled plastic composites, and bamboo require less energy to produce than conventional materials.
- FSC-certified timber stores carbon and avoids emissions from unsustainable logging practices.

Reduced Resource Depletion

- Recycled materials reduce reliance on virgin resources such as ore, sand, and timber.
- Sustainably sourced timber supports responsible forest management.
- Low-VOC paints reduce chemical pollutants and improve indoor air quality, benefiting both occupants and the environment.

CULTIVATING A RESPONSIBLE VALUE CHAIN AND A COMMITTED, DIGNIFIED WORKFORCE



“Cultivate” speaks to Hektar REIT’s broader purpose: creating an environment where people are valued, protected, and empowered. Our approach centres on shaping a socially responsible ecosystem, one where human rights are upheld, respect is non-negotiable, and long-term positive impact is intentionally built. We prioritise rigorous health and safety practices throughout our operations and work hand-in-hand with our suppliers to advance sustainable progress across the entire value chain.

Contribution to UN SDGs



Material Matters

- Supply Chain Management
- Human Rights, Diversity, Equity and Inclusion
- Labour Practices and Standards
- Occupational Health and Safety

Key Stakeholder Groups



FY2025 Highlights

100%

of procurement expenditure on local suppliers



0

Substantiated cases of discrimination



0

Substantiated complaints regarding human rights violations



5,053.5

Total training hours provided to employees



SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT

Suppliers form an essential extension of Hektar REIT's business, supporting the day-to-day functions that keep our properties operating efficiently. We approach procurement as a partnership, one that progresses our sustainability ambitions and supports long-term, shared advancement.

The Manager works with a diverse range of suppliers, from facilities managers and maintenance contractors to professional consultants and financial institutions. Their involvement is guided by our Sustainable Procurement Policy, which sets clear expectations around sustainability performance and ethical conduct:

Supplier Selection and Evaluation

Suppliers are assessed on sustainability performance alongside commercial metrics (price, quality, service). The selection process prioritises suppliers that demonstrate:



Supplier Management Process

Our Supplier Relationship Management sets out the SOPs that guide a systematic process for onboarding, assessing, and managing our suppliers.



We actively empower our employees and supply chain partners through consistent training programmes and transparent communication, ensuring a shared alignment with our sustainable procurement standards. This commitment to capacity building is strengthened by our documentation practices, where we maintain records from supplier certifications to detailed audit reports to safeguard accountability.

SUSTAINABILITY STATEMENT

Supplier Screening and Assessment

Guided by our Sustainable Procurement Policy and Process, Hektar REIT applies a risk-based approach to assessing its supply chain.

In FY2025, our malls began conducting sustainability due diligence for new vendor onboarding and high-value contracts, ensuring that key partnerships are aligned with our environmental and social expectations from the outset. In parallel, we prioritise local suppliers to strengthen local businesses and generate broader socioeconomic value within the communities we serve.

This commitment was fully realised in FY2025, with 100% of procurement spend directed towards suppliers within the local market.

	FY2023	FY2024	FY2025
Number of new suppliers that were screened using environmental criteria/impacts	0	0	10
Number of new suppliers that were screened using social criteria/impacts	0	0	10



HUMAN RIGHTS, DIVERSITY, EQUITY AND INCLUSION

Hektar REIT values workforce diversity as a wellspring of unique talents and perspectives that fuel innovation. We foster an inclusive work environment where all employees are provided equal opportunities, regardless of race, age or gender.

Human Rights Policy

The Manager is committed to safeguarding human rights throughout every aspect of our operations. Our Human Rights Policy is grounded in the principles of the Employment Act 1955, the Children & Young Persons (Employment) Act 1966, other relevant legislation, and recognised international standards including all amendments. It applies to all directors, employees, and business associates (vendors, contractors, and third-party service providers) and other relevant stakeholders.



United Nations Guiding Principles on Business and Human Rights

Universal Declaration of Human Rights

International Labour Organisation's Declaration of Fundamental Principles and Rights at Work

SUSTAINABILITY STATEMENT

Our Human Rights Policy outlines our commitment to:

Diversity and Equal Opportunity

All employees will have equal access to career development opportunities appropriate to their experience and abilities. We maintain a zero-tolerance policy toward discrimination, harassment, or ridicule based on gender, age, race, sexual orientation, or disability.

Respecting Freedom of Association

All employees can exercise their right to associate freely without the threat of reprisal. We maintain compliance with all applicable local labour regulations.

Workplace Security

We maintain a workplace free from all forms of physical, psychological, or verbal abuse, as well as any threat of harassment. We implement preventative measures and ensure that any reports, particularly regarding sexual harassment, are addressed with immediate fairness, strict confidentiality, and professional discretion.

Conducive Working Environment

We are dedicated in cultivating a professional ecosystem that promotes productivity, workplace harmony, work-life balance and employee well-being.

Safety and Health

We provide a safe, secure and healthy environment that safeguards the well-being of our workforce. By integrating the requirements of the Occupational Safety and Health Act 1994 and relevant environmental legislation into our daily operations, we empower our employees to maintain workplace safety and regulatory compliance.

Forced Labour

We do not condone or be a party to any work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself/herself voluntarily. This commitment extends beyond our direct operations as we conduct due diligence across our supply chain to uphold these ethical standards.

Child Labour

We adhere to the minimum age provisions of United Nations Convention on the Rights of the Child and the relevant standards under the International Labour Organisation. We are committed to ensure that no child labour is utilised directly within our business operations.

SUSTAINABILITY STATEMENT

Fair Wages and Benefits

All employees shall receive fair wages and benefits in strict compliance with the Minimum Wages Order and the Employment Act 1955.

Human Trafficking and Exploitation

We do not condone any act of human trafficking and sexual exploitation. We believe everyone shall be treated fairly and with dignity.

Human Rights Due Diligence

Some of our principles and approaches to human rights include:



Identify, prevent & mitigate and account for human rights impacts



Proactively integrate human rights considerations into decision-making processes



Assess actual and potential adverse human rights impacts



Mitigate adverse impacts and, where necessary, support or cooperate in remediation



Adopt a holistic approach to promote responsible and inclusive outcomes



Monitor and evaluate the effectiveness of actions taken



0 substantiated complaints of human rights violations were recorded for three consecutive years



0 substantiated cases of discrimination in FY2025



SUSTAINABILITY STATEMENT

Efforts to Promote Human Rights, Diversity, Equity and Inclusion



Religious & Cultural Inclusivity

We cultivate an environment that honours diverse cultural and religious traditions by providing dedicated prayer rooms, ensuring our workforce can practice their faith with dignity and ease.



Support for Working Mothers

To promote gender equity and support maternal health, we provide private, designated breastfeeding rooms, offering nursing mothers a comfortable and secure space within the office.



Accessibility & Inclusive Hiring

We actively dismantle barriers to employment through inclusive hiring practices and the implementation of disability-friendly facilities, ensuring equitable access to opportunities for all individuals.



Meritocracy & Career Longevity

Our commitment to professional growth is age-agnostic. We ensure that training, promotions, and performance appraisals are based strictly on merit and potential to support lifelong career advancement.



Freedom of Association & Collective Bargaining

We uphold our employees' rights to freely associate and participate in collective bargaining, ensuring that discussions around wages, working conditions, and benefits are fair, transparent, and aligned with both national regulations and international labour standards.

We also provide structured grievance mechanisms for employees to raise concerns about workplace conditions, employment terms, or other labour matters, offering a safe and confidential process. Each concern is addressed promptly, fairly, and in accordance with our ethical labour policies.

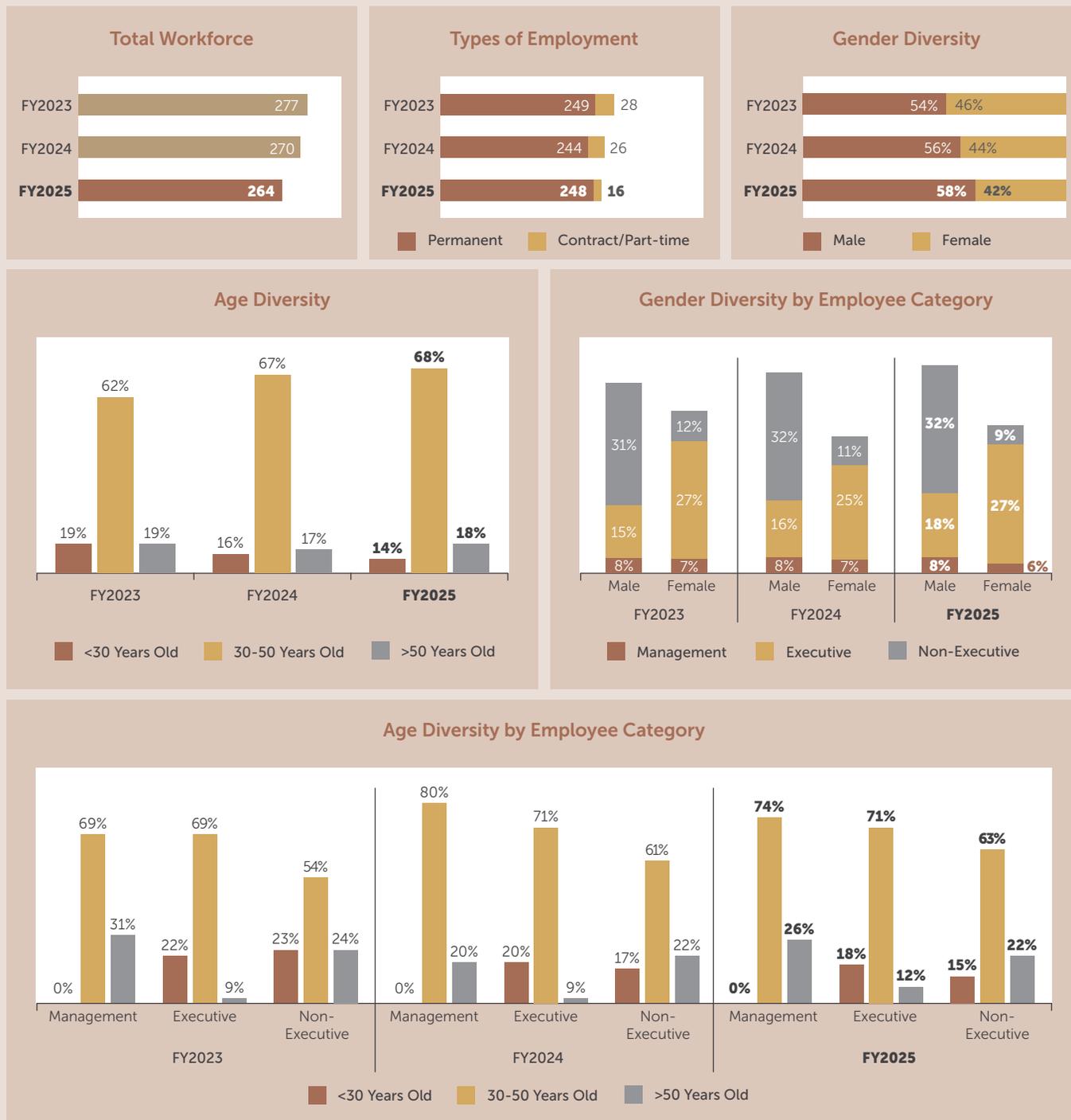
Grievance Channel

We provide a secure and confidential grievance channel that empowers both our employees and external stakeholders, including local communities, to report concerns or violations without fear of reprisal. This reporting structure is supported by an established remediation process designed to address and resolve any adverse impacts stemming from our business activities promptly and effectively.

SUSTAINABILITY STATEMENT

Workforce Diversity

The following section highlights workforce diversity at Hektar REIT, covering total employees, employment categories, and the gender and age profiles of our Manager and Property Management teams.



Notes:
 - Figures stated may not add up due to rounding of decimals
 - As of FY2025, none of our employees are persons with disabilities

SUSTAINABILITY STATEMENT

LABOUR PRACTICES AND STANDARDS

Hektar REIT recognises that the productivity and engagement of our employees are fundamental to the organisation’s growth and long-term success.

By prioritising employee welfare and cultivating a supportive work environment, we empower our workforce to perform at its best and contribute to sustainable business outcomes.

The Manager is committed to providing fair and equitable compensation in full compliance with the Employment Act 1955 and the Minimum Wages Order 2022, including all provisions relating to working hours and overtime. In addition to meeting statutory requirements, we progressively align employee remuneration with living wage standards. Complementing monetary pay, we also recognise and reward our employees through:



0
Confirmed instances of non-compliance with labour standards throughout FY2025

Compensation & Benefits



Leave Benefits

- Hajj Leave
- Birthday Leave
- Study & Examination Leave
- Annual Leave
- Parental Leave



Wellness and Medical Insurance

- Comprehensive medical coverage, including hospitalisation, surgical, personal accident and term life insurance
- Flexi-wellness for other wellness benefits (e.g., dental, optical, mental health support)



Fringe Benefits

- Mobile Phone Allowance
- Car Allowance
- Petrol and Tolls Subsidy
- Loyalty Rewards



Membership Subscription

- Professional Membership
- Sports and Recreational Membership

Employee Engagement, Recognition and Celebrations

Recognition and Rewards

We actively cultivate a high-performance culture by acknowledging individual and team excellence through structured rewards and long service awards that honour long-term dedication.

