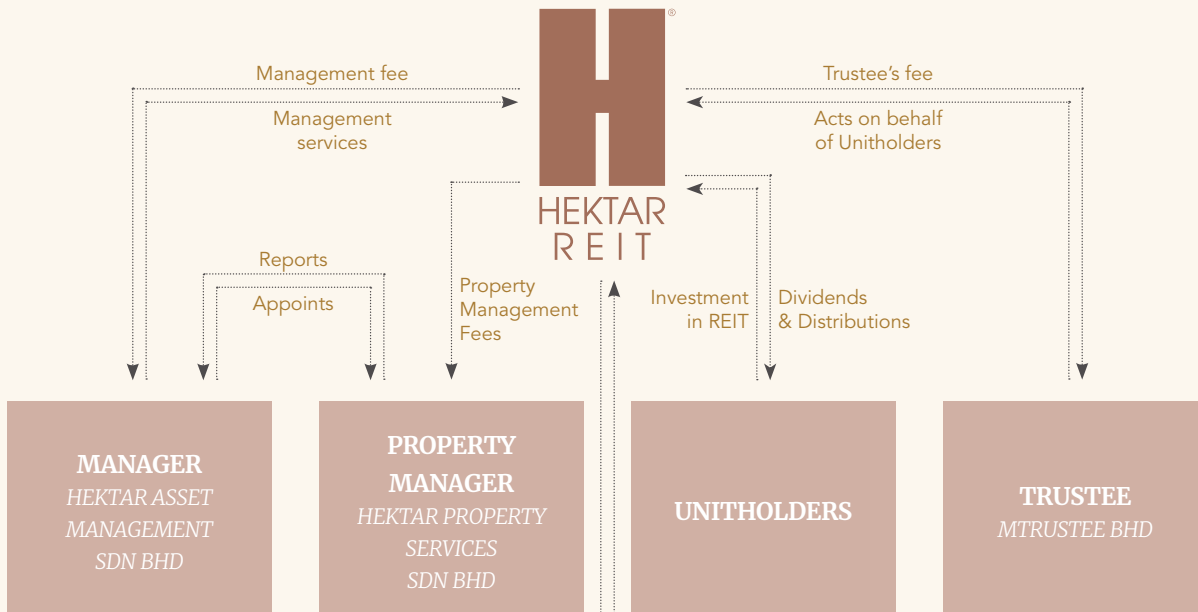


Corporate ORGANISATION

Hektar REIT is a Real Estate Investment Trust managed by Hektar Asset Management Sdn Bhd. The Trust owns six shopping centres, one education asset and a hotel, all of which is managed by Hektar Property Services Sdn Bhd with the exception of Kolej Yayasan Saad. MTrustee is the legal custodian of the Trust and acts on behalf of the Unitholders.



HEKTAR'S PORTFOLIO



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
Non-independent Non-Executive Director
(Appointed w.e.f 12 July 2024)
Executive Director & Chief Executive Officer
(Appointed w.e.f 26 September 2024)

Wan Kamaruddin bin Wan Mohamed Ali
Independent Non-Executive Director
(Appointed w.e.f 10 February 2023)

Sr Zulazman bin Zulkifli
Independent Non-Executive Director
(Appointed w.e.f 9 February 2024)

Chong Kai Wooi
Independent Non-Executive Director
(Appointed w.e.f 9 February 2024)

Sandra Tan Pei Ing
Independent Non-Executive Director
(Appointed w.e.f 14 October 2024)

En Johari Shukri bin Jamil
Executive Director / Chief Executive Director
(Resigned w.e.f 11 June 2024)

Norliza Binti Suleiman
Independent Non-Executive Director
(Resigned w.e.f 28 June 2024)

AUDIT AND RISK MANAGEMENT COMMITTEE

Sandra Tan Pei Ing (Chairperson)
Independent Non-Executive Director
(Appointed w.e.f 14 October 2024)

Chong Kai Wooi
Independent Non-Executive Director
(Appointed w.e.f 9 February 2024)

Wan Kamaruddin bin Wan Mohamed Ali
Independent Non-Executive Director
(Appointed w.e.f 10 February 2023)

NOMINATION AND REMUNERATION COMMITTEE

Wan Kamaruddin bin Wan Mohamed Ali
(Chairman)
(Appointed w.e.f 10 February 2023)

Chong Kai Wooi
Independent Non-Executive Director
(Appointed w.e.f 9 February 2024)

JOINT COMPANY SECRETARIES OF THE MANAGER

Dato' Muhammad Hafidz Bin Nuruddin
(MAICSA 7005820)

Lim Seck Wah (MAICSA 0799845)

