

## HEKTAR REAL ESTATE INVESTMENT TRUST ("HEKTAR REIT")

### PROPOSED PRIVATE PLACEMENT OF UP TO 141,857,337 NEW UNITS IN HEKTAR REIT, REPRESENTING UP TO 20% OF THE TOTAL ISSUED UNITS OF HEKTAR REIT ("PROPOSED PRIVATE PLACEMENT")

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#### 1. INTRODUCTION

On behalf of the Board of Directors of Hektar Asset Management Sdn Bhd ("**Board**"), being the management company of Hektar REIT ("**Manager**"), UOB Kay Hian Securities (M) Sdn Bhd ("**UOBKH**") wishes to announce that Hektar REIT proposes to undertake a private placement of up to 20% of the total number of issued units of Hektar REIT ("**Hektar REIT Unit(s)**" or "**Unit(s)**") ("**Placement Unit(s)**") to third party investor(s) to be identified later, at an issue price to be determined later.

Further details of the Proposed Private Placement are set out in the ensuing sections of this announcement.

#### 2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

On 25 April 2024, the unitholders of Hektar REIT ("**Unitholder(s)**") had at the 12th Annual General Meeting ("**AGM**") of Hektar REIT ("**12th AGM**"), approved, among others, the authority to allot and issue new units of up to 20% of the issued fund size of Hektar REIT to facilitate Hektar REIT in raising funds ("**Authority**"). The Authority empowers the Board to allot and issue new units at any time to such persons and for such purposes as the Board may deem fit and in the best interest of Hektar REIT, provided that the aggregate number of new units to be issued pursuant to the Authority, when aggregated with the number of units issued during the preceding 12 months, does not exceed 20% of the issued fund size of Hektar REIT.

The Authority shall continue to be in force until:-

- (i) the conclusion of the next AGM of Hektar REIT following the 12th AGM where the Authority was passed, at which time the Authority will lapse, unless such Authority is renewed by the Unitholders by a resolution passed at that AGM of Hektar REIT; or
- (ii) the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or
- (iii) the Authority is revoked or varied by a resolution passed by the Unitholders at a Unitholders' meeting,

whichever occurs first.

##### 2.1 Placement size

The Proposed Private Placement involves an issuance of up to 141,857,337 new units, representing up to 20% of the total issued units of 709,286,684 units as at 14 March 2025, being the latest practicable date prior to this announcement ("**LPD**").

The actual number of Placement Units to be issued under the Proposed Private Placement will be determined at a later stage by the Manager, in consultation with the placement agent(s) to be appointed for the Proposed Private Placement ("**Placement Agent(s)**"), at a price-fixing date to be determined after the relevant approvals have been obtained. In any event, the number of Placement Units to be issued will not exceed 141,857,337 Placement Units.

## 2.2 Basis of determining the issue price of the Placement Units

The Proposed Private Placement may be implemented in a single tranche or in multiple tranches, within 6 months from the date of approval of Bursa Securities for the listing and quotation of the Placement Units on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") or any extended period as may be approved by Bursa Securities, or until the conclusion of the next AGM of Hektar REIT unless the Authority is renewed by the Unitholders at that AGM of Hektar REIT. As such, there could potentially be several price-fixing dates depending on the number of tranches for the implementation of the Proposed Private Placement.

The implementation of the Proposed Private Placement in tranches will provide the Manager with flexibility to raise funds while in compliance with Paragraph 6.59(1A)(a) of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**").

The issue price of each tranche of the Placement Units ("**Issue Price**"), where applicable, shall be determined separately and fixed at a later date after obtaining the relevant approvals for the Proposed Private Placement.

The prevailing market conditions and the provisions of Paragraph 6.04(a) of the Listing Requirements shall be taken into consideration amongst others, in determining the issue price of the Placement Units. The issue price shall not be at a discount of more than 10% to the 5-day volume weighted average market price ("**5D-VWAMP**") of unit price of Hektar REIT immediately preceding the price fixing date(s). The mechanism to determine the issue price of the Placement Units is in accordance with market based principles.

For illustration purpose, the issue price of the Placement Units is assumed to be RM0.4390 each ("**Indicative Issue Price**"). The Indicative Issue Price represents a discount of approximately 9.87% to the 5D-VWAMP of unit price of Hektar REIT for the 5 market days up to and including the LPD of RM0.4871.