Corporate Celebrations

We foster social cohesion and high morale by celebrating diverse cultural festivals, personal birthdays, and organisational/professional milestones, strengthening the bonds within our workforce.

SUSTAINABILITY STATEMENT

Hektar REIT organises employee engagement activities to not only strengthen our people’s connections and encourage healthy lifestyles, but also to foster a sense of community. Some of activities include:



➤ Gym Sessions in July 2025



➤ Ping Pong Games in August 2025

Serving Team Spirit through Pickleball

Hektarians swapped their desks for the pickleball court for an evening of friendly competition, laughter, and a little exercise, followed by a light dinner. The event brought the team together, strengthening bonds, promoting wellness, and celebrating teamwork beyond the usual workday.

International Women’s Day

In celebration of International Women’s Day, Hektar REIT recognised the incredible women across the organisation who drive impact every day. Roses and chocolates were shared as a token of appreciation, reflecting our commitment to gender equality, inclusivity, and creating opportunities that empower women to grow, lead, and thrive—strengthening both our workplace and the wider community in line with our ESG principles.

Buka Puasa with Rumah Anak Yatim At-Taqwa

Hektarians came together for the Buka Puasa Event with Rumah Anak Yatim At-Taqwa on 20 March 2025. The evening was dedicated to sharing the blessings of Ramadan, where we provided a festive Iftar spread and distributed RM1,100 in Duit Raya to the 55 orphans. This initiative underscores our commitment to supporting the underprivileged and fostering community ties during the holy month.



➤ Pickleball



➤ Women’s Day



➤ HAMS CEO and COO giving duit raya to the orphans

SUSTAINABILITY STATEMENT

Team Building and Annual Dinner

Hektar REIT Team Building & Annual Dinner 2025 brought our teams together for two meaningful days of connection, collaboration, and celebration at Lexis Hibiscus, Port Dickson. Designed to support the well-being of the workforce and strengthen teamwork, the event offered a space for learning, laughter, and shared experiences beyond the workplace.

The highlight of the evening saw Hektarians embracing the “Movie” theme, dressed to the nines; turning the annual dinner into a vibrant celebration of creativity and camaraderie. Together, the event reinforced our appreciation for every individual’s contribution and our shared commitment to building a supportive, high-performing workplace culture.



➤ Team Building & Annual Dinner 2025

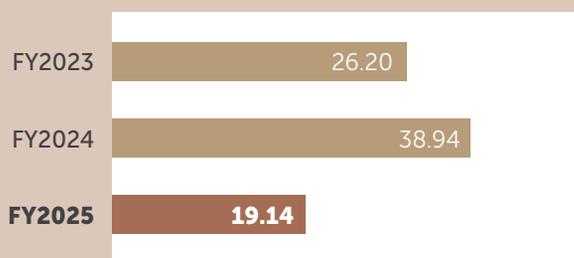
Employee Training

The continuous development of our people is the cornerstone of our operational excellence. In FY2025, we recorded 5,053.5 total training hours, representing our foundational commitment to workforce development. While this figure is a decrease from the previous years, we remain dedicated to maintaining a consistent learning environment for our employees. By focusing on a diverse mix of technical and business-related skills, we ensure our workforce remains agile and equipped to drive our sustainability and business goals forward.

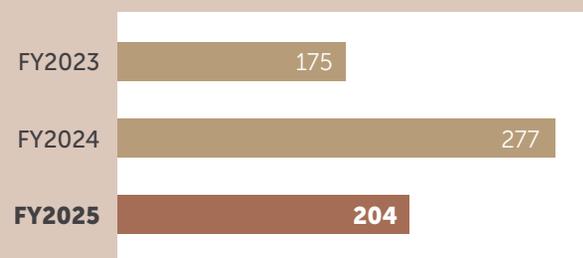
Total Hours of Training by Employee Category

Indicators	FY2023	FY2024	FY2025
Management	1,755.00	3,035.00	1,120.00
Executive	3,235.00	5,996.00	2,802.50
Non-Executive	2,268.00	1,482.00	1,131.00
TOTAL	7,258.00	10,513.00	5,053.50

Average Training Hours Per Employee



Total Number of Training Sessions



SUSTAINABILITY STATEMENT

In FY2025, Hektar REIT prioritised the development of employee capabilities to enhance:

Operational Efficiency

Leadership and Strategic Capability

Organisational Resilience

Structured training programmes were conducted to strengthen operational and technical expertise, performance management and business continuity preparedness, supporting Hektar REIT’s long-term sustainability and operational standards.



Operational and Technical Training

To equip employees with practical and technical knowledge to improve operational efficiency, stakeholder engagement, and risk management.

Key Programmes/Events:

- Symphony Digest: AI Powered Investing Strategies with Python
- Excel Academy of Real Estate: 13 Practical Case Studies for Property Management JMB/MC
- Excel Academy of Real Estate: Commercial Tenancies in Practice



Performance Management

Enhance leadership, strategic thinking, and organisational performance through structured management and evaluation programmes.

Key Programmes/Events:

- ICDM: Mandatory Accreditation Programme Part II: Leading for Impact
- MAICSA: A Strategic Approach to Board Evaluation
- Malaysian HR Forum: Training Need Analysis Workshop



Business Continuity

Strengthen organisational preparedness and resilience to ensure continuity of operations during disruptions or market challenges.

Key Programmes/Events:

- RAM Rating Services Berhad: RAM Credit Seminar 2025
- SIDC: Investment Management & Corporate Finance Programme
- SIDC: Financial Statement Analysis and Asset Valuation Programme



Sustainability Stewardship

Improve organisational readiness, robustness, and alignment in sustainability stewardship in line with updated regulatory requirements.

Key Programmes/Events:

- Getting Ready for National Sustainability Reporting Framework – Compliance of IFRS S1 & S2 Standards

Note: Key leaders from the Finance, Risk Assurance, and Strategy departments participated in this online training session to prepare for global sustainability reporting disclosures mandated by the National Sustainability Reporting Framework (“NSRF”)

SUSTAINABILITY STATEMENT

Employee Satisfaction

Employee Satisfaction Surveys are usually conducted by an independent consultant to gather anonymous feedback on job satisfaction, workplace culture, leadership, and employee benefits. Although this exercise was not carried out in the current reporting period, we are aiming for continuous practice in the upcoming years. This impartial approach provides insights into employee sentiment, enabling us to identify improvement areas and implement targeted initiatives that continuously enhance our workplace experience and align with employee expectations.

Employee Appraisal

Annual performance appraisals ensure that all employees are assessed fairly based on merit, while receiving meaningful support for their professional development. During the reporting period, we achieved a 88.26% completion rate for both performance evaluations and career development reviews.

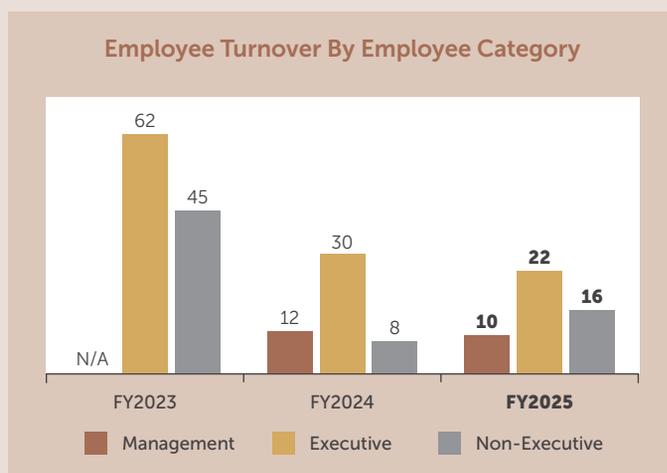


88.26%

Completion Rate of
Employee Appraisal in
FY2025

Employee New Hires and Turnover

The following infographics provide a visual overview of our recruitment and employee turnover data.



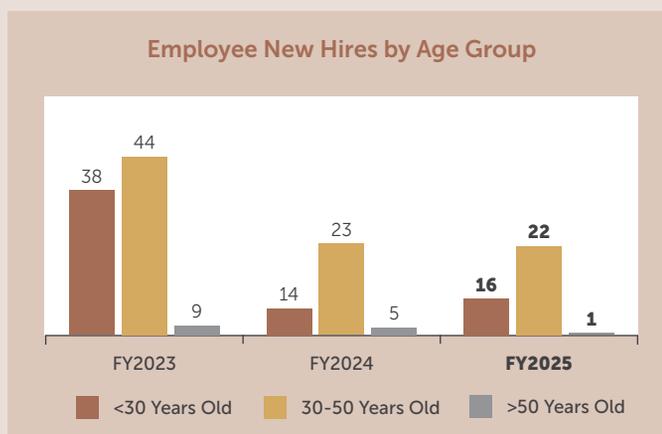
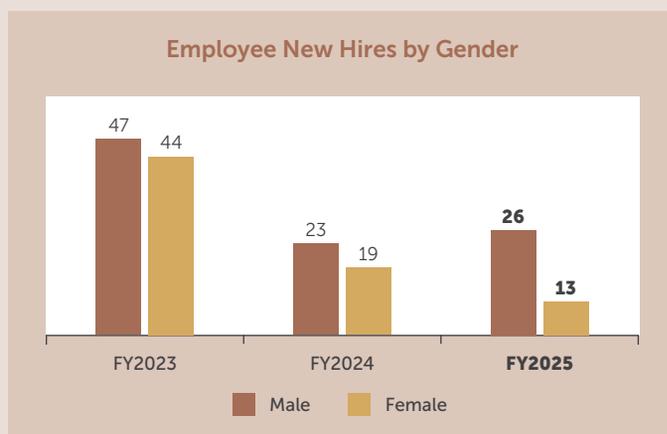


17.98%

Turnover Rate

Employee Turnover by Gender and Age Group

Financial Year	Gender		Age		
	Male	Female	<30	30-50	>50
FY2023	63	44	28	57	22
FY2024	26	24	12	28	10
FY2025	26	22	18	22	8



SUSTAINABILITY STATEMENT

OCCUPATIONAL HEALTH AND SAFETY

At Hektar REIT, safety comes first. Our Occupational Safety & Health Policy is dedicated to safeguarding the well-being of our employees, visitors, and stakeholders. By fostering a proactive safety culture and ensuring strict compliance with all regulations, we work to prevent accidents and maintain a healthy environment across all our operations.



To uphold the highest standards of protection for our people and stakeholders, we deploy dedicated Safety and Health Committees alongside Emergency Response Teams. While their operational scopes differ, they are united by a singular mandate: ensuring a secure and safe environment for every stakeholder.



ROLE	KEY RESPONSIBILITIES
Chairman	Provides strategic leadership and oversight for the committee, ensuring the organisation complies with safety regulations and reporting progress to senior management.
Secretary	Manages the administrative functions of the committee, including scheduling meetings, distributing agendas and minutes, and maintaining all official safety documentation.
OSH Coordinator	Manages the practical implementation of safety standards by conducting risk assessments, investigating incidents, overseeing inspections, and fostering a proactive safety culture among employees.

SUSTAINABILITY STATEMENT

Emergency Response Team (“ERT”)

Our ERTs, on the other hand, serve as the frontline of our operational resilience strategy. Our ERTs are mandated to maintain order and safety during critical incidents. By integrating systematic protocols with rapid-response fire fighting and first-aid capabilities, we ensure a 'Duty of Care' that extends from our employees to our visitors and assets. In case of an emergency, the floor manager is immediately alerted for immediate guidance and next steps on the course of action.



Health and Safety Management System

With a firm commitment to achieving a 'Zero Harm' environment, we strongly encourage our contractors, suppliers, and tenants to uphold these standards, ensuring the safety and well-being of everyone on our premises.

Our health and safety protocols encompass all aspects of workplace safety and health as stated below:

Coverage of Health and Safety Protocols

- Emergency preparedness
- Incident reporting and investigation
- Public health management for common areas
- Safety performance monitoring
- Safety training and awareness campaigns
- Safety risk assessments
- First aid and personal protective equipment (“PPE”)
- Quarterly Safety and Health Workplace Inspection
- Hazard assessments

Our Quality Management System (“QMS”) is fully integrated within the overall management framework. In FY2025, a total of 13 SOPs and 6 manuals were implemented, covering critical areas such as HIRARC (Hazard Identification, Risk Assessment & Risk Control), incident reporting, workplace inspections, hazardous chemical handling, first aid, working at height, use of PPE, statutory compliance, confined space operations, and emergency response planning.