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

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



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 WOUI

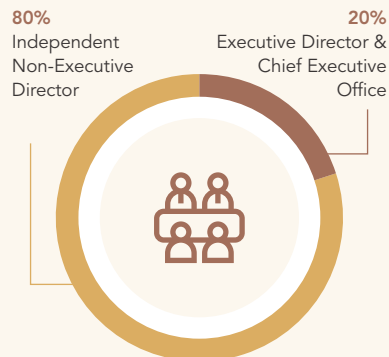
Independent Non-Executive Director



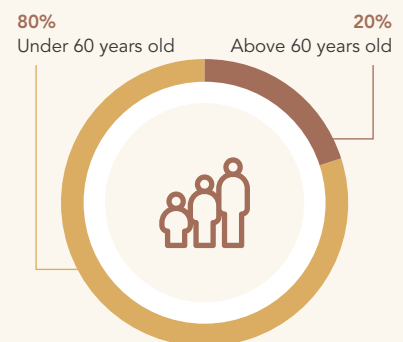
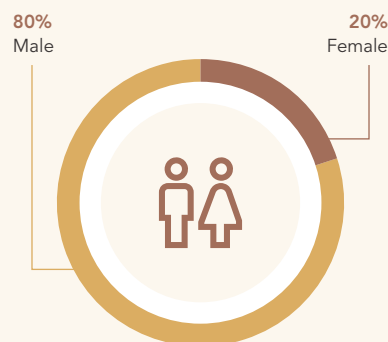
SANDRA TAN PEI ING

Independent Non-Executive Director

Board Composition



Diversity



THE BOARD OF DIRECTORS



**ZAINAL ISKANDAR
BIN ISMAIL**

**Non-Independent
Executive Director &
Chief Executive Officer**

AGE 50 Male

Malaysian

Number of Board
Meetings Attended: 3/3

Date of Appointment
12 July 2024

Encik Zainal Iskandar bin Ismail, a Malaysian, male, aged 50, was appointed to the Board as a Non-Independent Non-Executive Director on 12 July 2024. He was subsequently appointed as the Executive Director & Chief Executive Officer on 26 September 2024.

Encik Zainal Iskandar graduated with a Bachelor of Commerce degree in Accounting from the University of Auckland, New Zealand. He possesses a Capital Market Services Representatives' Licence (CMSRL) for REIT for the asset management company to carry on regulated activities specified under the Capital Market and Services Act (CMSA), Securities Commission (SC), Malaysia

With over 20 years of experience across multiple sectors—including property, oil and gas, port and logistics, hotel and tourism, renewable energy, palm oil and biofuels, IT, and telecommunications—he brings a robust background in corporate development, governance, financial

restructuring, and business turnaround. His expertise spans corporate finance and private equity investing, having successfully evaluated, structured, raised financing for, and exited numerous investments. He has also served on various boards, contributing to strategic growth and stability.

He is currently the CEO and Executive Director of Hektar Real Estate Investment Trust, Chairman of PKEINPK Properties Sdn Bhd and a Board Member of Perbadanan Ekonomi Islam Perak, the investment arm of Majlis Agama Islam dan 'Adat Melayu Perak. He also sits on the Board of Kumpulan Perubatan Ar-Ridzuan Sdn Bhd and Country Annexe Sdn Bhd. His previous roles include Managing Partner of Heureka Capital Partners, and Group CEO and Executive Director of Perak Corporation Berhad, a public-listed company on Bursa Malaysia, where he led corporate and debt restructuring initiatives that returned the Practice Note 17 company to profitability in 2022 after

six consecutive years of losses, placing it on a stronger financial footing. He also chaired the Executive Committee and served as a Director of Lumut Port.

Earlier, he was the Chief Operating Officer of another public company and a Supervisory Board Member of an oil and gas company in Central Asia. From 2001 to 2016, he was part of a Malaysia-based private investment group, holding senior roles where he managed direct investments and led several major industrial projects, both domestically and internationally. His career began with the RENONG-United Engineers (Malaysia) Group, where he gained invaluable corporate development experience from the Time dotCom Berhad IPO and the corporate and debt restructuring of RENONG-UEM Group.

Encik Zainal Iskandar attended 3 out of 3 Board Meetings held during the financial year ended 31 December 2024, following his appointment on 12 July 2024.

THE BOARD OF DIRECTORS



WAN
KAMARUDDIN
BIN WAN
MOHAMED ALI

Independent Non-Executive Director

 69  Male
 Malaysian

Number of Board
Meetings Attended: 6/7

Date of Appointment
10 February 2023

Encik Wan Kamaruddin bin Wan Mohamed Ali, a Malaysian, male, aged 69, 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 absorb 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.

En Wan attended 6 out of 7 Board Meetings of the Company held during the financial year ended 31 December 2024.

THE BOARD OF DIRECTORS



SR ZULAZMAN BIN ZULKIFLI

Independent Non-Executive Director

 56  Male
 Malaysian

Number of Board Meetings Attended: 7/7

Date of Appointment
9 February 2024

Sr Zulazman Bin Zulkifli, a Malaysian, male, aged 56, was appointed to the Board on 9 February 2024.

He is also an Independent Non-Executive Director of HCK Capital Group Bhd and Handal Energy Berhad. 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, as well as a member of the Royal Institution of Surveyors Malaysia, a member of the

Institute of Corporate Directors and an individual Member of FIABCI Malaysia Chapter. His foray into property was through a joint venture 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 Committee.