## 2.3 Placement arrangement

The Placement Units will be placed to third party investor(s) ("**Placees**") to be identified later, where such investors shall be persons who qualify under Schedules 6 and 7 of the Capital Markets and Services Act, 2007. In accordance with Paragraph 6.04(c) of the Listing Requirements, the Placement Units will not be placed to the following parties:-

- (i) the interested director, interested major unitholder, interested chief executive of the Manager or a major unitholder of Hektar REIT ("**Interested Person(s)**");
- (ii) a person connected with an Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

In accordance with Paragraph 6.59(1A)(b) of the Listing Requirements, placement to any single placee for the number of units to be issued pursuant to the Proposed Private Placement must not exceed 10% of the total number of units issued.

## 2.4 Ranking of the Placement Units

The Placement Units shall, upon allotment, issuance and full payment of the issue price, rank equally and carry the same rights with the current existing Hektar REIT Units, save and except that the Placement Units will not be entitled to any distributable income, rights, allotments and/ or any other forms of distribution ("**Distributions**"), where the entitlement date of such Distributions precedes the relevant date of allotment and issuance of the Placement Units.

## 2.5 Listing and quotation for the Placement Units

An application will be made to Bursa Securities for the listing and quotation for the Placement Units on the Main Market of Bursa Securities.

## 2.6 Utilisation of proceeds

Based on the Indicative Issue Price, the Proposed Private Placement is expected to raise gross proceeds of up to RM62.28 million. For illustrative purposes, the proceeds are intended to be utilised by Hektar REIT in the following manner:-

Details of utilisation	Timeframe for utilisation	RM'000
Future viable investments <sup>*1</sup>	Within 24 months from completion	45,000
Asset enhancement initiatives <sup>*2</sup>	Within 18 months from completion	12,000
Working capital requirements <sup>*3</sup>	Within 24 months from completion	4,155
Estimated expenses <sup>*4</sup>	Upon completion	1,120
<b>Total</b>		<b><u>62,275</u></b>

### Notes:-

<sup>\*1</sup> Hektar REIT, managed by the Manager, is principally involved in investing and managing real estates assets predominately involved in retail and/ or shopping centres, acquire and manage future assets which are income producing properties with the objective of extracting synergies and efficiencies from the assets in Hektar REIT's portfolio. Apart from expanding its business organically, Hektar REIT intends to also expand inorganically, via joint ventures, collaborative arrangements, business agreements, and/ or mergers and acquisitions of properties that enhance the value of its current property portfolio.

At this juncture, the Manager is engaged in discussions with several prospects for potential acquisition of yield-accretive assets, which are part of Hektar REIT's ongoing efforts to expand and enhance its portfolio to maximise returns for Unitholders. The Manager is still in the midst of conducting feasibility studies to thoroughly evaluate the risk and reward of the assets, as well as their sustainability in the long term for Hektar REIT's portfolio. Hektar REIT shall make the requisite announcements and/ or shall seek unitholders' approval in accordance with the Listing Requirements as and when the aforementioned potential acquisition materializes or when other new investment(s) are identified and the terms of negotiations are finalised.

The Manager may allocate certain level of proceeds arising from the Proposed Private Placement to capitalise on such potential acquisition(s) and/ or business investment(s), as and when it arises. If the nature of the transaction requires unitholders' approval pursuant to the Listing Requirements, the Manager shall seek the necessary approvals from its unitholders prior to completing the transaction.

In the event the Manager is unable to identify any suitable and viable opportunities within the timeframe stipulated (or any extended timeframe, if applicable), the proceeds allocated for future viable investments shall be utilised as working capital of Hektar REIT, the exact breakdown of which cannot be determined at this juncture, and depends on Hektar REIT's operating requirements at material time. Should the Manager wish to vary the utilisation of proceeds raised, Hektar REIT shall make the necessary announcements and/ or seek the approval from its unitholders in accordance with Paragraph 8.22 of the Listing Requirements in the event of a material variation.

<sup>\*2</sup> Hektar REIT intends to earmark approximately RM12.00 million of the proceeds for asset enhancement initiatives of its investment portfolio, which include but not limited to, the refurbishment and enhancement of the facilities and condition of Hektar REIT's properties and the replacement and investment in systems to enhance energy management and consumption efficiency at Hektar REIT malls.

