

# HEKTAR REAL ESTATE INVESTMENT TRUST

**Interim Financial Report  
for the period ended 30 September 2025**



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025**

	As at 30.09.2025 RM (Unaudited)	As at 31.12.2024 RM (Audited)
<b><u>NON-CURRENT ASSETS</u></b>		
Investment properties	1,396,612,475	1,391,644,339
Property, plant & equipment ("PPE")	378,832	468,977
	1,396,991,307	1,392,113,316
<b><u>CURRENT ASSETS</u></b>		
Trade receivables	8,758,844	4,787,249
Other receivables, deposits and prepayments	37,970,814	18,497,398
Cash and bank balances	10,339,210	18,625,673
	57,068,868	41,910,320
<b>TOTAL ASSETS</b>	<b>1,454,060,175</b>	<b>1,434,023,636</b>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Tenancy deposits	29,544,949	26,697,684
Deferred tax liability	31,554,132	31,554,132
Bank borrowings	585,713,933	579,072,566
	646,813,014	637,324,382
<b><u>CURRENT LIABILITIES</u></b>		
Trade payables	14,499,784	9,033,990
Other payables and accruals	24,542,600	23,896,221
Tenancy deposits	2,911,885	2,468,045
Bank borrowings	19,200,000	19,200,000
	61,154,269	54,598,256
<b>TOTAL LIABILITIES</b>	<b>707,967,283</b>	<b>691,922,638</b>
<b>NET ASSET VALUE</b>	<b>746,092,892</b>	<b>742,100,998</b>
<b><u>FINANCED BY:</u></b>		
Unitholders' capital	632,444,845	632,444,845
Undistributed income – realised	50,809,355	46,817,461
– unrealised	62,838,692	62,838,692
<b>TOTAL UNITHOLDERS' FUND</b>	<b>746,092,892</b>	<b>742,100,998</b>
<b>NET ASSET VALUE PER UNIT (RM)</b>		
-as at the date	1.0519	1.0463
-after distribution for the cumulative quarter	1.0519	1.0338
<b>NUMBER OF UNITS IN CIRCULATION</b>	709,286,684	709,286,684

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached.

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2025 RM	Preceding Year Corresponding Quarter 30.09.2024 RM	Current YTD 30.09.2025 RM	Preceding YTD 30.09.2024 RM
Revenue	31,061,293	29,799,061	93,980,031	94,762,452
Property operating expenses	(16,134,200)	(14,853,179)	(48,189,805)	(44,721,479)
<b>Net property income</b>	<b>14,927,093</b>	<b>14,945,882</b>	<b>45,790,226</b>	<b>50,040,973</b>
Income from Fund Placement	29	113,230	53,985	983,543
Other income	63,940	292,637	644,917	646,545
Reversal Gain/(Impairment loss) on trade receivables	(88,818)	(142,644)	(584,157)	(301,876)
Trust expenses	(3,409,922)	(3,444,412)	(10,455,467)	(11,400,812)
Finance expenses	(7,455,942)	(7,477,844)	(22,591,526)	(22,166,023)
<b>Realised income before taxation</b>	<b>4,036,380</b>	<b>4,286,850</b>	<b>12,857,978</b>	<b>17,802,350</b>
Change in fair value of investment property	-	-	-	1,500,000
<b>Income before taxation</b>	<b>4,036,380</b>	<b>4,286,850</b>	<b>12,857,978</b>	<b>19,302,350</b>
Taxation	-	-	-	-
<b>Net income</b>	<b>4,036,380</b>	<b>4,286,850</b>	<b>12,857,978</b>	<b>19,302,350</b>
Other comprehensive income after tax	-	-	-	-
<b>Total comprehensive income</b>	<b>4,036,380</b>	<b>4,286,850</b>	<b>12,857,978</b>	<b>19,302,350</b>
Earnings per unit (sen)	0.57	0.61	1.81	2.96
- realised (sen)	0.57	0.61	1.81	2.73
- unrealised (sen)	-	-	-	0.23
<b>Weighted average number of units</b>	<b>709,286,684</b>	<b>706,812,657</b>	<b>709,286,684</b>	<b>652,708,098</b>

The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached.