Throughout his career in Malaysia, Sr Zulazman was a Dealing Member and a Licensed Dealers Representative of the Kuala Lumpur Stock Exchange and Bursa Malaysia, a Licensed Investment Advisor with the Securities Commission, a Registered Responsible Person with the Securities Commission for a Venture Capital Management Corporation while in Australia he was an ASIC licensed

Investment Advisor. He has held various positions in financial services at Academia Capital, DH Flinders, Kuala Lumpur City Securities (now known as Alliance Investment Bank), CIMB Securities (now known as CIMB Investment Bank), ShareTech Securities, Jardine Fleming, Arab-Malaysian Securities (now known as AmInvestment Bank) in Malaysia, Cazenove & Co and as an Intern in Property Equities at UBS Philips & Drew in the UK.

Sr Zulazman is also an Adjunct Lecturer at SEGI University Graduate School of Business.



Sr Zulazman attended all 7 Board Meetings of the Company held during the financial year ended 31 December 2024 following his appointment on 9 February 2024.

THE BOARD OF DIRECTORS



CHONG
KAI WOUI

Independent Non-Executive Director

 53  Male
 Malaysian

Number of Board
Meetings Attended: 7/7

Date of Appointment
9 February 2024

Mr Chong Kai Wooi, a Malaysian, male, aged 53, was appointed to the Board on 9 February 2024.

Coming to 30 years of experience in global multi-national corporations, Mr Chong has played leadership roles encompassing business leadership, sales leadership, people leadership with technology leaders addressing many industries particularly in telecommunications, government institutions and high technology enterprises.

Mr Chong was formerly the Managing Director of a known Japanese conglomerate company with an annual turnover of 100 Oku Yen and staffs force of over 300 people nationwide. In his prior position, he was instrumental in planning and execute the strategy for Hewlett Packard Enterprise in the telecommunication segment, consulting practice across the ASEAN, Taiwan, Hong Kong region over 13 countries. He is best known for his objective oriented approach, principled and with a strong focus on profitable growth, building

businesses and teams across many organizations 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 organization from a product to a services led organization. His employees engagement scores steadily improved YoY to a high of 79% for 2022, way above the industry norm.

Mr Chong attended all 7 Board Meetings of the Company held during the financial year ended 31 December 2024.

THE BOARD OF DIRECTORS



**SANDRA TAN
PEI ING**

Independent Non-Executive Director

 46  Female
 Malaysian

Number of Board
Meetings Attended: 1/1

Date of Appointment
14 October 2024

Madam Sandra Tan Pei Ing, a Malaysian, female, aged 46, was appointed to the Board on 14 October 2024.

Madam 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.

Madam 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, Madam 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, Madam Sandra was responsible for optimising creditor dividend distributions and conducting in-depth financial investigations.

Madam Sandra attended 1 Board Meetings of the Company held during the financial year ended 31 December 2024, following her appointment on 14 October 2024.

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

FROM LEFT TO RIGHT:

Muhammad Fahmi Rasni, Martin Chen, Lim Kek Siang, Eunice Ling, Aida Zainudin,
Zainal Iskandar bin Ismail, Sabrina Halim



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, optimizing tenant mix, leasing strategies, and asset enhancement initiatives to maximize 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 optimize 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 organizational 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 behavior, 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 (BOVEAP), Malaysia, her deep industry expertise, strategic vision, and leadership continue to drive Hektar REIT's growth and market resilience.

THE MANAGEMENT TEAM



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 Securities Commission under the Capital Markets and Services Act 2007.

Mr. Lim has more than 29 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.

Among his key involvement for the year was the launched 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 by 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 17 years of work experience with Hektar REIT and was involved in assets acquisition for Hektar REIT valued at approximately RM551 million and in the growth of Hektar REIT's Asset Under Management from an initial RM512 million to approximately RM1.39 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

THE MANAGEMENT TEAM

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 and 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.

In terms of professional accolade, Martin was twice nominated for the In-House Lawyer of the Year Award for the Asian Legal Business (ALB) Malaysia Law Awards in 2022 and 2025 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. In 2023, Martin was also shortlisted 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 (Property, Infrastructure & Logistics) Category at the same Awards.



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 multi-national corporations (MNCs). Her expertise spans industries including real estate, investment, fund management and manufacturing. She began her career as a corporate lawyer, specializing in conveyancing, contract negotiations 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. To further enhance her expertise in compliance, she is currently pursuing the licensing modules of the Securities Commission of Malaysia.



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

THE MANAGEMENT TEAM

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 Arts (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 organization in March 2023. With a 20 years 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 organization 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 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).

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 Bhd (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

THE MANAGEMENT TEAM

(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.

ABDUL HAFIS BIN KARIM

Head of Operations

Abdul Haffis is the Head of Operations, reporting directly to the CEO. He brings well over 30 years of experience in facilities management, healthcare facilities, manufacturing, and production facilities.

Prior to joining the company, Abdul Haffis served as Head of Operations and Facilities Management at a reputable GLC organisation since 2020. In that role, he was responsible for managing operations across 23 major sites nationwide, including bank branches, retail outlets, government and private properties.

Abdul Haffis holds a degree in Bachelor of Science (Aeronautical Engineering)

from Wichita State University, Kansas, USA.