The breakdown of which is as follows:-

<b>Property</b>	<b>Description</b>	<b>RM'000</b>	<b>%</b>
Wetex Parade	Replacement of water cooled package unit (WCPU) and sewage treatment plant upgrading	5,000	41.67
Kulim Central	Retail lot reconfiguration, and upgrading of mall's interior including waterproofing works and installation of Energy Monitoring System	2,500	20.83
Segamat Central	Replacement of 200RT chiller, upgrading of mall's facade and interior	2,500	20.83
Central Square	Retail lot reconfiguration and replacement of Level 3&4 air conditioning system	2,000	16.67
		<b>12,000</b>	<b>100.00</b>

<sup>\*3</sup> Hektar REIT intends to earmark approximately RM4.16 million of the proceeds raised from the Proposed Private Placement to fund its working capital for property operating expenses, such as property maintenance, marketing and promotions.

<sup>\*4</sup> The estimated expenses include professional fees, placement fees, regulatory fees and other incidental expenses in relation to the Proposed Private Placement. Any variation in the actual expenses will be adjusted against the proceeds allocated for working capital of Hektar REIT.

The actual gross proceeds to be raised from the Proposed Private Placement is dependent on the eventual issue price and the number of Placement Units to be issued. In the event the actual proceeds raised from the Proposed Private Placement is less than RM62.28 million, the shortfall between actual expenditure to be incurred and total gross proceeds raised will be funded via internally generated funds and/or bank borrowings from financial institution(s).

Pending the actual utilisation of proceeds from the Proposed Private Placement, the proceeds would be placed as deposits with licensed financial institutions or short-term money market instruments, as the Board may deem fit. Any interest income earned from such deposits or instruments will be used as working capital of Hektar REIT.

## 2.7 Other fundraising exercises in the past 12 months

The Company had on 7 December 2023, announced a private placement of up to 145,353,983 new units in Hektar REIT, representing up to 25% of the total number of issued units of Hektar REIT ("**2023 Private Placement**"). Hektar REIT had completed the 2023 Private Placement on 17 December 2024, in which a total of 125,397,584 Units were placed out, raising gross proceeds of RM73.36 million. Further details of which are as follows:-

<b>Listing Date</b>	<b>Issue price RM</b>	<b>No. of Units</b>	<b>Actual proceeds raised RM'000</b>
5 March 2024	0.5850	90,782,200	53,108
15 March 2024	0.5850	34,615,384	20,250
<b>Total</b>		<b>125,397,584</b>	<b>73,358</b>

The status of the utilisation of the said gross proceeds as at the LPD is set out below:-

Details of utilisation	Timeframe for utilisation	Proposed utilisation RM'000	Actual proceeds raised and utilised RM'000	Balance to be utilised RM'000
Partial settlement of the purchase consideration for the acquisition of Kolej Yayasan Saad, which was completed on 11 July 2024	Within 12 months from unconditional date of the sale and purchase agreement dated 11 September 2023	82,532	72,238	-
Estimated expenses	Upon completion of the 2023 Private Placement	2,500	1,120	-
<b>Total</b>		<b>85,032</b>	<b>73,358</b>	<b>-</b>

Save for the 2023 Private Placement, Hektar REIT has not undertaken any other fundraising exercises in the 12 months prior to the date of this announcement.

### 3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED PRIVATE PLACEMENT

After due consideration of the various methods of fund raising, the Board is of the view that the Proposed Private Placement is the most appropriate avenue of fund raising to address Hektar REIT's needs as set out in **Section 2.6** of this announcement as the Proposed Private Placement:-

- (i) enables Hektar REIT to raise additional funds without incurring interest costs as compared to conventional bank borrowings, which may affect Hektar REIT's bottom line;
- (ii) increases the size and strength of Hektar REIT's Unitholders' funds; and
- (iii) enables Hektar REIT to raise funds in an expeditious manner, compared to pro-rated issuance such as a rights issue, which usually requires a longer timeframe for implementation, also without certainty that Hektar REIT will be able to meet its fundraising objectives as the level of funds raised will depend on the subscription rate by the entitled unitholders and/ or renouncee(s).

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## 4. INDUSTRY OUTLOOK AND OVERVIEW AND FUTURE PROSPECTS OF HEKTAR REIT

### 4.1 Overview and outlook of the Malaysian economy

Malaysia's economy continued its growth momentum, supported by favourable economic performance, amid persistent challenges in the external environment. This signifies the country's strong fundamentals and diversified economic activities as well as investor confidence in the domestic market, anchored by sound Government policies. During the first half of 2024, the economy posted a commendable growth of 5.1% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. Growth is forecast to continue its momentum in the second half of the year, albeit at a moderate pace. Overall, real GDP in 2024 is revised upward, ranging between 4.8% and 5.3%, surpassing the initial target of 4% to 5%.