This year we continue to implement operational measures that solidify health and safety across the organisation, ensuring that both employees and contractors fully adhere to the ESHS Policy.



Conduct Occupational Safety, Health and Environment training for all new employees



Review asset performance and safety standards on a quarterly basis



Conduct safety briefings for contractors prior to work commencement

SUSTAINABILITY STATEMENT

Employee Safety and Training Programmes

We work closely with authorities, industry organisations, and local communities to deliver safety awareness initiatives that reinforce health and safety across our operations. These programmes are mandatory for all new employees and are conducted yearly for the entire workforce to ensure ongoing compliance and safety excellence.

In FY2025, Hektar REIT prioritised employee safety and emergency preparedness through structured OSH training programmes. These initiatives equip employees with life-saving skills, emergency response knowledge, and safe work practices, reinforcing a culture of safety and operational resilience across all operations.



190
Employees Trained
on Health and Safety
Standards

Regulatory and Basic Training

Focused on compliance with laws and regulations as well as meeting health and safety competency requirements to ensure safe and ethical operations

Key Programmes/Events:

- Motivational Interviewing for Healthcare Providers
- Authorised Entrant and Standby Person for Confined Space
- Working at Height Training

Emergency Preparedness Awareness Training

Building emergency readiness and fire safety competency for employees

Key Programmes/Events:

- Seminar Organisasi Keselamatan Kebakaran
- Kursus Asas Kebakaran
- Penubuhan Pasukan ERT
- First Aid, CPR & Automated External Defibrillator (“AED”) Training



➤ On 6 November 2025, 21 of HAMS B employees underwent First Aid, CPR, and AED training, equipping them with the life-saving skills necessary to respond effectively to medical emergencies

SUSTAINABILITY STATEMENT

Data Verification and Assessment

In FY2025, the Group engaged independent external parties to conduct assessments across our operations, ensuring compliance with health, safety, and well-being standards. These reviews confirm that our facilities meet regulatory requirements and uphold safe, healthy, and hygienic environments for employees, tenants, and visitors.

Fire Safety Audit

Conducted by : Fire Department (Bomba)

Focus area : Fire prevention, emergency preparedness, ERT readiness

Food Safety & Cleanliness Audit

Conducted by : Ministry of Health Malaysia (KKM)

Focus area : Hygiene standards, food handling, cleanliness

Workplace Safety & OSH Assessment

Conducted by : Jabatan Keselamatan dan Kesihatan Pekerjaan (JKKP/DOSH)

Focus area : Occupational safety compliance

Health and Safety Performance

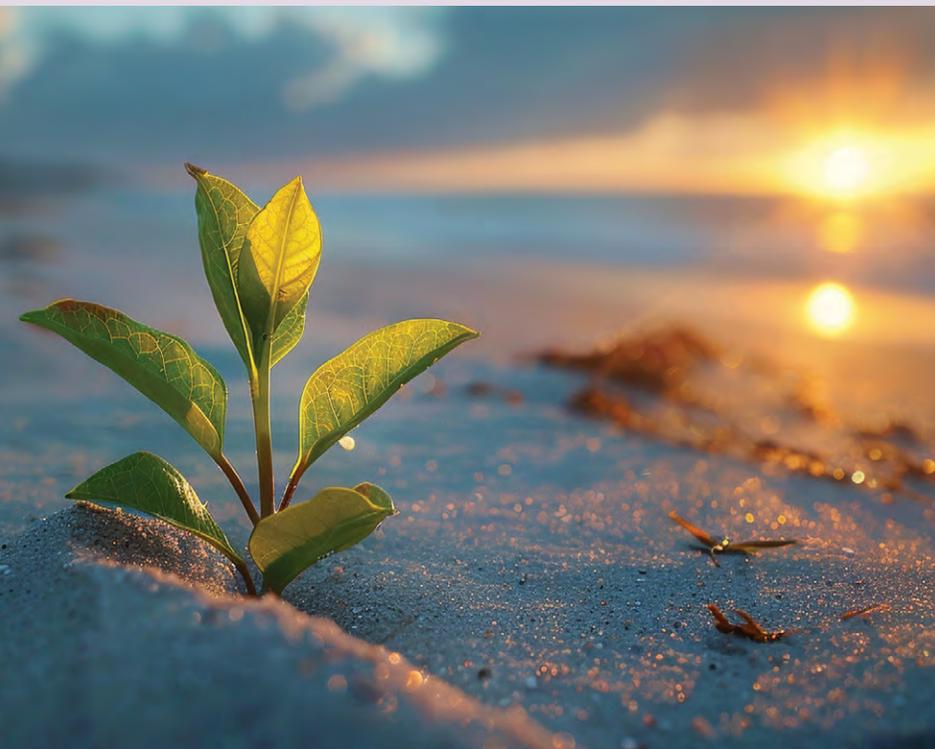
Driven by our proactive safety culture, here is our FY2025 Safety Performance at a glance:

Health and Safety Performance			
Indicator	FY2023	FY2024	FY2025
*Total Work Hours	515,920	503,280	479,621
No. of Work-related Fatalities	0	0	0
Lost Time Incident Rate ("LTIR")	0.0	1.6	0.0

Notes:

- Figures stated may not add up due to rounding of decimals
- *Data for FY2023 and FY2024 have been restated
- Health and Safety Performance data includes our employees and contractors
- LTIR is calculated as per Bursa Sustainability Reporting Guideline, per 200,000 hours worked per year

THRIVING THROUGH INVESTMENT IN COMMUNITY INCLUSIVITY AND TRANSPARENCY IN EXCELLENCE



For Hektar REIT, 'Thriving' is not simply the outcome of sound investments and financial success; it is the result of responsible conduct, thoughtful engagement, and a commitment to lifting the communities we serve. Through transparent governance and a genuine commitment to social advancement, we strive to create value that resonates well beyond our balance sheet, enriching the lives of all our stakeholders.

Contribution to UN SDGs



Material Matters

- Corporate Governance and Anti-Corruption
- Data Privacy and Cybersecurity
- Public Safety
- Community Engagement and Contribution

Key Stakeholder Groups



FY2025 Highlights

0
Substantiated incidents of privacy breaches or data loss



0
Confirmed cases of bribery, corruption or whistleblowing



RM574,336
Invested into community programmes impacting 87,900 beneficiaries throughout Malaysia



SUSTAINABILITY STATEMENT

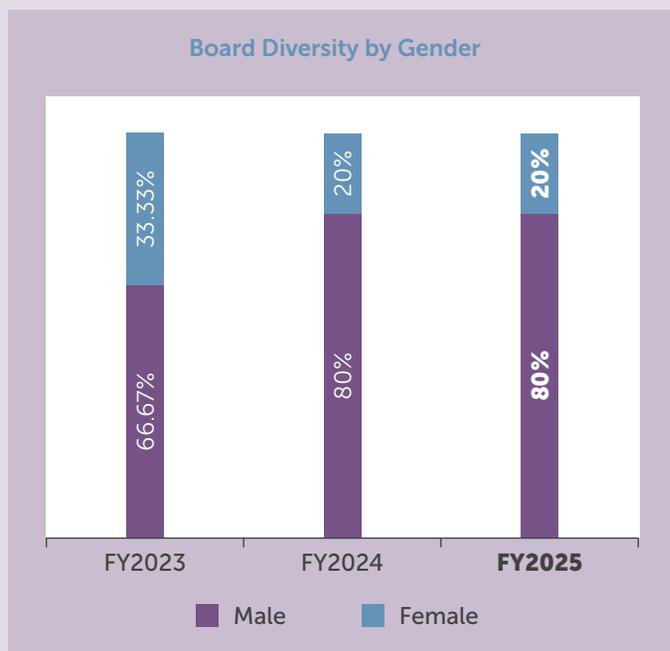
CORPORATE GOVERNANCE AND ANTI-CORRUPTION

As firm advocates of ethical corporate governance, we uphold rigorous standards of integrity across all our operations. This commitment ensures that we fulfill our duties as a REIT Manager while safeguarding the interests of our tenants and stakeholders. To reinforce accountability throughout the organisation, we have established a comprehensive governance framework (detailed in the Sustainability Leadership section). Our Board of Directors, SSC and SWC are guided by a suite of policies that define responsible conduct; these are reviewed regularly to ensure they remain robust and responsive to the evolving business landscape:

 <p>Board Charter</p>	 <p>Code of Conduct and Ethics</p>	 <p>Fit and Proper Policy</p>
<p>Defines the principal roles, functions, and responsibilities of the Board and its various Committees (Audit, Nomination, and Executive Committees).</p>	<p>Establishes the standards of behaviour and professional ethics expected of all employees of the Manager.</p>	<p>Ensures that Directors and Senior Management possess the necessary character, experience, integrity, and competence to lead the organisation.</p>

Board Diversity

During the financial year under review, the Board comprised four male directors and one female director, representing 20% female participation. We remain committed to reviewing our composition to ensure a balanced mix of skills and gender diversity, in order to best support our strategic objectives.



SUSTAINABILITY STATEMENT

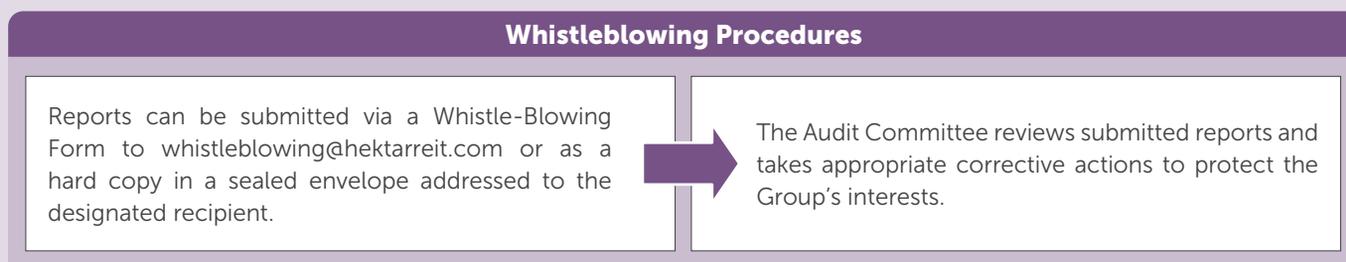
Anti-Bribery and Anti-Corruption

We maintain a robust Anti-Bribery and Anti-Corruption (“ABAC”) framework in full compliance with the Malaysian Anti-Corruption Commission (“MACC”) (Amendment) Act 2018. The Board oversees the Manager’s adherence to the framework and reinforces our zero-tolerance stance towards all forms of bribery, fraud, and corruption. Below are the policies that were introduced to strengthen our framework and practices:

 <p>Anti-Bribery and Anti-Corruption Policy</p> <p>Establishes a zero-tolerance approach to bribery and corruption, strictly prohibiting any form of inducement or gratification to influence business decisions and ensuring commercial integrity across all operations.</p> <p> Link: ABAC Policy.</p>	 <p>Anti-Money Laundering Policy</p> <p>Ensures strict compliance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 by mandating rigorous customer due diligence and risk assessments to prevent the use of Hektar REIT for financial crimes or illicit funding activities.</p> <p> Link: AMLA Policy.</p>	 <p>Whistleblowing Policy</p> <p>Provides a secure and confidential channel for stakeholders to report misconduct or unethical behaviour in good faith, offering protection against retaliation to ensure transparency and accountability.</p> <p> Link: Whistleblowing Policy.</p>
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The ABAC Policy is communicated to all employees, suppliers, and third parties, with employees required to formally acknowledge their commitment to upholding it. Anti-bribery clauses are also integrated into leasing applications, vendor and supplier onboarding documents, as well as agreements with intermediaries, contractors, and agents.

Our Whistleblowing Policy clearly sets out the procedures for reporting instances and/or concerns of fraud, corruption, bribery, financial misappropriation, or serious mismanagement.



We are committed to protecting the confidentiality of whistleblowers and the information provided to the fullest extent permitted by law and practical considerations. Our managers receive comprehensive training to respond effectively to reports of unethical behaviour, bullying, or harassment, fostering a respectful and ethically-sound workplace for all.



0

Whistleblowing cases reported in FY2025

SUSTAINABILITY STATEMENT

Employee Anti-Corruption Training

All employees and Board members are required to undergo anti-corruption training. We conduct training once a year that serve as both a comprehensive session for new hires and a refresher for existing personnel, ensuring our zero-tolerance stance remains a top-of-mind priority. Participation rates for the past three years are summarised below:

Percentage of Employees Who Received Anti-Corruption Training			
Employee Category	FY2023	FY2024	*FY2025
Management	88%	60%	91%
Executive	78%	72%	85%
Non-Executive	92%	62%	24%

Note:

* Data only cover HAMS B Office (HQ) and properties under HPSSB

We believe everyone in the company has a role to play in preventing corruption. To strengthen current participation rates, we are refining our training delivery and communication strategies to ensure that we achieve more comprehensive coverage across every level of the organisation in the coming year.