CARMEN LIM

Senior Group Leasing Manager

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 optimizing 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

Acting 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 mall. His responsibilities include crafting compelling marketing campaigns, managing strategic partnerships, brand development, promotional strategies,

THE MANAGEMENT TEAM

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

Mohamed is the Centre Manager for Subang Parade. He holds a Bachelor 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 Operation Manager where he oversees the entire operations of the Plaza especially on leasing, marketing and the operations units.

Prior to that, he was with several other malls such as Plaza Alam Sentral

as Senior Manager, KIP Mall Bangi and Giant Sunway Ipoh as Complex Manager. Aside being involve in retail, he was also the Senior Manager, Business Development for a agriculture related company.

MOHAMAD SAHIR BIN JOHARI

Center Manager,
Mahkota Parade

Sahir has been with Mahkota Parade since 2014, joining as Maintenance 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 18 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

Genevieve is the Centre Manager for Wetex Parade since 2015 and before that she was the Finance & Administration Manager from 2008 to 2014. 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 operation. 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

THE MANAGEMENT TEAM

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.

LOONG JEE YUNG

Centre Manager, Central Square

Loong is currently in charge of Central Square in Sungai Petani. For the past 14 years, he has been involved in property management, in different areas ranging from commercial, residential, hotel and resorts, as well as the retail industry. His knowledge, experience and expertise in building management have been an added value to the team. Prior to Hektar, Loong worked with Sunway Malls at Sunway Carnival, Penang and previously worked with Ireka Corporation and IGB Corporation. He is also a Registered Property Manager, governed by The Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVEAP), Malaysia. Loong is also a member of the Malaysia Shopping Mall Association (PPK). He graduated with a Bachelors Degree in Business Information Technology from the University of Coventry, United Kingdom.

He also holds an Advance Diploma in Estate Management from University of Greenwich, United Kingdom.

NADZATUL SHIMA RADZALI

Centre Manager, Kulim Central

Nadzatul Shima assumed the role of Center Manager for Kulim Central in October 2023, bringing a wealth of expertise and leadership to her position. She holds a Bachelor's degree in Business Management with a major in Marketing from the prestigious University Sains Malaysia (USM) in 2008, providing a solid academic foundation. With over nine years of hands-on experience in mall operations, Shima previously served as the Mall Manager for GCH Retail (M), overseeing the Northern region, including Penang, Kedah, and Perlis, since 2015. During her tenure, she demonstrated exceptional proficiency in managing shopping centers, fostering positive relationships with various tenants, and navigating the intricacies of government bodies and non-governmental organizations (NGOs).

Shima's proactive approach to leadership is underscored by her ability to create and maintain positive relationships, a skill that has proven invaluable in the realm of retail management. As the Center Manager for Kulim Central, she continues to leverage

her experience and strategic acumen to drive the centre's success, ensuring a thriving and harmonious environment for tenants and stakeholders alike. positive relations with government bodies and NGOs.

ROZAIDI BIN MD RAMLI

General Manager, Classic Hotel

Rozaidi is the General Manager for Classic Hotel. He holds an Associate of Science Degree in Hotel Management from Swiss Hospitality Institute in Washington, USA. He also has a certificate in Food & Beverages Operation from the Institute Hotelier "Cesar Ritz" in Le Bouveret, Switzerland and a certificate in Hotel & Restaurant Service from UiTM.

Rozaidi is a true hotelier with more than 31 years in the hotel industry. His experience covers the entire hotel operations including sales & marketing, food & beverages operation and management, banquets and catering sales & operation as well as the operation side. He has had the opportunity to work with some well-known names such as Shangri-La KL as Event Manager, Sheraton Imperial Hotel KL as Senior Event Manager and the Malaysian Petroleum Club, KLCC as Operation Manager.

Marketing HIGHLIGHTS



MARKETING HIGHLIGHTS



Investor

COMMUNICATIONS

Since the IPO listing, the Manager has delivered presentations and papers in remiser 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 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.

Throughout the year, the IR team proactively engaged with analysts, resulting in official coverage from AmlInvestment Bank and HongLeong Investment Bank. AmlInvestment started covering Hektar REIT in August 2022 and HongLeong started its coverage in June 2023. The Manager and the IR team will continue to work with various securities 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 12th AGM was held on 25 April 2024, and it was conducted virtually in line with Securities Commission guidelines and in view of the Covid-19 pandemic.

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

Investor Communications
Hektar Asset Management Sdn Bhd
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THE REGISTRAR

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Tel : +6 03 2692 4271
Fax : +6 03 2732 5388

Investor Relations Event Calendar

Extraordinary General Meeting	15 January 2024
Full Year Results Announcement FY 2023	22 February 2024
Analyst Briefing Q4/FY2023	23 February 2024
Final Income Distribution for FY 2023	27 February 2024
Annual Report 2023	29 February 2024
Annual General Meeting for FY 2023 (Virtual)	25 April 2024
First Quarter FY2024 Results Announcement	23 May 2024
Second Quarter FY2024 Results Announcement	22 August 2024
Analyst Briefing 2Q24	23 August 2024
Second Quarter FY2024 Income Distribution	22 October 2024
Analyst Engagement Night	23 October 2024
Media Engagement Night	24 October 2024
Third Quarter FY2024 Results Announcement	26 November 2024
Fourth Quarter/Full Year FY2024 Results Announcement	26 February 2025
Payment of Final Income Distribution for FY 2024	27 February 2025
Annual General Meeting for FY 2024 (Hybrid)	21 May 2025