For 2025, the economy is projected to grow between 4.5% and 5.5%. On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of ICT related activities. Tourism-related industries, particularly food & beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities.

*(Source: Economic Outlook 2025, Ministry of Finance of Malaysia)*

At its meeting on 6 March 2025, the Monetary Policy Committee ("**MPC**") of Bank Negara Malaysia ("**BNM**") decided to maintain the Overnight Policy Rate ("**OPR**") at 3%. The Malaysian economy recorded a higher growth of 5.1% in 2024, driven by stronger domestic demand and a rebound in exports. Moving forward, despite external uncertainties, the strength in economic activity is expected to be sustained in 2025, anchored by domestic demand. Employment and wage growth, as well as policy measures, including the upward revision of the minimum wage and civil servant salaries, will support household spending.

Ringgit performance continues to be primarily driven by external developments. The narrowing interest rate differentials between Malaysia and the advanced economies is positive for the ringgit. Financial markets could experience heightened bouts of volatility due to global policy uncertainties. Nevertheless, Malaysia's favourable economic prospects and domestic structural reforms, complemented by ongoing initiatives to encourage flows, will continue to provide enduring support to the ringgit.

At the current OPR level, the monetary policy stance remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects. The MPC remains vigilant to ongoing developments to inform the assessment on the domestic inflation and growth outlook. The MPC will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability.

*(Source: Monetary Policy Statement on 6 March 2025, Bank Negara Malaysia)*

### 4.2 Overview and outlook for the property industry in Malaysia

Malaysia's property market is poised for a significant shift in 2025, supported by ongoing economic recovery, urbanisation and strategic investments in key sectors. Recent analyses suggest that property prices are set to rise, underpinned by robust demand in urban centres and the growing influence of industrial property developments. With these dynamics in play, Malaysia's real estate landscape offers both opportunities and challenges for stakeholders.

The nation's post-pandemic economic recovery has gained momentum, creating an environment ripe for increased property demand. Key urban areas, including Kuala Lumpur, Penang and Johor Bahru, are experiencing heightened interest as more Malaysians and expatriates migrate to cities for employment opportunities and better quality of life. This urbanisation trend is a major driver of housing demand, particularly for mid-range and high-end properties in well-connected locales.

Additionally, Malaysia's improving economic indicators, such as rising gross domestic product and growing consumer confidence, are expected to stimulate property transactions. With a burgeoning middle class seeking housing options, demand for residential properties is projected to sustain its upward trajectory. This is especially true in areas that benefit from enhanced infrastructure and connectivity, such as those near ongoing Mass Rapid Transit (MRT) and Light Rail Transit (LRT) expansions.

While the property sector's prospects are largely positive, government policies and economic conditions will play a pivotal role in shaping market sentiment. The 2025 budget, for instance, lacked significant new measures to support homebuyers. Key initiatives like the Home Ownership Campaign (HOC) and Madani Deposit Scheme were notably absent, though limited tax relief for first-time buyers was introduced. These measures are expected to have a modest impact compared to previous campaigns.

Conversely, the absence of aggressive policy interventions has not deterred developers from pursuing growth opportunities. Instead, many are leveraging existing infrastructure projects, such as the Johor Autonomous Rapid Transit system, to enhance the appeal of their developments. These infrastructure enhancements are expected to contribute to long-term property value appreciation, particularly in regions like Johor Bahru.

*(Source: Media article titled "Malaysia's Property Market: A Transformative Outlook for 2025" dated 16 December 2024 issued by StarProperty)*

The real estate and business services subsector expanded by 9.1% in the first half of 2024 supported by higher demand for professional services, particularly in engineering-related activities. The subsector is expected to grow by 8.1% in the second half of the year supported by the increase of sales transactions from developers to buyers in the real estate segment and higher demand for professional, scientific & technical services. Furthermore, the enhancement of the Malaysia My second Home visa scheme in June 2024, will help boost sales of the high-end segment of local property. For the year, the subsector is expected to grow by 8.6%.

The real estate and business services subsector is forecast to increase by 6.3% driven by sustained demand for professional services, particularly engineering-related services in construction activities, including new data centre facilities. In addition, the expansion of the subsector will be supported by the improvement in sales of residential houses in the real estate segment.