Corruption Risk Assessment and Corruption Incidents

Anti-Corruption Performance			
Indicators	FY2023	FY2024	FY2025
Percentage of operations that underwent corruption risk assessments	100%	100%	100%
Number of confirmed corruption incidents	1	0	0

Note:

Data only cover properties under HPSSB

Beyond establishing policies, we actively reinforce our governance practices through continuous monitoring, regular SOP reviews, and comprehensive training. These ongoing initiatives ensure that ethical principles and compliance standards remain central to our daily operations and decision-making:



0

Substantiated non-compliance with laws or regulations relevant to our business operations in FY2025

Training and Awareness

- A talk was organised in collaboration with MACC Selangor for employees, focusing on Section 17A requirements and emerging trends.
- Quarterly induction programmes were conducted for new joiners, receiving ethics and compliance training.
- Employees participated in in-house ABAC training and awareness sessions facilitated by SPRM.

Regular Review and Monitoring

- Weekly internal staff meetings are conducted at Kolej Yayasan Saad to consistently reinforce ethical behaviour, professionalism, and compliance with internal policies.

Policy Implementation

- Update of the ABAC Policy.
- Implementation of the AMLA/TF/PT Policy.
- Implementation of the Code of Conduct and Ethics for Employees.
- Implementation of the Code of Conduct and Ethics for Directors.

SUSTAINABILITY STATEMENT

Sustainable Investment Principles

To operationalise our commitment to ‘Thriving’, we apply our Sustainable Investment Policy as a strategic filter for every acquisition and asset enhancement. This ensures we invest in assets that are climate-resilient, socially responsible, and aligned with our Net-Zero 2050 trajectory. We rigorously screen all opportunities against three key focus areas:

Environmental	Social	Governance
<ul style="list-style-type: none"> • Climate Change • Resources • Waste & Recycling • Biodiversity 	<ul style="list-style-type: none"> • Human Rights & Labour • Community Impact • Health & Safety 	<ul style="list-style-type: none"> • Ethical Governance • Data Security • ESG Certifications

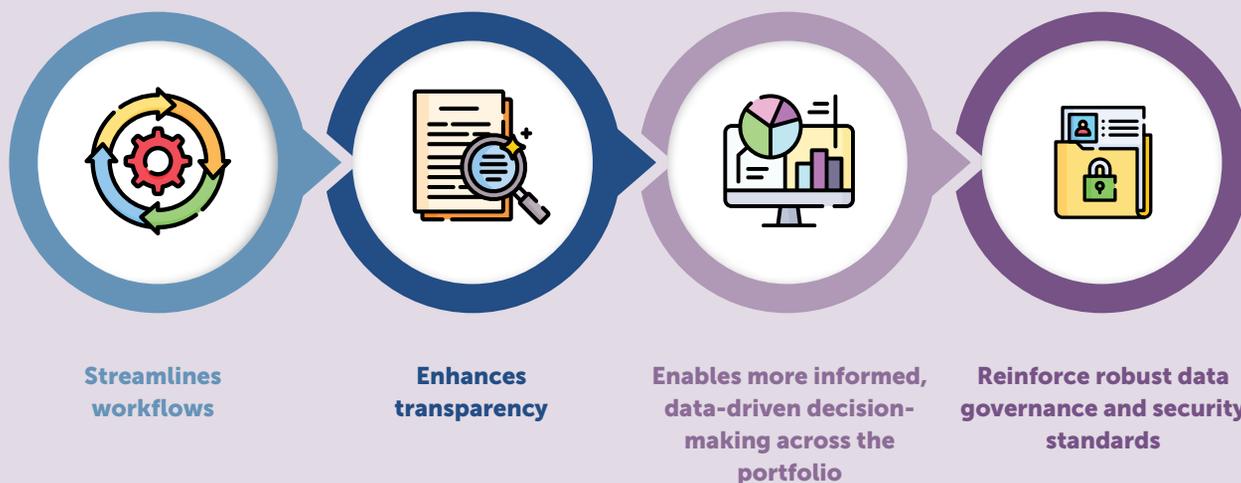
DATA PRIVACY AND CYBERSECURITY

As digitalisation accelerates, Hektar REIT faces growing exposure to cybersecurity risks. Implementing comprehensive cybersecurity measures is therefore critical to safeguarding tenant information, operational data, and the integrity of our REIT activities in an increasingly digital environment.

Some of the efforts and initiatives that we have implemented to safeguard our data and our stakeholders’ data:

The Group has implemented robust IT security protocols that contain SOPs to safeguard sensitive information in order to ensure data confidentiality, and promote consistent security practices across all operations. Tailored IT guidelines were also developed specifically for the HR and Marketing team.

To strengthen operational efficiency, data security, and responsible information management, Hektar REIT has adopted IFCA LEASE365, an integrated digital platform supporting modern retail property and HR-related operations. The system:



SUSTAINABILITY STATEMENT

IFCA LEASE365 provides real-time visibility across operational, leasing, and performance data, supporting proactive risk management and efficient portfolio oversight. Key solutions implemented include the Lease365 Mobile App: Tenant and Lease App, together with IFCA FI365 Financial Accounting and Procurement Management modules.

<p>Lease365 Tenant App</p> <p>provides round-the-clock access to rental details, billing statements, utility data, and service requests, streamlining payments, sales reporting, and day-to-day communication.</p>	<p>BI365 Management Dashboard</p> <p>provides real-time, consolidated insights into property and portfolio performance, enabling timely monitoring and supporting more informed, data-driven decision-making.</p>
<p>Lease365 Lease App</p> <p>equips property teams with real-time visibility into occupancy, revenue, inspections, and approvals, enabling issues to be addressed promptly and standards to be applied consistently.</p>	<p>IFCA FI365 - Financial Accounting</p> <p>strengthens financial governance and operational efficiency by embedding automation, discipline, and real-time visibility across core financial processes. Key financial functions enabled include:</p> <ul style="list-style-type: none"> • Centralised purchasing • End-to-end payables management • Asset lifecycle tracking • Financial consolidation and reporting • Cash and liquidity management
<p>Together, these applications form a secure, integrated digital ecosystem that improves operational efficiency, enhances data accuracy, and strengthens engagement throughout the retail property lifecycle.</p>	<p>Procurement Management</p> <p>through a centralised model that allows greater discipline, consistency, and value to purchasing decisions by consolidating below within a single system.</p> <ul style="list-style-type: none"> • Requisitions • Supplier sourcing • Contract awards • Order management

IFCA Solutions also offers Green Reporting, giving users the flexibility to generate reports on their own schedule or as needed, saving time and effort. All business documents and content are kept in one central place, making it easier for everyone to find, access, and share the information they need, streamlining work while keeping things simple and connected. Collectively, these tools improve operational efficiency, strengthen internal controls, and ensure the secure handling of data, aligning with Hektar REIT’s commitment to strong governance and responsible digital transformation.

2 Wetex Parade has rolled out a new IT Ticketing System using Spiceworks, providing a more structured and efficient platform for submitting, tracking, and resolving IT-related requests.

This initiative aims to improve response times, transparency, and overall user experience.

3 Data protection is a collective responsibility. To uphold this, our employees undergo regular Personal Data Protection Act (“PDPA”) training, ensuring they have the necessary data protection skills and practices to safeguard the personal information entrusted to us.

In the event of a cybersecurity incident, the Manager follows the structured Incident Response SOP to quickly detect, contain, and resolve the issue. Each incident is then thoroughly documented and analysed to fortify future response capabilities and improve overall cybersecurity resilience.

0  Substantiated complaints over the past three years regarding breaches of customer security or loss of customer data

SUSTAINABILITY STATEMENT

PUBLIC SAFETY

Shopping malls are vibrant hubs of activity, attracting large numbers of visitors daily. With this high footfall comes an inherent responsibility to maintain a safe and secure environment for shoppers, tenants, and staff. Ensuring robust safety and security measures is fundamental not only to protecting people and property but also to creating a welcoming and enjoyable experience for all.

To this end, the Property Manager has introduced a range of initiatives designed to strengthening security across our premises.

<p>Surveillance Capabilities</p> <p>Our properties are equipped with security access control systems and upgraded closed-circuit television (“CCTV”) cameras to enhance monitoring capabilities.</p>	<p>Regular Maintenance</p> <p>All security devices at our premises undergo regular maintenance to ensure optimal functionality.</p>	<p>Routine Safety Inspections</p> <p>Semi-annual safety inspections are conducted by the Property Manager, covering emergency preparedness, evacuation plans, public safety hazards, lighting, security devices, and maintenance area accessibility. Corrective actions are taken for any identified non-compliance.</p>
<p>Panic Buttons & Ladies-Only Parking Spaces</p> <p>Panic buttons are strategically installed in car parks for rapid emergency responses, complemented by ladies-only parking spaces to enhance security for female visitors.</p>	<p>Security Personnel</p> <p>Our security team conducts 24-hour surveillance, hourly patrols, and positions guards at key locations to ensure prompt response to incidents.</p>	

Customer Satisfaction Survey

This commitment to safety is part of our broader strategy to enhance the shopper experience. We monitor customer satisfaction through surveys conducted during customer visits, post-event interviews, focus groups, and structured surveys. Feedback typically covers:

-  Events
-  Customer Service
-  Shop Variety
-  Property Condition
-  Cleanliness
-  Facilities

Beyond these robust safety and security measures, we also invested in a comprehensive health and safety programme for our employees across various departments.

Our employees attended health and safety training that includes Basic Occupational First Aid, CPR, AED training, ERT training, and Working at Height training, with a focus on preventing fatalities and workplace incidents.

To further strengthen on-site emergency preparedness, certified First Aiders and AED machines have been made available within the premises. In addition, we continue to enhance accessibility and inclusivity through the installation of 46 disability-friendly facilities across our malls to better support persons with disabilities.

Our 2025 fire drills were successfully conducted across all our malls to ensure emergency readiness. Notably, Mahkota Parade achieved 100% participation, with 340 tenants and workers reaching the assembly area within a swift five-minute window.

We conducted detailed post-mortems after these exercises to continuously refine our emergency evacuation protocols and ensure maximum readiness.



► Employees participating in the health and safety training

SUSTAINABILITY STATEMENT

COMMUNITY ENGAGEMENT AND CONTRIBUTION

Hektar REIT leverages its portfolio of malls as platforms to support and engage with local communities, extending the impact of traditional philanthropic efforts. By utilising our spaces to host and facilitate meaningful initiatives in partnership with various organisations, we strengthen community ties while reinforcing our commitment to responsible and sustainable operations.

Our community investment programmes are strategically directed towards initiatives that enhance welfare, improve well-being, and support the resilience of local communities. By integrating business objectives with social investment, Hektar REIT generates outcomes that are mutually beneficial for both the communities we serve and our stakeholders.

In FY2025, the Manager invested a total of RM574,336 in community programmes:

	FY2023	FY2024	FY2025
Total amount invested in CSR programmes	RM372,527	RM250,032	RM574,336
Total number of beneficiaries	N/A	N/A	87,900

We want our community work to truly matter. That is why our CSR initiatives follow the United Nations Sustainable Development Goals (“UN SDGs”), a global framework for a better world. We focus our efforts on the following specific goals where we can make the biggest social and environmental impact:

- Goal 1: No Poverty**
- Goal 2: Zero Hunger**
- Goal 3: Good Health and Well-being**
- Goal 4: Quality Education**
- Goal 12: Responsible Consumption and Production**

Through programmes delivered mainly at Hektar REIT’s properties, the Group supports local communities while simultaneously promoting its business and increasing footfall during special occasions or festive seasons. By integrating social impact with commercial objectives, we ensure our CSR initiatives create meaningful and sustainable value.

Hektar REIT also undertakes targeted, high-impact initiatives that respond to immediate community needs. The Kechara Soup Kitchen CSR Event exemplifies this commitment, supporting vulnerable communities through responsible food distribution while also reducing food waste.



Kechara Soup Kitchen CSR Event

Hektar REIT joined forces with Kechara Soup Kitchen to bring immediate relief to underserved urban communities in Kuala Lumpur on 20 December 2025, reinforcing its commitment to inclusive and impact-driven CSR. A contribution of RM6,150 funded the distribution of 365 food packs across three locations: Medan Tuanku (170), Pudu (135), and Imbi (60), while also supporting 10% of operational costs to ensure efficient coordination and delivery.

The initiative mobilised 25 Hektar REIT volunteers, translating resources into immediate on-the-ground impact. Beyond addressing short-term food insecurity, the programme aligns with key ESG priorities, supporting SDG 1 (No Poverty), SDG 2 (Zero Hunger), and SDG 12 (Responsible Consumption and Production) through responsible food distribution and waste reduction, keeping Hektar REIT’s commitment to sustainable community engagement.