Research Coverage	Date of Last Report	Recommendation	Target Price
AmlInvestment Bank	27 November 2024	BUY	RM0.86
Hong Leong Investment Bank	20 February 2025	HOLD	RM0.48



Hektar

IN THE MEDIA



The Edge - 15 February 2024



New Straits Times - 1 June 2024



The Edge - 17 June 2024



See Hua Sarawak - 13 July 2024



China Press - 15 July 2024



The Borneo Post - 18 October 2024

HEKTAR IN THE MEDIA



The Star - 7 October 2024



The Edge - 16 December 2024



The Edge - 16 December 2024



Sin Chew - 23 December 2024

Corporate GOVERNANCE

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

Hektar REIT

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.

Being a Trust structure, Hektar REIT does not engage any officers and employees directly but is externally administered by the REIT Manager who appoints professionally qualified and experienced personnel to manage 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 Manager of Hektar REIT

Hektar REIT is managed by Hektar Asset Management Sdn Bhd ("the Manager") which was formed with a vision to set strategic directions in managing the REIT's assets and liabilities for the benefit of the Unitholders and to make recommendations to the Trustee on potential acquisitions, investments and enhancement of assets 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.

As required by 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 Hektar REIT's Trust Deed, the applicable Laws and Requirements and acceptable business practices of the REIT sector in Malaysia.

Primary roles, functions and responsibilities of the Manager are (but not limited to) as follows:-

- 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);
- 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 currently consists of 6 quality 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. Besides shopping centres, Hektar REIT also owns Classic Hotel in Muar, which is adjoined to Wetex Parade. During the year,

CORPORATE GOVERNANCE

Hektar had acquired Kolej Yayasan Saad Melaka (KYSM), a fully residential and co-educational private school offering secondary school under Malaysia's New National School Curriculum for students from Form 1 to Form 5. Details of Hektar REIT's assets can be found under the "Portfolio Performance" section of this Annual Report.

The Trustee

MTrustee Berhad was appointed as the Trustee for Hektar REIT via a Trust Deed executed by the Manager and the Trustee. The Trust Deed has been updated and amended in the form of the Amended and Restated Trust Deed to be consistent with the revamped Guidelines on Listed REITS, other relevant SC Guidelines and the Listing Requirements. The Trust Deed details out the roles, duties, obligations and powers of the Manager and the Trustee. Essentially, the Trustee and the Manager play countervailing roles against each other to ensure that the REIT's assets and liabilities are managed with efficiency and integrity for the benefit of the Unitholders.

Board Charter & Code of Ethics and Conduct

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 Board Committees. It also sets out the policies of the Board to ensure that the principles and practices of good corporate governance are applied in all their dealings involving Hektar REIT. The Board Charter is regularly reviewed to incorporate the latest statutory developments.

The Code of Ethics and Conduct ("Code") sets out policies and guidelines relating to the standards and ethics expected of all employees of the Manager. Separately, any specific procedures on the application of policies referred to in the Code will be spelt out in the Company's policies and procedures manual.

Fit & Proper Policy

The Board of the Manager is committed to drive 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 (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 required to perform their respective roles.

Anti-Bribery and Anti-Corruption Policy

The Board of the Manager had approved the establishment of Anti-Bribery and Anti-Corruption ("ABAC") Policy to ensure that adequate procedures are in place to prevent employees and person associated with the Company from behaviours contrary to commercial integrity which can compromise 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, 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

It is the Board's commitment 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.

CORPORATE GOVERNANCE

Statement on Directors' 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 give 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 International Malaysian Accounting Standards Board, the requirements set out in the REIT Guidelines, and the provisions of the Companies Act 2016 are applied.

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

External Audit

The Board maintains a transparent relationship throughout their association with the external auditors. The appointment of external auditors who is nominated by the Manager has been approved by the Trustee. The Trustee has re-appointed BDO Malaysia as the external auditors to conduct the statutory audit for the financial year ended 31 December 2024.

The Audit and Risk Management Committee ("ARMC") has also evaluated the reappointment of the External Auditors of Hektar REIT during the financial year ended 2024 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 2024 amounted to RM157,710.

Dealings with Related Parties

For the financial year ended 31 December 2024, the ARMC is satisfied and hereby confirms that there were no material related party transactions and conflict of interest in respect of commercial transactions of the Manager. All commercial transactions executed by the Manager have complied with the SC's REIT Guidelines, the Deed and the Listing Requirements. The Manager has demonstrated to the ARMC that all business transactions were carried out 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 2024.