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (UNAUDITED)**

	Unitholders' Capital RM	Undistributed income		Unitholders' Fund RM
		Realised RM	Unrealised RM	
<u>Balance at 1 January 2025</u> As previously reported	632,444,845	46,817,461	62,838,692	742,100,998
<u>Operation for period ended 30 September 2025</u>				
Total comprehensive income for the financial period	-	12,857,978	-	12,857,978
<u>Unitholders' transactions</u>				
Distribution to unitholders	-	(8,866,084)	-	(8,866,084)
Balance at 30 September 2025	632,444,845	50,809,355	62,838,692	746,092,892

**CUMULATIVE YEAR ENDED 31 DECEMBER 2024 (AUDITED)**

	Unitholders' Capital RM	Undistributed income		Unitholders' Fund RM
		Realised RM	Unrealised RM	
<u>Balance at 1 January 2024</u> As previously reported	560,886,684	53,627,660	58,215,292	672,729,636
<u>Operation for period ended 31 December 2024</u>				
Total comprehensive income for the financial year	-	19,991,788	4,623,400	24,615,188
<u>Unitholders' transactions</u>				
Unitholders' capital	71,558,161	-	-	71,558,161
Distribution to unitholders	-	(26,801,987)	-	(26,801,987)
Balance at 31 December 2024	632,444,845	46,817,461	62,838,692	742,100,998

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached.

**CONDENSED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (UNAUDITED)**

	<b>Current YTD 30.09.2025 RM</b>	<b>Preceding YTD 31.12.2024 RM</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	12,857,978	25,297,212
Adjustments for :-		
Bad debts written off	-	369,477
Depreciation of PPE	90,145	97,281
Income from Fund Placement	(53,985)	(1,006,742)
Finance Expenses	22,591,526	30,076,307
Impairment loss in trade receivables	-	12,534
Fair value adjustment in Investment Properties	-	(5,300,000)
Operating profit before working capital changes	35,485,664	49,546,069
Change in working capital:-		
Receivables	(23,445,011)	(12,735,685)
Payables	9,403,278	13,081,907
Cash generated from operating activities	21,443,931	49,892,291
Tax Paid	-	(8,263)
Net cash from operating activities	21,443,931	49,884,028
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of investment properties	-	(141,000,000)
Additional of capital work in progress of investment property	(4,968,136)	(5,144,339)
Income from Fund Placement	53,985	1,006,742
Purchase of property, plant and equipment	-	(152,020)
Withdrawal deposits with licensed Islamic banks more than three months	-	1,300,000
Net cash used in investing activities	(4,914,151)	(143,989,617)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance expense paid	(22,591,526)	(30,076,307)
Distribution to Unitholders	(8,866,084)	(26,801,987)
Proceed from Issuance of new units	-	71,558,161
Net drawdown of borrowings	6,641,367	36,044,311
Net cash (used in)/generated from financing activities	(24,816,243)	50,724,178
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(8,286,463)	(43,381,411)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	18,625,673	63,307,084
	10,339,210	19,925,673
Placement deposits with licensed Islamic banks more than three months	-	(1,300,000)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>10,339,210</b>	<b>18,625,673</b>
<b>RESTRICTED CASH AT END OF THE PERIOD</b>	5,718,753	5,674,055
<b>UNRESTRICTED CASH AT END OF THE PERIOD</b>	4,620,457	12,951,618
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>10,339,210</b>	<b>18,625,673</b>

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached.

**A. EXPLANATORY NOTES FOR THE QUARTER ENDED 30 SEPTEMBER 2025 PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134**

**A1 BASIS OF PREPARATION**

The quarterly financial report is unaudited and has been prepared in compliance with MFRS 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board and Securities Commission's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines").

**A2 AUDIT REPORT OF PRECEDING FINANCIAL YEAR**

The auditors' report for the financial year ended 31 December 2024 was not subjected to any audit qualification.

**A3 SEASONALITY OR CYCLICALITY OF OPERATIONS**

Hektar REIT's operations were not significantly affected by material seasonal or cyclical factors.

**A4 SIGNIFICANT UNUSUAL ITEMS**

There were no significant unusual items that affect the assets, liabilities, equity, net property income or cash flows during the current quarter.

**A5 CHANGES IN ESTIMATES**

There were no changes in estimates that have had material effect in the current quarter.

**A6 DEBT AND EQUITY SECURITIES**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter.

**A7 INCOME DISTRIBUTION**

No income distribution is proposed for the current quarter ended 30 September 2025 (Q3 2025). Subject to the financial performance of the REIT, the Manager intends to make distributions to the unitholders of Hektar REIT on a 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. Notwithstanding the frequency of distribution, the Manager intends to distribute at least 90% of Hektar REIT's realised income available for distribution for the financial year ending 31 December 2025.

An interim distribution of 1.05 sen (gross) per unit amounting to RM7,447,510.18 for Second Quarter ended 30 June 2025 was announced on 21 August 2025 and paid on 16 October 2025.