➤ Hektarians distributing food packs throughout the event

- 365** food packs distributed
- 25** Hektar REIT volunteers
- RM6,150** funds

SUSTAINABILITY STATEMENT

While we have standout individual projects, all our CSR work can be organised into four main categories. This structure allows us to see where we are making a real difference across our entire portfolio:



Education & Sports

These CSR initiatives focus on equipping individuals and communities with practical life skills, encouraging innovation and nurturing cultural and artistic expression, while promoting active and healthy lifestyles through sports-related activities.



Sponsorship Support to Dignity for Children Foundation Malaysia

Hektar REIT partnered with Dignity for Children Foundation Malaysia to support access to quality education, holistic development and sports participation for children from marginalised backgrounds. The sponsorship reflects the Group's ongoing commitment to meaningful community impact, in line with its ACT Framework (Advance, Cultivate, Thrive) and the pledge made during Hektar REIT ESG Day 2024.

Through this collaboration, Hektar REIT contributes directly to improving educational outcomes and promoting active lifestyles.



RM10,000
Total contribution



RM4,000
Sports Programme Support



RM6,000
Sponsor-a-Child Programme

A 12-month sponsorship supporting a child's education, meals, basic welfare, healthcare and learning needs, with periodic progress updates and visitation opportunities.

Funding for sports-related activities, including Dignity's Annual Sports Day 2025, promoting physical well-being, teamwork and confidence-building among students.

The initiative supports both individual academic development and wider student engagement through structured sports programmes, reinforcing the importance of learning beyond the classroom while nurturing confidence and teamwork.

Financial Literacy

Hektar REIT promoted financial literacy at Wetex Parade by hosting government-linked service counters, giving the community direct access to information on education funding, retirement planning, and skills development. These engagements improved service accessibility and encouraged meaningful community interaction.

KWSP Service Counter (22 January 2025)

Offered practical guidance on retirement savings, contributions, and withdrawals under Malaysia's government-backed system.

PTPK Service Counter (17–18 May 2025)

Raised awareness of skills development funding, supporting upskilling and lifelong learning participation.

PTPTN Service Counter (Monthly)

Provided convenient access to education financing, helping students and families understand study funding options.

SUSTAINABILITY STATEMENT

Skills Development & Innovation

Hektar REIT fostered skills development and innovation by connecting students with real-world TVET and STEM opportunities. Several key programmes were carried out at Central Square, using the mall as a community hub in engaging the wider community through hands-on showcases, competitions, and career-focused programmes. These initiatives promoted practical learning, creativity, and future-ready skills.

Program Minggu TVET

Two-days event with technical projects, live demonstrations, and career exhibitions, empowering 200 students and attracting 16,000 visitors.

Cabaran Young Robotic 2025

STEM robotics competition engaging 100 students and 2,500 visitors, fostering creativity, teamwork, and problem-solving.

IKM Furniture Showcase

Students presented sustainable furniture prototypes with design thinking and technical skills, involving 10 students and 2 lecturers and drawing 18,000 visitors.

Arts & Cultural Development

Hektar REIT promotes arts and cultural development by providing students and youth with platforms to showcase their creativity, talent, and heritage, while fostering confidence, teamwork, and community engagement. Programmes and platforms such as:

Pertandingan Choral Speaking Generasi MADANI

at Wetex Parade engaged 200 students and attracted 17,086 visitors, encouraging public speaking and mastery of the Malay language.

Pertandingan Tarian Sekolah

at Kulim Central, Street Dance Competition at Wetex Parade also highlighted the traditional and contemporary performing arts.

Dandan Rambut Hair Show

at Mahkota Parade, where college students demonstrated creativity, technical skill, and professionalism.

Pertandingan Bicara Berirama

at Central Square nurtured expressive performance, confidence, and teamwork among primary and secondary students.

Sports

Hektar REIT encourages healthy lifestyles, teamwork, and youth engagement through a diverse range of sports initiatives that combine physical activity with community participation. Events such as the:

Battle For The Board – 5th Chess Tournament

at Kulim Central promoted strategic thinking and intellectual engagement.

Kejohanan Karate Do

at Central Square highlighted martial arts skills, discipline, and fitness, engaging 50 participants and attracting 9,053 visitors.

3-on-3 Street Basketball and 3-on-3 Futsal Competitions

at Wetex Parade, organised with Parlimen Bakri to promote active lifestyles and sportsmanship among youth.

BMX Challenge 2025

Central Square managed to engaged 200 participants and attracted 19,085 visitors to build excitement around extreme sports.

Pertandingan Mobile Legend Jiwa Madani

at Central Square drawing 80 participants and 10,252 visitors, shone the light on digital sports.

SUSTAINABILITY STATEMENT



Environmental

These CSR initiatives focus on fostering greater awareness on sustainability and encouraging responsible practices within our communities. Through targeted programmes and engagements, we support efforts that promote environmental stewardship and long-term ecological well-being.



Beach Cleaning Activity with MY Clean Beach

Hektar REIT demonstrated its dedication to environmental stewardship through a beach cleaning initiative carried out in partnership with MY Clean Beach at Pantai Jeram, Selangor.

Held on 13 December 2025, the initiative brought together 50 participants who worked collaboratively to collect, segregate, and responsibly dispose of waste. A total of 498.5 kg of waste was removed from the beach, comprising general waste, plastic, glass, metal, and large discarded items.

The exercise not only delivered tangible environmental outcomes but also reinforced responsible waste management practices through hands-on engagement, aligning with SDG 13 (Climate Action) and SDG 14 (Life Below Water) by promoting proper waste segregation, collective environmental responsibility, and the protection of coastal and marine ecosystems.



50
participants



498.5 kg
of waste removed



➤ Hektarians successfully collected a total of 498.5 kg waste

Earth Hour 2025 (Central Square)

Central Square participated in the Earth Hour 2025, promoting energy conservation and climate awareness. The symbolic one-hour lights-off initiative engaged mall tenants and shoppers, highlighting the impact of collective action and encouraging mindful electricity use. The event reinforced Central Square’s dedication to green practices and responsible environmental stewardship, fostering a shared sense of responsibility towards a more sustainable future.

SUSTAINABILITY STATEMENT



Health

These CSR efforts are centred on raising awareness, encouraging preventive care and supporting community well-being. Through campaigns and activities related to health education, early detection and community participation, Hektar REIT seeks to promote healthier lifestyles and greater public awareness on key health issues.

**Race Against Cancer – Charity Run at Subang Parade**

Hektar REIT supported cancer awareness and healthy living through the Race Against Cancer charity run held at Subang Parade, in collaboration with Cancer Research Malaysia. The initiative aimed to encourage preventive health awareness while fostering community participation through physical activity, reinforcing the importance of early awareness and collective action in addressing cancer-related challenges.

The charity run on 25 May 2025 brought together participants of various backgrounds to promote active lifestyles in support of cancer research and advocacy efforts. The event was attended by Mr Andy Khoo, CEO of Cancer Research Malaysia, Mr Victor Hoo, CEO of CVI Global, and Mr Ryan Sua, representative for YB Wong Chen, reflecting strong cross-sector support for the cause.

Blood Donation Campaigns

Hektar REIT strengthened community compassion and social responsibility through a series of blood donation campaigns across its malls, supporting a safe and sufficient national blood supply. Some notable achievements and collaborations include:

Segamat Central

monthly drives from January to August collected 227 bags of blood over six campaigns.

Wetex Parade

partnered with Hospital Pakar Sultanah Fatimah Muar and Parlimen Bakri to raise awareness and boost footfall for blood donation campaigns.

Mahkota Parade

collaborated with St John, Universiti Malaya, Yayasan Masyarakat Lestari Malaysia, and Nephcare Dialysis Centre and Blood Bank Melaka to reach diverse donor groups.

Kulim Central

a campaign with Proton Kulim reinforced corporate–community engagement and encouraged wider public participation.

SUSTAINABILITY STATEMENT

Health Awareness

Hektar REIT advanced preventive care and healthier lifestyles through a series of health awareness initiatives across its malls, in collaboration with healthcare institutions and public health authorities.

<p>Sambutan Bulan Malaysia Sihat Sejahtera Kedah</p> <p>at Central Square engaged 500 participants and attracted 12,754 visitors with health screenings, wellness talks, and fitness activities.</p>	<p>World Heart Day 2025</p> <p>in partnership with Pantai Hospital Sungai Petani, offered free heart-health screenings and consultations, reaching 250 participants and drawing 10,337 visitors.</p>
<p>World Thalassaemia Day and Autism Awareness Day</p> <p>at Wetex Parade, conducted with Hospital Pakar Sultanah Fatimah Muar to raise awareness of thalassaemia and autism, encouraging inclusivity and community understanding.</p>	<p>Malaysian Rubella and Measles Surveillance and Immunisation Programme</p> <p>at Kulim Central supported national immunisation efforts and educated visitors on disease prevention, further promoting public health and preventive care within the community.</p>



Unity & Culture

These are CSR activities that celebrate Malaysia’s diversity by bringing communities together through shared cultural experiences and festive celebrations.



Merdeka & Hari Malaysia

Pertandingan Mewarna & Busana Merdeka (Central Square)

Pertandingan Mewarna & Busana Merdeka at Central Square engaged around 120 children in a patriotic art and costume contest, attracting a footfall of 10,252 visitors and encouraging creativity, heritage appreciation, and community learning.



120
children participated



10,252
visitors estimated

Keretapi Sarong Sungai Petani 2025

Hektar REIT celebrated Malaysia’s multicultural heritage and traditional craftsmanship through engaging community events that promoted cultural appreciation, learning, and unity. Keretapi Sarong Sungai Petani 2025 at Jalan Patani, Sungai Petani, marked Malaysia Day with a showcase of traditional sarong attire, cultural performances, local product booths, games, and live music, attracting approximately 7,000 participants and generating 7.4 million social media impressions. The event fostered community bonding, cultural pride, and awareness of Malaysia’s rich diversity.



7,000
participants



7.4 million
social media impressions

SUSTAINABILITY STATEMENT

Heritage & Culture

Bengkel Wau Bulan at Central Square offered a hands-on heritage craft workshop where students and families learned to create traditional wau bulan kites under the guidance of local artisans. Approximately 60 participants engaged in the activity, which drew a total footfall of 9,439 visitors, helping to preserve traditional knowledge, encouraging creativity, and inspiring appreciation for Malaysia's craftsmanship across generations.

Ramadhan & Hari Raya Malaysia

Hektar REIT engaged underprivileged groups, local residents, and shoppers across its malls during Ramadhan and Hari Raya Aidilfitri. CSR Ramadhan with MBMB at Mahkota Parade reached approximately 300 participants from welfare homes, providing essential goods and financial support, while Majlis Buka Puasa with PKAYIM at Wetex Parade contributed RM1,000 in cash and catered meals worth RM2,450, reinforcing the spirit of giving. The Raya - Bubur Lambuk Giveaway distributed 200 bowls to shoppers and residents, and the Raya Open House with Underprivileged Kids engaged 30 children and 10 guardians from Rumah Amal Bakti Kulim, creating meaningful festive interactions.

At Central Square, Manisnya Raya – a CSR Initiative supported 30 underprivileged (asnaf) children from Kuala Muda district with cash gifts and festive essentials, with attendance from local officials, reflecting strong community engagement. The celebrations concluded with Manisnya Raya-Raya Performance, featuring 25 performers presenting kompong ensembles, traditional dances, and gamelan music, drawing a total footfall of 313,395 visitors.

Chinese New Year

Hektar REIT marked Chinese New Year with community-focused initiatives that fostered festive joy, cultural appreciation, and social responsibility. CNY Free Hair Cut at Kulim Central, organised with Pusat Jagaan Warga Emas (Kulim), provided grooming services to 30 participants, creating goodwill and festive cheer, while the GAO Feng Lion Dance Competition at Mahkota Parade attracted approximately 1,000 visitors, uniting people of all races through traditional lion dance performances and promoting cultural understanding.

Further celebrations included the CNY Lion Dance Championship at Kulim Central, held with Persatuan Buddhist Kulim, which drew 200–300 participants and large crowds, enhancing the festive atmosphere with dynamic performances. The CNY Care for the Community CSR initiative at Central Square brought joy to underprivileged families and senior citizens, featuring home repainting, a Lau Sang celebration, and the distribution of food baskets and Ang Pow, reinforcing community care and festive warmth.

Deepavali

The Cahaya Kita performance at Central Square brought the spirit of Deepavali to life, showcasing Malaysia's rich cultural heritage through traditional Indian dance, live music, and festive cultural displays. The initiative highlighted inclusivity and fostered appreciation for local traditions while engaging the wider community.

Approximately 10 performers took part in the event, which drew a total footfall of 24,301 visitors, creating a vibrant atmosphere that promoted cultural harmony, inclusivity, and community connection.