CORPORATE GOVERNANCE

ii. Non-audit fees

The non-audit fees payable to the external auditors of Hektar REIT for the financial year ended 31 December 2024 amounts to RM39,000.

iii. Soft commission

For the year ended 31 December 2024, 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 2024 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

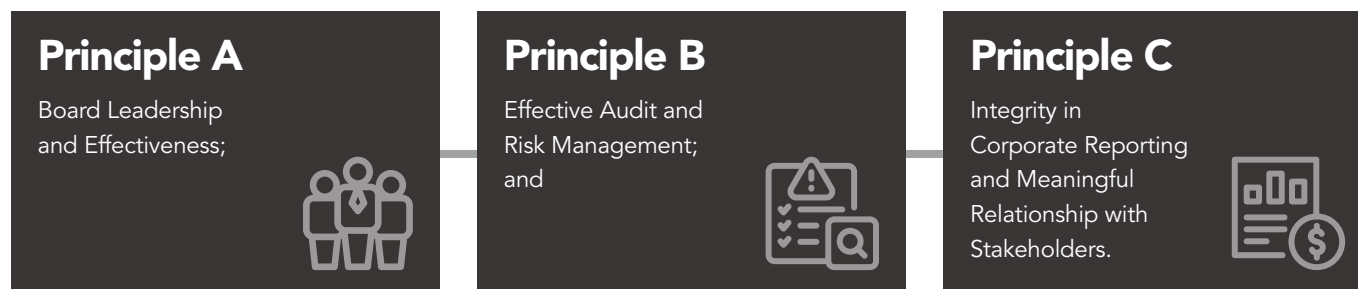
There were no material contracts entered into by Hektar REIT involving the interests of the Directors and major Unitholders during the financial year ended 31 December 2024.

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 2024. This report provides an insight on the framework applied and best practices in compliance to 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 in conjunction with other statements in this Annual Report such as the Statement on Risk Management and Internal Control, the Audit and Risk Management Committee Report, and Sustainability Statement.

The Board is satisfied that the practices set out in the MCCG apart from the practices prescribed 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. Practise 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.



Principle A

Board Leadership and Effectiveness

I. BOARD RESPONSIBILITIES

Manager of Hektar REIT and the Board

A knowledgeable Board manages Hektar Asset Management Sdn Bhd ("the Manager/HAMSB") with years of experience and a varied range of 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 account the interests of other stakeholders. The Board must act honestly, with due care and diligence and work in the best interest of the Manager and Hektar REIT at all times.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has full control of the Manager and participates in matters relating to the Company's overall management including 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 consequence to the shareholders including 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 its internal and external stakeholders. For more information, please refer to 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

To maintain effective segregation of roles and responsibilities, Hektar REIT practices the separation of the positions of Chairman of the Board ("Chairman") and the Chief Executive Officer ("CEO"). Both positions have been held by separate persons as recommended under practice 1.3 of the MCCG. Such separation of roles between the Chairman and the CEO aims to promote robust deliberation by the Board and Management on the business activities of Hektar REIT.

The Board is led by Encik Zainal Iskandar Bin Ismail, who serves as the Executive Director/CEO. Under his leadership, the Board effective implementation of strategic plans and policies formulated for the Manager's and Hektar REIT's. Encik Zainal plays a pivotal roles in translating these strategies into actionable initiatives while overseeing the daily operations and management of the business to achieve organizational excellence.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

As the CEO, En Zainal is accountable to the Board for delivering the goals and objectives of the Manager and Hektar REIT. His responsibilities include driving sustainable growth, ensuring compliance with governance standards, and maintaining operational efficiency. The CEO operates within the authorities delegated to him by the Board, ensuring alignment with the strategic direction and the best interests of stakeholders. His leadership is integral to fostering long term value creation for 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 expertise 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 advice 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 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 matters reserved for the approval of the Board.

Board Committees and their Roles

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 terms of reference of the Committee are continuously reviewed 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, all of whom are Independent Non-Executive Directors. The NRC is chaired by Encik Wan Kamaruddin bin Wan Mohamed Ali and the member is Mr Chong Kai Wooi.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Meanwhile, Pn Norliza Binti Suleiman, who was also a member of the NRC, resigned on 28 June 2024.

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

- i. To identify and recommend candidates for new appointments, whilst managing the orientation and the provision of continuous training for Directors;
- ii. To assess the effectiveness of the Board and the Board Committees as a whole and the individual Directors, including the Independent Directors in light of the needs of the Manager, the REIT and the operating environment;
- iii. To assist the Board in remuneration matters of Directors in line with good corporate governance principles and practices; and
- iv. To work with the Board to develop a practical succession plan for the Directors and Senior Management of the Manager.

The NRC convened 4 meetings during the financial year. En Wan Kamaruddin attended all 4 meetings while Mr Chong, who was appointed as member of the NRC after his appointment as director on 9 February 2024, attended 2 out of 4 meetings held.

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

For the financial year ended 31 December 2024, the NRC had assessed, reviewed and recommended the appointment of Directors having regard to the individual's experience, contributions and performance, where required.

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 consists of 5 members, including 1 Executive Director. Represented on the Board are 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 to benefit the company. 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.