**A8 SEGMENT INFORMATION**

The operations of Hektar REIT are in Malaysia, the financial information by retail and education assets are presented as below:

	Revenue		Net Property Income	
	RM	%	RM	%
Retail Assets	87,704,247	93.3	39,514,442	86.3
Education Asset	6,275,784	6.7	6,275,784	13.7
Total	93,980,031	100	45,790,226	100

**A9 VALUATION OF INVESTMENT PROPERTIES**

The investment properties comprising retail assets i.e. Subang Parade, Mahkota Parade, Wetex Parade, Central Square, Kulim Central, and Segamat Central, as well as the education asset Kolej Yayasan Saad, were last valued as at 31 December 2024.

**A10 MATERIAL SUBSEQUENT EVENTS TO THE END OF THE INTERIM PERIOD**

There were no material events subsequent to the current quarter under review up to the date of this Interim Financial Report that required disclosure.

**A11 CHANGES IN THE COMPOSITION OF THE TRUST**

There were no changes to the composition of Hektar REIT during the current quarter, and the fund size stands at 709,286,684 units as at 30 September 2025.

**A12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets as at 30 September 2025.

**A13 RENTAL INCOME FROM TENANCIES (MFRS 16)**

Rental income receivable under tenancy agreements is recognised on a straight-line basis over the term of the lease.

**A14 CAPITAL COMMITMENT (MFRS 134)**

There were no major capital commitments as at 30 September 2025, other than the approved commitments of RM12.0 million for the replacement and modernisation of lifts and escalators at Subang Parade.

**B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS**

**B1 REVIEW OF PERFORMANCE**

	Year-To-Date ("YTD") Cumulative Quarter ended		
	30.09.2025 RM'000	30.09.2024 RM'000	Variance %
Total Revenue	93,980	94,762	-0.8
Net Property Income ("NPI")	45,790	50,041	-8.5
Net Realised Income	12,858	17,802	-27.8

Included in the preceding year-to-date (YTD) period ended 30 September 2024 was an additional RM4.05 million in revenue from the REIT's education asset. This reflected the effective lease commencement date following the completion of the acquisition and the revenue recognised under the Master Lease Agreement with the Lessee.

Excluding this one-off revenue, the REIT's current YTD performance for the period ended 30 September 2025 remains encouraging, particularly amid sustained cost pressures. However, net realised income for the current quarter was affected by the following factors:

- A lower one-off other income of RM0.93 million as compared to the preceding YTD;
- A higher impairment loss on trade receivables amounting to RM0.28 million in the current reporting period; and
- An increase in finance costs of RM0.43 million arising from additional borrowings drawn down.

	Q3'2025 RM'000	Q3'2024 RM'000	Variance %
Total Revenue	31,061	29,799	4.2
Net Property Income ("NPI")	14,927	14,946	-0.1
Net Realised Income	4,036	4,287	-5.8
NPI Margin	48.1%	50.2%	-2.1

Hektar REIT recorded a total revenue of RM31.06 million for Q3 2025, representing an increase of 4.2% compared to RM29.80 million in Q3 2024. The improvement was primarily driven by higher rental income, supported by improved occupancy rates, particularly at Subang Parade and Central Square. However, the net property income (NPI) and net realised income for the reporting period were impacted by higher property operating expenses and lower other income recognised during the quarter.

**B2 PROSPECTS**

The rapidly evolving landscape of global trade tariffs is expected to continue exerting pressure on the broader economic outlook for the remainder of the year. Against a backdrop of escalating global trade tensions and heightened policy uncertainties, the Manager remains cautiously optimistic about the resilience of domestic consumption, which is projected to grow at a moderated pace. Bank Negara Malaysia's recent decision to lower the Overnight Policy Rate is a timely and positive development that is anticipated to stimulate retail spending and mitigate potential headwinds arising from the recently expanded SST scope.



For Hektar REIT, the asset enhancement and tenancy remixing initiatives implemented to date have begun to deliver encouraging results, reflected in improving occupancy levels and positive rental reversions across the portfolio. Building on this momentum, the Manager remains focused on driving long-term value creation through continuous asset repositioning and prudent cost optimisation measures.

Looking ahead, the Manager will continue to pursue its strategic objective of developing a well-diversified and resilient asset portfolio. This includes exploring opportunities to acquire yield-accretive properties with long-term, stable leases that will enhance income visibility and further strengthen the REIT's Net Property Income, thereby supporting sustainable returns to unitholders over the long term.

**B3 VARIANCE OF PROFIT FORECAST OR PROFIT GUARANTEE**

Not applicable as there was no profit forecast or profit guarantee issued.

**B4 TAX EXPENSE**

Pursuant to Section 61A(1) of the Income Tax Act 1967, effective from the year of assessment 2017, a REIT is fully exempt from tax for a year of assessment if it distributes 90% or more of its total income to its Unitholders in the basis period for that year of assessment.

Barring unforeseen circumstances, there will be no tax payable on property related income as Hektar REIT intends to distribute at least 90% of the realised income available for distribution to unitholders for the year ending 31 December 2025.