*(Source: Economic Outlook 2025, Ministry of Finance Malaysia)*

### 4.3 Prospects of the Hektar REIT

As at the LPD, the property portfolio of Hektar REIT comprises a total of 6 shopping centres, 1 hotel and 1 private education institution, with a combined value of RM1.38 billion. The retail assets within the portfolio have a cumulative net lettable area of more than 2 million square feet. As at the fourth quarter of 2024, the occupancy rate of Hektar REIT's portfolio stands at 84.00%.

Despite the strong recovery of the Malaysian economy, Hektar REIT remains vigilant in its outlook for the retail sector in 2025, in light of rising living costs and inflationary pressures that may influence consumer sentiment and spending patterns. To safeguard its long-term sustainability, Hektar REIT has embarked on a diversification strategy aimed at balancing concentration risks, further enhancing the portfolio's resilience to market uncertainties, and ensuring the continued generation of stable income for its Unitholders.

In line with this strategy, Hektar REIT completed the acquisition of its first non-retail asset, Kolej Yayasan Saad Melaka, on 11 July 2024. Furthermore, on 19 February 2025, the Manager announced the acquisition of a light-industrial asset located within the Bayan Lepas Free Industrial Zone (FIZ), Pulau Pinang, marking Hektar REIT's entry into the industrial real estate sub-sector. This acquisition presents a strategic opportunity to add yield-accretive assets with modern facilities in an area with growing demand for mid-sized industrial spaces. Moving forward, the Manager intends to maintain a core focus on retail assets while gradually building a more balanced portfolio. For future acquisitions in the non-retail sector, the Manager will continue to seek yield-accretive assets with triple-net lease agreements and built-in rental step-ups.

The Manager anticipates higher occupancy rates, positive rental reversions and increased footfall across its shopping centres in coming years, driven by several ongoing asset enhancement and tenancy remixing initiatives. Simultaneously, the Manager will continue to exercise prudent financial management and implement cost optimisation measures to further enhance Hektar REIT's net property income.

Premised on the above and after having considered all the relevant aspects including the outlook of the property market in Malaysia as set out in **Section 4.2** of this announcement, the Board remains optimistic of the future prospects of Hektar REIT.

*(Source: Management of the Manager)*



## 5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

### 5.1 Issued unit capital

The pro forma effects of the Proposed Private Placement on the issued unit capital of Hektar REIT are set out below:-

	No. of Units	RM
Issued unit capital as at the LPD	709,286,684	632,444,846
After the Proposed Private Placement	141,857,337	62,275,371 <sup>*1</sup>
<b>Enlarged issued unit capital</b>	<b>851,144,021</b>	<b>694,720,217</b>

**Note:-**

<sup>\*1</sup> Computed based on the indicative issue price of RM0.4390 per Placement Unit.

### 5.2 Net asset value ("NAV") per Unit and gearing

Based on the latest audited consolidated statements of financial position of Hektar REIT as at 31 December 2023, the pro forma effects of the Proposed Private Placement on the NAV per Unit and gearing are set out as follows:-

	Audited as at 31 December 2023 RM'000	Subsequents adjustments up to the LPD RM'000	After the Proposed Private Placement RM'000
Unit capital	560,887	632,445 <sup>*1</sup>	694,720 <sup>*4</sup>
Undistributed income	111,843	85,042 <sup>*2</sup>	83,922 <sup>*5</sup>
<b>Unitholders' fund/ NAV</b>	<b>672,730</b>	<b>717,487</b>	<b>778,642</b>
Number of Units in issue ('000)	581,415	709,287	851,144
<b>NAV per Unit (RM)</b>	<b>1.16</b>	<b>1.01</b>	<b>0.91</b>
Total borrowings (RM'000)	562,228	562,228	562,228
Total asset value (RM'000)	1,314,849	1,289,285 <sup>*3</sup>	1,350,440 <sup>*6</sup>
<b>Gearing level (times)</b>	<b>0.43</b>	<b>0.44</b>	<b>0.42</b>

**Notes:-**

<sup>\*1</sup> After adjusting for the following:-

- i. Pursuant to the 2023 Private Placement, a total of 125,397,584 placement units were issued at RM0.5850 per unit.
- ii. Pursuant to the 2024 interim income distribution, RM1.24 million were distributed in the form of new units in lieu of cash. A total of 2,474,027 units were issued at RM0.50 per unit.