SUSTAINABILITY STATEMENT

BURSA CSI PERFORMANCE TABLE

Hektar REIT

BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Supply Chain Management	Proportion of spending on local suppliers	%	100	—	No assurance	Hektar REIT has maintained 100% local supplier engagement since FY2023
Corporate Governance and Anti-Corruption	Percentage of employees that received training on anti-corruption by employee category - Management	%	91	—	No assurance	Data include operations of all properties except for our leased asset
Corporate Governance and Anti-Corruption	Percentage of employees that received training on anti-corruption by employee category - Executive	%	85	—	No assurance	Data include operations of all properties except for our leased asset
Corporate Governance and Anti-Corruption	Percentage of employees that received training on anti-corruption by employee category - Non-executive	%	24	—	No assurance	Data include operations of all properties except for our leased asset
Corporate Governance and Anti-Corruption	Percentage of operations that underwent corruption risk management	%	100	—	No assurance	Data include operations of all properties except for our leased asset
Corporate Governance and Anti-Corruption	Number of confirmed corruption incidents	number	0	Zero-reported incidents of bribery and corruption.	No assurance	Aligned with UNSDG 16 (Peace, Justice and Strong Institutions)
Data Privacy and Cybersecurity	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	number	0	—	No assurance	Aligned with UNSDG 16 (Peace, Justice and Strong Institutions)
Water Management	Total water usage - Landlord	m3	350120	—	No assurance	Data include all properties except for HAMS8 Office (HQ) as there is no water bill
Water Management	Total water usage - Tenant	m3	399,055	—	No assurance	Tenant water consumption is derived from tenants' own water submeters/account
Water Management	Total water usage - Overall	m3	749175	—	No assurance	Data is inclusive of both tenant and landlord water consumption

SUSTAINABILITY STATEMENT

Hektar REIT

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Water Management	Total Water Consumption Intensity	m3/visitor	0.023	10% reduction in water utilisation by 2030 (Baseline 2023: 0.026 m3/visitor)	No assurance	Data was calculated using the number of visitors for the year for all malls and number of guests for Classic Hotel
Energy and Climate Change	Total energy consumption	GJ	238,96019	—	No assurance	Data include total electricity for all assets and fuel usage by Hektar REIT
Energy and Climate Change	Electricity consumption - Landlord (Hektar)	kWh	29,424,939	—	No assurance	Data include all electricity usage under Hektar REIT's operational control
Energy and Climate Change	Electricity consumption - Tenant (Purchased Electricity from Hektar + Sole Lot + Leased Asset)	kWh	36,922,010	—	No assurance	Tenant electricity consumption is derived from tenants' own TNB meters, Hektar REIT submitters to tenants and leased asset, Kolej Yayasan Saad.
Energy and Climate Change	Electricity consumption - Hektar TNB Bill	kWh	39,788,926	—	No assurance	Data from TNB bills under Hektar REIT's account.
Energy and Climate Change	Total Electricity consumption for all Properties (Hektar + all tenants + leased assets)	kWh	66,346,949	—	No assurance	Total electricity consumption for Landlord and All Tenants
Energy and Climate Change	Building Energy Index (BEI)	kWh/m2/year	139.60	—	No assurance	Data was calculated based on total electricity consumption from against the GFA for all properties
Energy and Climate Change	Total Electricity Consumption Intensity	kWh/ft2	8.43	20% reduction in electricity consumption by 2030 (Baseline 2023: 8.37 kWh/ft ²).	No assurance	Data was calculated based on electricity consumption from Hektar's TNB bills against the GFA
Emissions Management	Scope 1 GHG Emissions	tCO2e	768	—	No assurance	Scope 1 emissions result from the direct combustion of diesel for at malls/hotel

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SUSTAINABILITY STATEMENT

Hektar REIT

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Emissions Management	Scope 2 GHG Emissions	tCO2e	21,774.45	—	No assurance	Scope 2 emissions from purchased grid electricity by landlord operations
Emissions Management	Scope 3: Tenant Energy Consumption	tCO2e	27,322.29	—	No assurance	Tenant electricity consumption for all tenants and leased asset
Emissions Management	Scope 3: Employees Commute	tCO2e	381.24	—	No assurance	Employees commute were calculated based on a survey
Emissions Management	Scope 3: Business Travel	tCO2e	5,768	—	No assurance	Business travel focused on land-based travel only
Emissions Management	Total Scope 1 and Scope 2 GHG Emissions Intensity	kgCO2e/ft²	4.616	10% reduction in Scope 1 and Scope 2 emissions by 2030 (Baseline 2023: 4.743 kgCO2e/ft²)	No assurance	Data was calculated based on total of Scope 1 and Scope 2 against the GFA
Waste and Effluent Management	Total weight of waste generated	tonnes	2,709.64	—	No assurance	Data include all properties except for Kolej Yayasan Saad and HAMS B Office (HQ)
Waste and Effluent Management	Total weight of waste diverted from disposal	tonnes	0.22	—	No assurance	Data does not include waste collected through Kloth Cares and KLEAN
Waste and Effluent Management	Total weight of waste directed to disposal	tonnes	2,709.43	—	No assurance	Waste disposed to landfill is based on the weight declared and claimed by the waste management company
Waste and Effluent Management	Total weight of waste recycled by type of waste - Steel	kg	22.00	—	No assurance	Data does not include waste collected through Kloth Cares and KLEAN
Waste and Effluent Management	Total weight of waste recycled by type of waste - Paper	kg	17,700	—	No assurance	Data does not include waste collected through Kloth Cares and KLEAN
Waste and Effluent Management	Total weight of waste recycled by type of waste - Mixed Plastics	kg	1,700	—	No assurance	Data does not include waste collected through Kloth Cares and KLEAN

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SUSTAINABILITY STATEMENT

Hektar REIT

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Waste and Effluent Management	Total amount of recycled waste	kg	216.00	—	No assurance	Data does not include waste collected through Cloth Cares and KLEAN
Waste and Effluent Management	Total Waste Directed to Disposal Intensity	kg/ft ²	1,436	15% reduction of waste disposed to landfill by 2030 (Baseline 2023: 1,485 kg/ft ²)	No assurance	Data was calculated based on total weight of waste directed to disposal against the Occupied Net Lettable Area for all malls and Gross Floor Area for Classic Hotel.
Labour Practices and Standards	Substantiated complaints regarding human rights violation	Number	0	—	No assurance	Data include all properties except for our leased asset
Talent Management	Total hours of training by employee category - Management	Hours	1,120.0	At least 20 hours of Learning & Development for each employee	No assurance	Aligned with UNSDG 4 (Quality Education)
Talent Management	Total hours of training by employee category - Executive	Hours	2,802.5	At least 20 hours of Learning & Development for each employee	No assurance	Aligned with UNSDG 4 (Quality Education)
Talent Management	Total hours of training by employee category - Non-executive	Hours	1,131.0	At least 20 hours of Learning & Development for each employee	No assurance	Aligned with UNSDG 4 (Quality Education)
Occupational Health and Safety	Number of fatalities	Number	0	—	No assurance	Data include employees from all properties except for our leased asset
Occupational Health and Safety	Lost time incident rate (LTIR)	Rate	0.000	—	No assurance	LTIR is calculated as per Bursa Sustainability Reporting Guideline
Occupational Health and Safety	Employees trained on health and safety standards	Number	190	—	No assurance	Data include all properties managed by Hektar REIT including our leased asset
Community Engagement and Contribution	Total amount invested in CSR programmes	RM	574,336.25	—	No assurance	Data include all properties managed by Hektar REIT including our leased asset

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SUSTAINABILITY STATEMENT

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Hektar REIT
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Community Engagement and Contribution	Total number of beneficiaries	Number	87900	—	No assurance	Data include all properties managed by Hektar REIT including our leased asset
Human Rights, Diversity, Equity and Inclusion - Board Members	Board Diversity by Gender and Age - Gender Male	%	80.00	—	No assurance	
Human Rights, Diversity, Equity and Inclusion - Board Members	Board Diversity by Gender and Age - Gender Female	%	20.00	30% women representation on the Board	No assurance	Aligned with UNSDG 5 (Gender Equality)
Human Rights, Diversity, Equity and Inclusion - Board Members	Board Diversity by Gender and Age - Age Group <30 years old	%	0.00	—	No assurance	
Human Rights, Diversity, Equity and Inclusion - Board Members	Board Diversity by Gender and Age - Age Group 30 - 50 years old	%	20.00	—	No assurance	
Human Rights, Diversity, Equity and Inclusion - Board Members	Board Diversity by Gender and Age - Age Group >50 years old	%	80.00	—	No assurance	
Human Rights, Diversity, Equity and Inclusion - Board Members	Total Board Members	Number	5	—	No assurance	
Human Rights, Diversity, Equity and Inclusion - Employees	Total Workforce	Number	264	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Gender Diversity - Management Male	%	758	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Gender Diversity - Management Female	%	5.68	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Gender Diversity - Executive Male	%	1818	—	No assurance	Data include employees from all properties except for our leased asset

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SUSTAINABILITY STATEMENT

Hektar REIT

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Human Rights, Diversity, Equity and Inclusion - Employees	Gender Diversity - Executive Female	%	27.27	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Gender Diversity - Non-Executive Male	%	31.82	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Gender Diversity - Non-Executive Female	%	9.47	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Age Diversity - Management <30 years old	%	0.00	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Age Diversity - Management 30 - 50 years old	%	74.29	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Age Diversity - Management >50 years old	%	25.71	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Age Diversity - Executive <30 years old	%	17.50	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Age Diversity - Executive 30 - 50 years old	%	70.83	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Age Diversity - Executive >50 years old	%	11.67	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Age Diversity - Non-Executive <30 years old	%	14.68	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Age Diversity - Non-Executive 30 - 50 years old	%	63.30	—	No assurance	Data include employees from all properties except for our leased asset

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SUSTAINABILITY STATEMENT

Hektar REIT
BMLR Transition Period

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Human Rights, Diversity, Equity and Inclusion - Employees	Age Diversity - Non-Executive >50 years old	%	22.02	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	New Employee Hires by Gender and Age Group - Gender Male	Number	26	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	New Employee Hires by Gender and Age Group - Gender Female	Number	13	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	New Employee Hires by Gender and Age Group - Age Group <30 years old	Number	16	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	New Employee Hires by Gender and Age Group - Age Group 30-50 years old	Number	22	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	New Employee Hires by Gender and Age Group - Age Group >50 years old	Number	1	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Employee Turnover by Gender, Age Group and Employee Category - Gender Male	Number	26	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Employee Turnover by Gender, Age Group and Employee Category - Gender Female	Number	22	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Employee Turnover by Gender, Age Group and Employee Category - Age Group <30 years old	Number	18	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Employee Turnover by Gender, Age Group and Employee Category - Age Group 30-50 years old	Number	22	—	No assurance	Data include employees from all properties except for our leased asset

SUSTAINABILITY STATEMENT

Hektar REIT

BMLR Transition Period

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Human Rights, Diversity, Equity and Inclusion - Employees	Employee Turnover by Gender, Age Group and Employee Category - Age Group >50 years old	Number	8	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Employee Turnover by Gender, Age Group and Employee Category - Management	Number	10	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Employee Turnover by Gender, Age Group and Employee Category - Executive	Number	22	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Employee Turnover by Gender, Age Group and Employee Category - Non-Executive	Number	16	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Percentage of Employee Turnover	%	1798	—	No assurance	Data include employees from all properties except for our leased asset
Human Rights, Diversity, Equity and Inclusion - Employees	Employee that are on Contracts or Temporary Staff	%	6.06	—	No assurance	Data include employees from all properties except for our leased asset

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SUSTAINABILITY STATEMENT

GRI CONTENT INDEX

Statement of use	Hektar REIT has reported the information cited in this GRI content index for the period 1 January to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	41
	2-2 Entities included in the organisation's sustainability reporting	41
	2-3 Reporting period, frequency and contact point	41
	2-5 External assurance	Information unavailable. Steps are being taken to include the information in the next Report.
	2-6 Activities, value chain and other business relationships	46
	2-7 Employees	80, 85
	2-8 Workers who are not employees	80
	2-9 Governance structure and composition	51,55
	2-10 Nomination and selection of the highest governance body	51,55
	2-11 Chair of the highest governance body	51,55
	2-12 Role of the highest governance body in overseeing the management of impacts	51,55
	2-13 Delegation of responsibility for managing impacts	51,55
	2-14 Role of the highest governance body in sustainability reporting	51,55
	2-16 Communication of critical concerns	55
	2-17 Collective knowledge of the highest governance body	55
	2-18 Evaluation of the performance of the highest governance body	55
	2-19 Remuneration policies	138-147
	2-20 Process to determine remuneration	138-147
	2-22 Statement on sustainable development strategy	44-58
	2-23 Policy commitments	46, 75-78, 86-87, 91-94
	2-24 Embedding policy commitments	46, 75-78, 86-87, 91-94
	2-25 Processes to remediate negative impacts	72
	2-26 Mechanisms for seeking advice and raising concerns	41, 92
	2-27 Compliance with laws and regulations	72, 77-78, 81, 88, 92-93
	2-28 Membership associations	42
	2-29 Approach to stakeholder engagement	52-53
	2-30 Collective bargaining agreements	75, 79