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

With the composition of 80% of the Board 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 that Boards comprise at least 30% of women Directors. The Board recognizes 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. Recognizing 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. Recognizing the importance of balancing diversity with the requisite skills and expertise to drive strategic objectives, the Board 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 subsequently formalised through a board resolution or at a board meeting. 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 development in governance, industry trends and regulatory updates, enabling them to discharge their duties effectively. In addition, an Independent Non-Executive Director appointed in October 2024 is scheduled to attend the Mandatory Accreditation Programme I in January 2025, in accordance with the requirements. The Board remains committed to continuous professional development, ensuring that all Director are equipped to contribute to the effective oversight and strategic direction of the Manager and Hektar REIT.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

Members of the Board are encouraged to attend relevant courses and seminars to keep themselves updated on development 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	10 September 2024	Malaysian REIT Forum 2024
	12 & 13 October 2024	Fund Management Regulations Programme
Sr Zulazman Bin Zulkifli	10 May 2024	Being Sued as an INED – a personal journey
	05 Jun 2024	Bloomberg's Multi-Asset Electronic Trading Symposium
	30 August 2024	Deloitte – Global Minimum Tax in Southeast Asia – A Reality Check
	10 September 2024	Malaysian REIT Forum 2024
	16 October 2024	Bursa Malaysia – Growing concerns for New Technology, Shareholders Interests and COI
En Wan Kamaruddin bin Wan Mohamed Ali	10 September 2024	Malaysian REIT Forum 2024
Mr Chong Kai Wooi	29 & 30 April 2024	Mandatory Accreditation Programme (MAP)
	04 & 05 December 2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. REMUNERATION

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

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

The Board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes 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 2024 are as follows:

	RM
Salaries and Other Remuneration	825,237
Directors' Fees	579,762
Meeting Attendance Allowances	26,000
Total	1,430,999

The total top 5 senior management staff of HAMSB was remunerated with total salaries and other remuneration amounting to RM 2,375,194 for the financial year ended 31 December 2024.



Principle B

Effective Audit and Risk Management

I. AUDIT AND RISK MANAGEMENT COMMITTEE

All members of the ARMC are Independent Non-Executive Directors and are 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 terms of reference. The ARMC has direct and full access to the internal and external auditors and complete discretion to invite any Director or executive officer to attend its

CORPORATE GOVERNANCE OVERVIEW STATEMENT

meetings. Both internal and external auditors are given unrestricted access to the ARMC. Collectively, members of the ARMC have a good understanding of REIT operations and its 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 interest 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 being accountable to investors of Hektar REIT and as such 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, annual reports, 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. Unitholders are also able to access the Investor Relations Department via Hektar REIT’s website to seek clarification or post any queries that they may have.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 REPORT

COMPOSITION

The composition of the Audit and Risk Management Committee ("ARMC") is as follows:

Members

Ms Sandra Tan Pei Ing
(Chairperson, Independent Non-Executive Director)
(Appointed w.e.f 14 October 2024)

En Wan Kamaruddin bin Wan Mohamed Ali
(Independent Non-Executive Director)
(Appointed w.e.f 10 February 2023)

Mr Chong Kai Wooi
(Independent Non-Executive Director)
(Appointed w.e.f 9 February 2024)

Pn Norliza Binti Suleiman
(Independent Non-Executive Director)
(Resigned w.e.f 28 June 2024)

Membership

The ARMC shall be appointed by the Board from amongst their number and shall consist of not less than 3 members, all of whom

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

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

Meetings

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

TERMS OF REFERENCE

The Terms of Reference of the ARMC which are in line with the provisions of the Listing Requirements, the Malaysian Code on Corporate Governance and other best practices are available for reference on Hektar REIT's website at www.hektarreit.com.

ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year under review, 4 ARMC Meetings were held. The attendance of each member was as follows:

Name of Members	Attendance
Ms Sandra Tan Pei Ing (Appointed w.e.f 14 October 2024)	1/1
En Wan Kamaruddin bin Wan Mohamed Ali	2/4
Mr Chong Kai Wooi	4/4
Puan Norliza binti Suleiman (Resigned w.e.f 28 June 2024)	2/2

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The ARMC carried out its duties for the year in accordance with its Terms of Reference. 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;
- 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 framework;
- 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 2024 amounted to RM 119,000.

Statement on Risk Management AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (the Board) of Hektar REIT is pleased to present the Statement on Risk Management and Internal Control (SORMIC) for the financial year ended 31 December 2024. This statement is prepared in accordance with Paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The SORMIC outlines the measures and processes in place to ensure a robust risk management and internal control framework, safeguarding unitholders' interests, enhancing operational efficiency, and supporting Hektar REIT's long-term sustainability. The Board remains committed to refining these processes in response to evolving market conditions, regulatory developments, and emerging risks.

BOARD'S RESPONSIBILITY

The Board holds ultimate responsibility for Hektar REIT's risk management and internal control system, ensuring that assets are protected, operational stability is maintained, and strategic objectives are met. The Board actively oversees risk governance and internal controls through the following key responsibilities:

Risk & Governance Oversight

- Defines and oversees the Hektar REIT's risk appetite, governance framework and strategic risk approach to ensure alignment with corporate objectives and regulatory requirements.

Enterprise Risk Management (ERM)

- Implements, approves, and continuously assesses the ERM Framework (ERMF) to identify, monitor, and manage key risks.
- Ensures risk mitigation strategies are effective and aligned with business objectives.