<sup>\*2</sup> After deducting the 2023 final income distribution and 2024 interim income distribution of RM13.37 million and RM13.43 million, respectively.

<sup>\*3</sup> Pursuant to the 2023 final income distribution and 2024 interim income distribution of RM13.37 million and RM12.19 million, respectively, which were distributed in the form of cash.

<sup>\*4</sup> After the issuance of 141,857,337 Placement Units at RM0.4390 each.

<sup>\*5</sup> After deducting estimated expenses of approximately RM1.12 million in relation to the Proposed Private Placement.

<sup>\*6</sup> After adjusting for the proceeds of up to RM61.15 million (net expenses) from the Proposed Private Placement.

### 5.3 Earnings and earnings per Unit

Any issuance of the Placement Units will dilute the earnings per Unit, the quantum of which would depend on the number of Placement Units to be issued.

Moving forward, the Proposed Private Placement is expected to contribute positively to the earnings of Hektar REIT as and when the benefits of the proposed utilisation of proceeds as detailed in **Section 2.6** above are realised.

### 5.4 Convertible securities

As at the LPD, Hektar REIT does not have any outstanding convertible securities.

### 5.5 Substantial unitholding structure

The pro forma effects of the Proposed Private Placement on the substantial unitholders' unitholdings of Hektar REIT as at the LPD are set out below:-

	Unitholdings as at the LPD				After the Proposed Private Placement			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Units	% <sup>*1</sup>	No. of Units	% <sup>*1</sup>	No. of Units	% <sup>*2</sup>	No. of Units	% <sup>*2</sup>
Ong Choo Meng	48,900,000	6.89	101,100,000 <sup>*3</sup>	14.25	48,900,000	5.75	101,100,000 <sup>*3</sup>	11.88
Hektar Rubber Sdn Bhd	101,100,000	14.25	-	-	101,100,000	11.88	-	-
Hektar Black Sdn Bhd	121,764,854	17.17	448,653 <sup>*4</sup>	0.09	121,764,854	14.31	448,653 <sup>*4</sup>	0.05

**Notes:-**

<sup>\*1</sup> Based on the total issued Units of 709,286,684.

<sup>\*2</sup> Based on the total issued Units of 851,144,021.

<sup>\*3</sup> Deemed interested pursuant to Section 8 of the Companies Act 2016 via his interest in Hektar Rubber Sdn Bhd.

<sup>\*4</sup> Deemed interested pursuant to Section 8 of the Companies Act 2016 via its interest in Hektar Green Sdn Bhd.

## 6. APPROVALS REQUIRED

The Proposed Private Placement is subject to the following approvals:-

- (i) the Trustee of Hektar REIT which was obtained on 21 March 2025;
- (ii) Bursa Securities, for the listing and quotation of the Placement Units on the Main Market of Bursa Securities; and
- (iii) any other relevant authority, if required.

For avoidance of doubt, the Proposed Private Placement is not subject to the Unitholders' approval. Hektar REIT had obtained the approval from its Unitholders at the last AGM convened on 25 April 2024. Further details on the approval has been set out in **Section 2** of this announcement.

The Proposed Private Placement is not conditional upon any other proposals undertaken or to be undertaken by Hektar REIT.

In the event the Proposed Private Placement is not completed before the Authority lapses, the Proposed Private Placement will be conditional upon the Authority being renewed by a resolution passed by the Unitholders at the forthcoming AGM of Hektar REIT.

**7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER AND CHIEF EXECUTIVE OF THE MANAGER, MAJOR UNITHOLDERS AND/ OR PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders and/ or chief executive of the Manager, major unitholders, chief executive of the Manager and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.

**8. DIRECTORS' STATEMENT**

The Board, having considered all aspects of the Proposed Private Placement including, but not limited to the rationale as set out in **Section 3** and the effects as set out in **Section 5** of this announcement, is of the opinion that the Proposed Private Placement is in the best interest of Hektar REIT.

**9. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Private Placement is expected to be completed in the second quarter of 2025.

**10. APPLICATION TO THE AUTHORITIES**

The application to the relevant authorities shall be made within 1 month from the date of this announcement.

**11. ADVISER AND PLACEMENT AGENT**

UOBKH has been appointed as the Adviser and Placement Agent for the Proposed Private Placement.

**This announcement is dated 24 March 2025.**