SUSTAINABILITY STATEMENT

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	54
	3-2 List of material topics	54
	3-3 Management of material topics	59-103
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	56-57
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	76
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	93
	205-2 Communication and training about anti-corruption policies and procedures	93
	205-3 Confirmed incidents of corruption and actions taken	93
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	63
	302-2 Energy consumption outside of the organisation	65
	302-3 Energy intensity	50, 62
	302-4 Reduction of energy consumption	50, 61-63
	302-5 Reductions in energy requirements of products and services	50, 61-63
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	67
	303-2 Management of water discharge-related impacts	69, 71
	303-3 Water withdrawal	69, 71
	303-4 Water discharge	69, 71
	303-5 Water consumption	67-68
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	64-65
	305-2 Energy indirect (Scope 2) GHG emissions	64-65
	305-3 Other indirect (Scope 3) GHG emissions	65
	305-4 GHG emissions intensity	50, 64
	305-5 Reduction of GHG emissions	64-65
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	69-71
	306-2 Management of significant waste-related impacts	69-71
	306-3 Waste generated	70
	306-4 Waste diverted from disposal	70
	306-5 Waste directed to disposal	70

SUSTAINABILITY STATEMENT

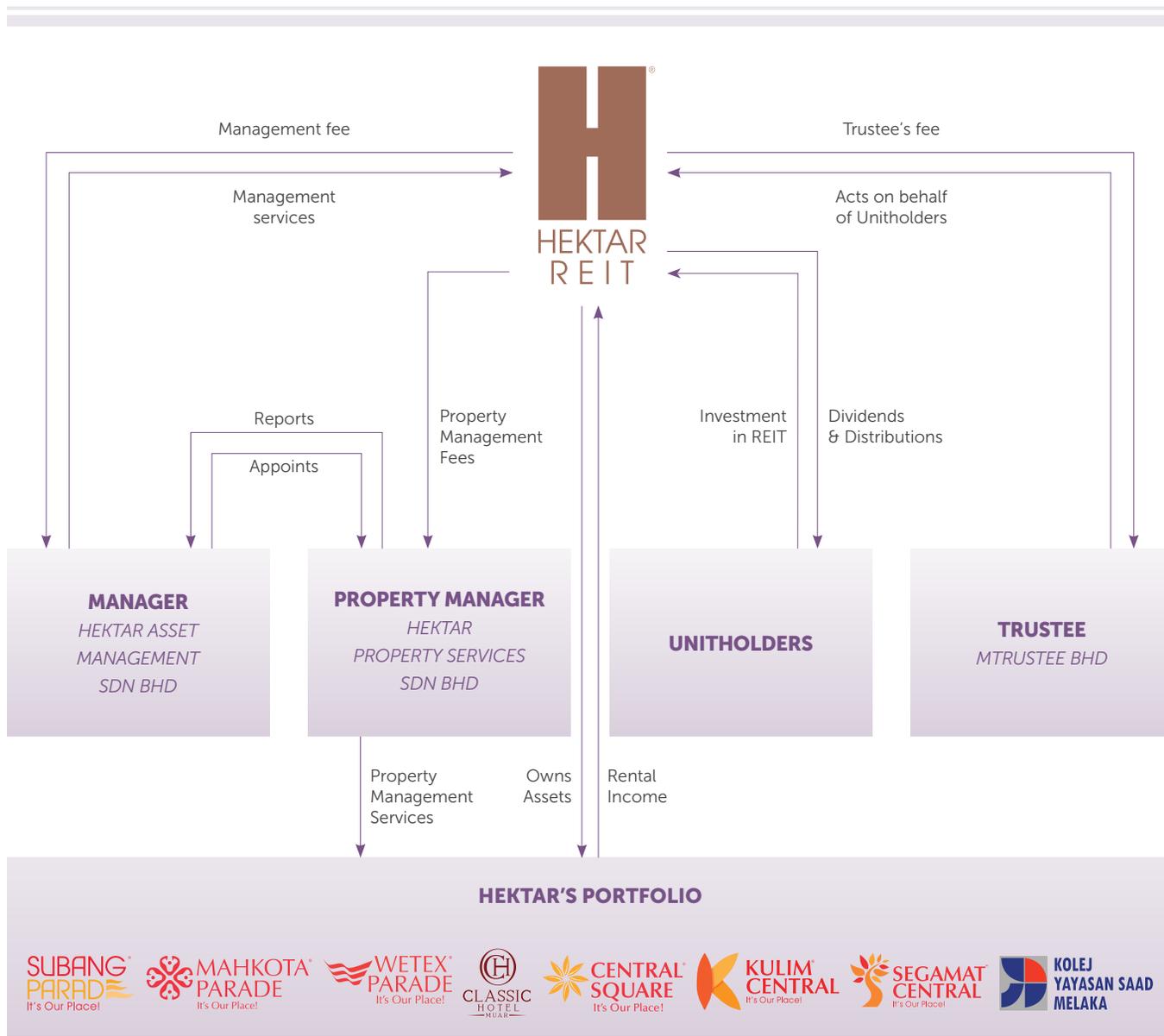
GRI STANDARD	DISCLOSURE	LOCATION
GRI 308: Supplier “Environmental Assessment 2016”	308-1 New suppliers that were screened using environmental criteria	76
	308-2 Negative environmental impacts in the supply chain and actions taken	75-76
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	85
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	81
	401-3 Parental leave	81
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	87
	403-2 Hazard identification, risk assessment, and incident investigation	86
	403-3 Occupational health services	87
	403-4 Worker participation, consultation, and communication on occupational health and safety	88
	403-5 Worker training on occupational health and safety	88
	403-6 Promotion of worker health	88
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	86-89
	403-8 Workers covered by an occupational health and safety management system	87
	403-9 Work-related injuries	89
	403-10 Work-related ill health	89
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	83
	404-2 Programmes for upgrading employee skills and transition assistance programs	83-84
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	80, 91
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	76-78
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	77, 79
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	76-78

SUSTAINABILITY STATEMENT

GRI STANDARD	DISCLOSURE	LOCATION
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	76-78
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	97-103
	413-2 Operations with significant actual and potential negative impacts on local communities	97-103
GRI 414: Supplier "Social Assessment 2016"	414-1 New suppliers that were screened using social criteria	76
	414-2 Negative social impacts in the supply chain and actions taken	75-76
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	Not applicable to Hektar REIT operations
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	95

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

80% Independent Non-Executive Director

20% Executive Director & Chief Executive Office



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



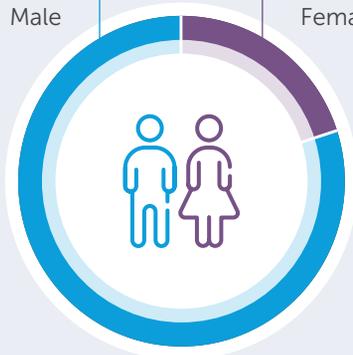
Sandra Tan Pei Ing

Independent Non-Executive Director

Diversity

80% Male

20% Female



80% Under 60 years old

20% Above 60 years old



THE BOARD OF DIRECTORS



Zainal Iskandar Bin Ismail

Executive Director and Chief Executive Officer



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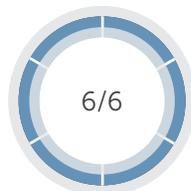
Male



Malaysian

Date of Appointment:
12 July 2024

Number of Board Meetings Attended:



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



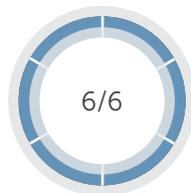
Male



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



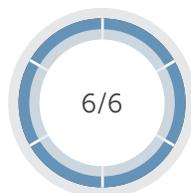
Male



Malaysian

Date of Appointment:
9 February 2024

Number of Board Meetings Attended:



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 AmlInvestment 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

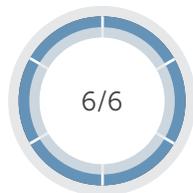
Appointment:

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

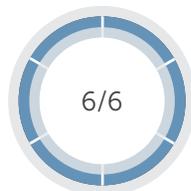
Appointment:

14 October 2024

Number of

Board Meetings

Attended:



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 Practising 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:

THE MANAGER

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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



賀達產託擬3000萬 向微領科技購資產

(吉隆坡19日訊)賀達產託 (HEKTAR, 5121, 主板產業投資信託) 擬以3000萬令吉現金, 向微領科技 (MQTECH, 0070, 创业板科技) 獨資子公司Microlead精密科技私人有限公司 (MPTSB) 收購在檳城峇六拜工業園的工業資產。

該公司董事部在文告指出, 信託人M Trustee公司今日與MPTSB簽署有條件協議, 以3000萬令吉收購上述占地約7657平方公尺, 并涵蓋厂房、倉庫及辦公空間的租賃工業地。

作為收購這個工業地先決條件, 賀達產託也與MPTSB達成回租協議, 將這項工業資產回租給

后者以繼續營運, 租期長達15年, 且有可再更新租約, 待賀達產託完成收購后, 則總租賃協議將生效。

該公司披露, 收購這項工業資產僅占總資產價值的2.16%, 并未到需公開聲明的5%水平, 惟管理人自願公開, 將結合內部現金及銀行貸款完成收購。

“收購符合公司投資目的, 即能享有長期穩定收入, 相信這項收購將能進一步多元化資產組合, 這也是公司首個工業資產。一切若順利, 料可在今年下半年完成收購。”

另一方面, 微領科技指出, 將利用脫售所得中的850萬令吉來收購剩餘的馬六甲土地, 525萬令吉作為保證金和贖付租金, 另525萬令吉為營運資本。

20 February 2025 - Sin Chew Daily



賀達產託 斥3000萬購工廠

(吉隆坡19日訊)賀達產託 (HEKTAR, 5121, 主板產業投資信託) 宣佈, 斥資3000萬令吉收購一處位於檳城峇六拜自由工業區的輕工業資產, 逐步推進資產組合多元化。

該公司董事會指出, 上述收購計劃提高了公司資產組合的穩健性, 並對高增長行業相關資產提供穩定回報的資產進行投資。

賀達產託可通過此次收購將資產組合多元化, 並平衡資產組合, 減少對零售資產的依賴。完成收購后, 資產組合將增加至十個物業, 包括購物中心、一所私立學校。

上述工業資產將以15年的長期租約, 為賀達產託帶來穩定的收入來源, 當中的固定租金上溢機制也反映了市場對專業工業空間的強勁需求。

賀達產託董事兼行政總裁陳文輝表示, 賀達產託管理私人有限公司總執行長陳炳德亦在文告指出, 公司將繼續探索機會, 將符合策略重點的資產納入麾下。

“我們把重心放在高增長工業和關鍵教育設施的零售資產, 以實現穩定的回報。”

24 February 2025 - China Press



Hektar REIT tumpu usaha tambah baik pusat beli-belah lama

Hektar Real Estate Investment Trust (Hektar REIT) mengambil pendekatan strategik dengan menilai semula portfolio aset sedia ada yang masih mempunyai potensi besar, sebagai sebahagian daripada usaha memperkukuh kedudukan kewangan syarikat.

Pengarah Eksekutif dan Ketua Pegawai Eksekutif Hektar REIT, Zaitul Iskandar Ismail, berkata langkah ini akan didorong oleh strategi teras seperti meningkatkan hasil sewaan, mengekalkan nilai hartanah sedia ada, serta memperolehi aset baharu yang dapat memberikan pulangan sekurang-kurangnya melebihi 6.5 peratus, sejajar dengan penanda aras pasaran.

“Sebagaimana dibentangkan kepada pemegang unit, Hektar REIT mengambil pendekatan menyeluruh dengan menganalisis profil setiap aset.

“Antara tumpuan utama termasuk penambahbaikan aset, khususnya bagi pusat beli-belah yang telah beroperasi lama.

“Usaha ini bertujuan mengekalkan nilai aset sedia ada, meningkatkan hasil sewaan,” katanya pada sidang media Mesyuarat Agung Tahunan (AGM) Hektar REIT di Kuala Lumpur, semalam.

Zaitul Iskandar menjelaskan, kebanyakan aset Hektar REIT merupakan aset lama tetapi masih mempunyai potensi kukuh.

“Sebagai contoh, Mahkota Parade yang berusia 20 tahun, manakala Subang Parade beroperasi lebih 36 tahun.

“Aset sebegini memerlukan pelaburan berterusan agar kualitinya kekal terpelihara dan mampu bersaing dari segi kadar sewaan pasaran,” katanya.