**B5 SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There were no sales of unquoted investments or properties during the quarter.

**B6 QUOTED INVESTMENTS**

There were no purchases or disposal of quoted investments during the quarter.

**B7 CORPORATE PROPOSAL AND DEVELOPMENTS**

There were no corporate proposals announced and pending completion as at the date of this report other than those disclosed below and in section A10 above:-

- a) 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.

- b) 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 million.
- c) On 19 February 2025, MTrustee Berhad entered into a conditional Sale and Purchase Agreement with Microlead Precision Technology 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 million. Concurrently, a Master Lease Agreement was signed for a period of 15 years with option to renew for an additional term.

## **B8 BORROWINGS AND DEBT SECURITIES**

Hektar REIT's total borrowings of RM604,913,933 are secured and comprise the following:

- Current portion borrowings of RM19,200,000; and
- Non-current portion borrowings of RM585,713,933

## **B9 OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off-balance sheet financial instruments as at the date of reporting.

## **B10 MATERIAL LITIGATION**

The Board is not aware of any pending material litigation as at the date of this quarterly Financial Report 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).

Following our earlier announcements, in relation to the appeal to the Court of Appeal against the High Court's decision on 10 January 2025, the Respondent's solicitors had filed a Discharge Application, and the application has been allowed by the Court of Appeal on 12 September 2025. The Court then fixed the matter for case management on 12 November 2025 for the Respondent to appoint new solicitors.

In the meantime, in relation to the Judgment Debtor Summons application, the High Court has fixed a case management on 9 December 2025 for parties to update the Court on the status of the appeal at the Court of Appeal.

The Management will provide further updates on the matter in due course.

- 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)

Following our earlier update, on 21 October 2025, the Court of Appeal fixed the appeal for further case management on 22 January 2026, pending the issuance of the grounds of judgment and notes of proceedings from the High Court.

The Management will take all necessary action to fully defend Hektar REIT's rights and interest in this matter and will provide further updates on the matter in due course.

**B11 SOFT COMMISSION**

For the quarter ended 30 September 2025, there was no soft commission received by the Manager, or its delegates, from its broker from any transactions conducted by the Trust.

**B12 INCOME DISTRIBUTION**

- i) Pursuant to Section 109D(2) of the Malaysian Income Tax Act 1967, where 90% or more of the REIT's total taxable income is distributed by the REIT, distributions to the unitholders will be subject to tax based on a withholding tax mechanism at the following rates:

Non-corporate investor	Withholding tax at 10%
Foreign institutional investors	Withholding tax at 10%
Resident companies	Subject to tax at the prevailing tax rate applicable to companies
Non-resident companies	Withholding tax at the prevailing tax rate of 24%

Subject to the financial performance of the REIT, the Manager intends to make distributions to the unitholders of Hektar REIT on a 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. The Manager intends to distribute at least 90% of Hektar REIT's realised income available for distribution for the financial year ending 31 December 2025.

**B13 DISTRIBUTABLE INCOME AND EARNINGS PER UNIT**

	CUMULATIVE QUARTER	
	Current YTD 30.09.2025 RM	Preceding YTD 30.09.2024 RM
<b>Net property income</b>	<b>45,790,226</b>	<b>50,040,973</b>
Income from Fund Placement	53,985	983,543
Other income	644,917	646,545
Reversal gain/(impairment loss) on trade receivables	(584,157)	(301,876)
Trust expenses	(10,455,468)	(11,400,812)
Finance Expenses	(22,591,526)	(22,166,023)
Income before Taxation	<b>12,857,978</b>	<b>17,802,350</b>
Taxation	-	-
<b>Realized Income</b>	<b>12,857,978</b>	<b>17,802,350</b>
Distribution	-	-
<b>Undistributed realized income</b>	<b>12,857,978</b>	<b>17,802,350</b>
<b>Weighted average number of units</b>	<b>709,286,684</b>	<b>652,708,098</b>
Realised/Earnings per unit (sen)	1.81	2.73

**B14 RESPONSIBILITY STATEMENT**

In the opinion of the Directors of the Manager, this Interim Financial Report has been prepared in accordance with MFRS 134: Interim Financial Reporting, the MMLR and the REIT Guidelines so as to give a true and fair view of the financial position of Hektar REIT as at 30 September 2025 and of its financial performance and cash flows for the financial period ended on that date and duly authorised for release by the Board of the Manager on 25 November 2025.

By Order of the Board

**HEKTAR ASSET MANAGEMENT SDN BHD**

(as the Manager of Hektar Real Estate Investment Trust)

**Dato' Muhammad Hafidz Nuruddin (MAICSA 7005820)**

**Lim Seck Wah (MAICSA 0799845)**

Joint Company Secretaries

Kuala Lumpur

25 November 2025