Beliau turut menjelaskan syarikat kini sedang meneka kaedah untuk menaikkan nilai daripada aset sedia ada, susulan perubahan pasaran semasa yang jauh lebih rendah berbanding nilai aset bersih (NAV).

Katanya, harga unit Hektar REIT kini dinaikkan dengan diskaun besar berbanding NAV.

“Jika dibandingkan dengan prestasi kewangan 10 hingga 12 tahun lalu, Hektar REIT pernah membayar dividen sekitar 10.5 peratus setahun.

“Namun, kini pembayaran dividen menurut diskaun oleh pengurangan hasil dan pengurangan daripada aset lama.

“Oleh itu, bagi meningkatkan semula pendapatan dan melaporkan kadar sewaan yang lebih baik, pelaburan berterusan perlu diteruskan.

“Sebagai contoh, di Subang Parade sendiri, kami melabur besar dalam kerja penambahbaikan aset untuk meningkatkan nilai dan sewan lebih tinggi,” katanya.

22 May 2025 - Berita Harian



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

BY SYAFIQAH SALIM
theedgemaalaysia.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 Malacca, 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.



20 February 2025 - The Edge CEO Morning Brief



Hektar REIT to install solar at five malls, saving RM4.3 million in energy costs

KUALA LUMPUR: Hektar Real Estate Investment Trust (Hektar REIT) has partnered with Sam Aiden Group Berhad to install solar photovoltaic (PV) systems at five of its shopping centres in Klang Valley around the five shopping centres over 30 weeks.

The transition will reduce dependency on conventional energy sources, resulting in a notable decrease in greenhouse gas emissions. It also sets a new benchmark for sustainable retail practices in Malaysia, and could inspire other developers and asset managers to adopt similar green energy solutions.

“By incorporating solar energy into our operations, both Hektar REIT and Sam Aiden are actively supporting Malaysia's commitment to the nation's goal of achieving net-zero carbon emissions by 2050.”

The transition will reduce dependency on conventional energy sources, resulting in a notable decrease in greenhouse gas emissions. It also sets a new benchmark for sustainable retail practices in Malaysia, and could inspire other developers and asset managers to adopt similar green energy solutions.

10 May 2025 - The Borneo Post Sabah

HEKTAR IN THE MEDIA



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

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.

If [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 be improving gradually from 2025 onwards, with a target of reaching 60%, up from 50.39% in FY2024.

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

BY YAP YAN QING
theedgemalaysia.com

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 acquisitions.

While it owns seven mainly retail properties like Subang Parade and Malinkota Parade, it has started diversification efforts by acquiring industrial and educational assets, including a Penang facility for RM30 million and a Melaka college for RM145.5 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



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 Darul Modat Sdn Bhd for the acquisition, valued at RM26 million, according to a bourse filing on Tuesday.

Darul Modat 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 Parade 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

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



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

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



Zainal Iskandar

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 a key 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

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,

CORPORATE GOVERNANCE

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 Remuneration 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.

CORPORATE GOVERNANCE

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.

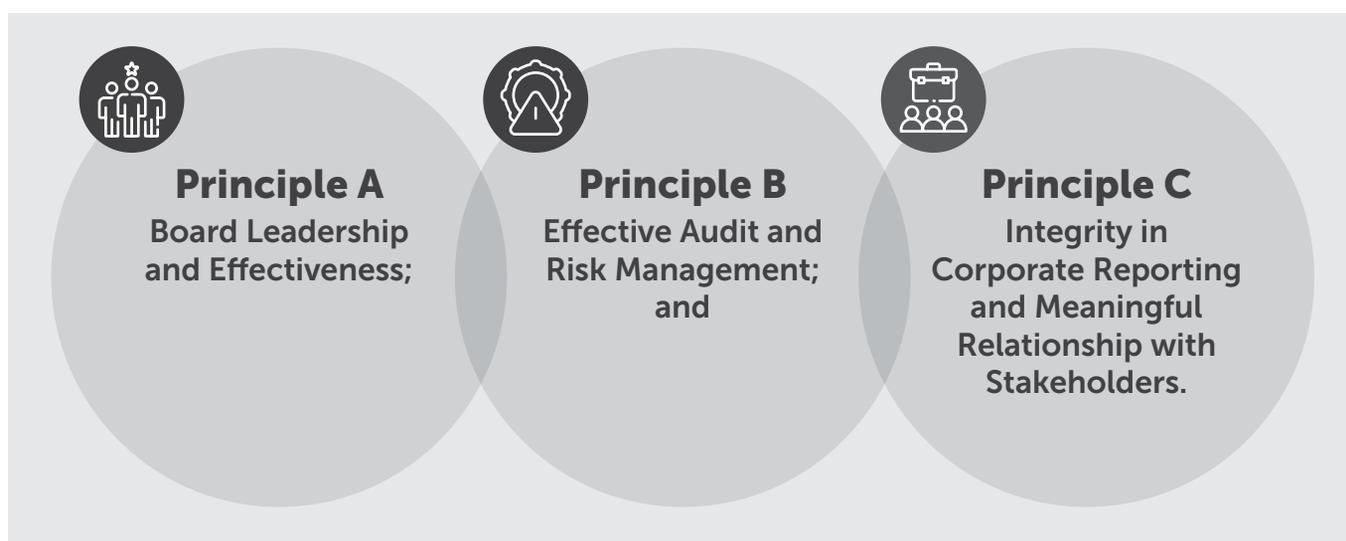
- v. Material contracts involving the interests of Directors and major Unitholders

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:



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 MCGG 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 HAMS B, 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 HAMS B 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”).

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.

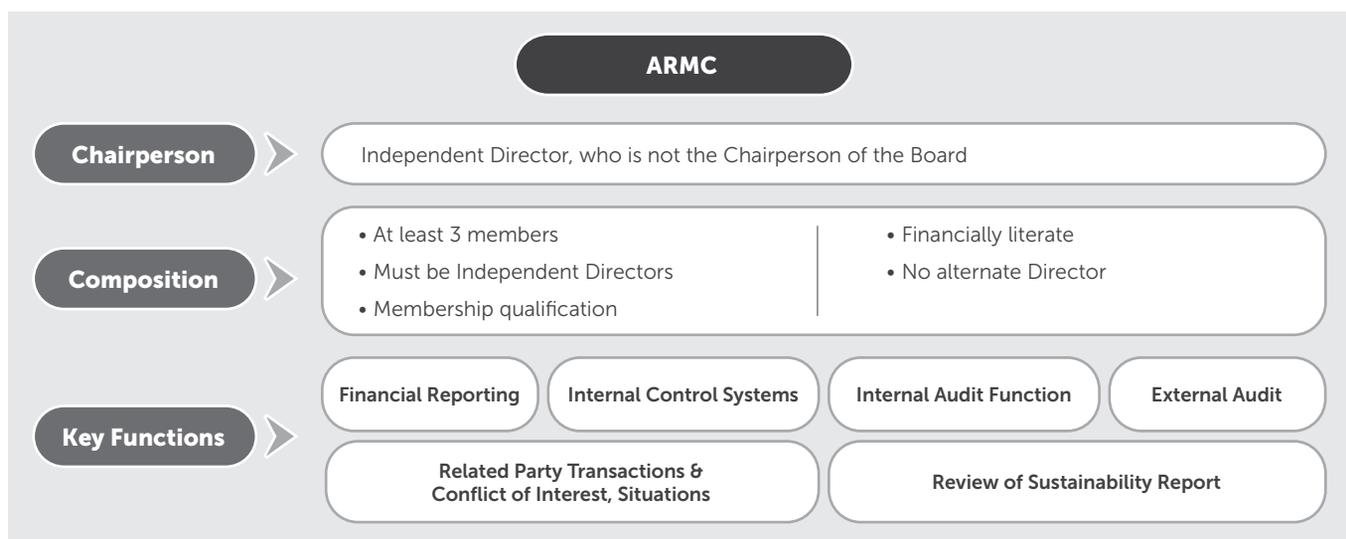
Membership

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.



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:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

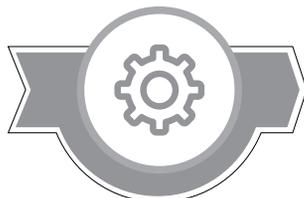
Risk Management Processes

The risk management process comprises the following key elements:



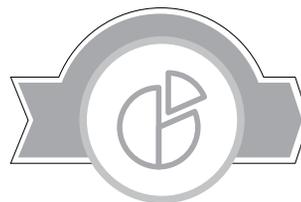
Identification

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:

- ① 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.
- ① 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.
- ① 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.
- ① 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.
- ① 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.
- ① 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.



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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.

MANAGER'S REPORT

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:

MARDHIYAH 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 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

Kuala Lumpur
26 February 2026

Lu Yan Fen

03803/11/2027 J
Chartered Accountant

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' fund RM
	Unitholders' capital RM	Realised RM	Unrealised 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.

NOTES TO THE FINANCIAL STATEMENTS

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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.

NOTES TO THE FINANCIAL STATEMENTS

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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		Principal activities
	2025	2024	
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.

NOTES TO THE FINANCIAL STATEMENTS

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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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. INVESTMENT PROPERTIES (CONTINUED)

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

2025				Cost of investment as at 31 December 2025	Fair value as at 31 December 2025	Percentage of fair value over net asset value as at 31 December 2025
Description of property	Tenure of land	Location	Existing use	RM	RM	%
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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. INVESTMENT PROPERTIES (CONTINUED)

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

2024				Cost of investment as at 31 December 2024	Fair value as at 31 December 2024	Percentage of fair value over net asset value as at 31 December 2024
Description of property	Tenure of land	Location	Existing use	RM	RM	%
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.

NOTES TO THE FINANCIAL STATEMENTS

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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	<ul style="list-style-type: none"> - 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%) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> - 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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

NOTES TO THE FINANCIAL STATEMENTS

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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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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.

NOTES TO THE FINANCIAL STATEMENTS

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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

NOTES TO THE FINANCIAL STATEMENTS

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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.

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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%.

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13. UNITHOLDERS' CAPITAL

	2025		2024	
	Number of units	RM	Number of units	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		2024	
	Number of units	%	Number of units	%
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

NOTES TO THE FINANCIAL STATEMENTS

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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.

NOTES TO THE FINANCIAL STATEMENTS

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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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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).

NOTES TO THE FINANCIAL STATEMENTS

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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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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.

NOTES TO THE FINANCIAL STATEMENTS

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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

NOTES TO THE FINANCIAL STATEMENTS

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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.

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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.

NOTES TO THE FINANCIAL STATEMENTS

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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

NOTES TO THE FINANCIAL STATEMENTS

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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 <i>Lack of Exchangeability</i>	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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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 <i>HEKTAR BLACK SDN BHD</i>	61,853,857	8.72
2	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEKTAR BLACK SDN BHD</i>	38,999,228	5.50
3	HORIZON TERRACE SDN BHD	35,467,000	5.00
4	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES FOR UPAYAPADU (M) SDN BHD</i>	35,393,400	4.99
5	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA YIELD ENHANCEMENT FUND</i>	34,188,034	4.82
6	KSV CONSTRUCTION SDN BHD	32,127,800	4.53
7	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')</i>	30,979,400	4.37
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE</i>	17,000,000	2.40
9	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ONG XENG THOU</i>	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 <i>CIMB FOR DATO' ONG CHOO MENG</i>	14,000,000	1.97
13	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEKTAR BLACK SDN BHD</i>	13,461,769	1.90
14	GMA RESOURCES SDN BHD	9,000,000	1.27
15	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR DATO' ONG CHOO MENG</i>	7,135,900	1.01
16	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR RONNY NG</i>	6,877,400	0.97
17	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR GOH LENG PHEOW</i>	6,205,200	0.87
18	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ONG XENG THOU</i>	6,185,100	0.87
19	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR OOI YOUK LAN</i>	6,000,000	0.85
20	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR GAN SHENG YIH</i>	5,500,000	0.78
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEH BAK SIM</i>	5,300,400	0.75
22	IFAST NOMINEES (TEMPATAN) SDN BHD <i>GLOBAL SUCCESS NETWORK SDN BHD</i>	5,150,000	0.73
23	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG</i>	5,000,000	0.71
24	MIRSHAM BIN MEER SADIK	4,441,800	0.63
25	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHENG CHIN KEONG</i>	3,962,200	0.56
26	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHENG CHIN KEONG</i>	2,888,300	0.41

ANALYSIS OF UNITHOLDERS

No.	Name of Unitholders	No. of Units	%
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEH BAK SIM</i>	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

Category of Shareholders	No. of Holders				No. of Securities				%			
	Malaysia				Malaysia				Malaysia			
	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

- 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:

- 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:

- 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
- the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or
- 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 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 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 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 be 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 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	<p>We aim to achieve the objective of the Fund with the following:</p> <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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



www.hektarreit.com



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.