Internal Control Assurance

- Reviewing reports from Management and the Audit & Risk Management Committee (ARMC) to assess the adequacy, effectiveness, and improvement of internal controls, ensuring compliance and operational resilience.

The Board is supported by the ARMC, which plays a critical role in overseeing risk management policies and internal controls. Through ongoing engagement with the ARMC and Management, the Board stays informed on Hektar REIT's evolving risk landscape. Quarterly financial reviews, strategic discussions, and oversight of major transactions enable the Board to make well-informed decisions to protect Hektar REIT's assets.

Recognising the inherent limitations of any risk management and internal control system, the Board acknowledges that it provides reasonable, not absolute assurance in achieving Hektar REIT's objectives and eliminating risks such as material financial misstatements, losses, or fraud. By aligning with industry best practices, regulatory developments, and emerging trends, the Board remains committed to enhancing Hektar REIT's resilience, driving sustainable growth, and upholding sound governance for long-term value creation.

MANAGEMENT'S RESPONSIBILITY

At Hektar REIT, the primary responsibility for risk management and governance rests with the Manager. Complementing this, the Property Manager focuses on property-level operations. Together, these entities ensure Hektar REIT operates within a structured framework of accountability, strategic oversight, and operational excellence.

This collaboration fosters a unified approach to mitigating risks while maximising the value of the Hektar REIT's assets. Insights from both entities are consolidated to provide a holistic view of Hektar REIT's risk landscape.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The roles and responsibilities of the Manager and Property Manager are distinct yet interdependent:

ASSET MANAGER

Key Responsibilities

Strategic oversight, portfolio risk management, governance, compliance, and performance reporting.

Key Focus Areas

Market dynamics, strategic investments, financial growth, regulatory compliance, and unitholder value creation.

PROPERTY MANAGER

Key Responsibilities

Tenant management, property maintenance, operational efficiency, and property-level regulatory compliance.

Key Focus Areas

Tenant relations, maintenance quality, operational efficiency, and property asset performance.

To reinforce governance excellence, the Manager:

- Provides regular updates to the Board and the ARMC, including performance metrics, emerging risks, and mitigation strategies.
- Drives continuous improvements, refining policies, and aligning operations with evolving regulatory standards.

The Manager's unwavering commitment to transparency and continuous improvement ensures that Hektar REIT operates in a resilient and adaptable environment, delivering sustainable value to its unitholders.

RISK MANAGEMENT

Risk Management Framework

Hektar REIT's ERMF, aligned with ISO 31000:2018, provides a structured approach to risk identification, assessment, mitigation, and monitoring. The framework ensures that risk management is integrated into strategic decision-making and daily operations, enhancing business resilience.

The ERM Framework is built on the following key components:

Risk Management Principles

- Risk management is integrated into all decision-making and operations, making it a core part of governance and strategy. The structure ensures consistency in identifying, assessing, and mitigating risks.
- A strong focus on stakeholder engagement ensures input from leadership, and risk owners for better risk awareness.
- Decision-making is based on the best available information, ensuring accuracy and timeliness.
- Continuous improvement ensures risk processes evolve through regular assessments and feedback.

Governance & Integration

- The Board sets the risk direction, defining risk appetite and aligning it with strategic goals.
- Oversight is provided by the ARMC, while Senior Management ensures risk strategies are applied across departments, influencing strategic planning, investments, and operational decisions.
- Policies, procedures, and reporting structures are aligned to ensure consistent risk oversight.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- Clear accountability is established through dedicated risk management functions and internal controls, with risk owners at all levels responsible for monitoring and mitigating risks.
- The framework undergoes regular reviews and improvements through audits, assessments, and compliance checks.
- Continuous training and awareness programs strengthen the Hektar REIT's risk culture, ensuring all employees play a role in managing risks.

Risk Management Process

- Risk identification: Potential risks that could impact Hektar REIT's strategic, financial, operational, and compliance objectives are identified.
- Risk Assessment: An analysis to evaluate likelihood and potential impact. A structured risk matrix is used to prioritise risks, ensuring that the most critical issues receive the necessary attention and resources.
- Risk Treatment: Mitigation strategies are identified and implemented. Internal controls are established to minimise risk exposure and ensure operational stability.
- Risk monitoring and reporting: An ongoing process where exposure to key risks is continuously tracked using risk indicators and periodic reports. Regular updates are provided to the Board, the ARMC, and Senior Management, ensuring informed decision-making and timely intervention where needed.
- Review and improvement: Regular assessments of policies, procedures, and risk strategies are conducted, allowing adjustments to be made in response to new threats, regulatory changes, or shifts in business objectives.

Regular engagement and feedback mechanisms help strengthen the ERMF. The Manager will continuously review and reinforce the ERMF to ensure its relevance and effectiveness in response to evolving business conditions, regulatory requirements, and industry best practices.

The ERMF will be reviewed at least once every three years, or if there are significant changes in operating procedures, regulations, or risk management standards, to ensure alignment with the evolving risk landscape and business strategy.

Risk Governance & Oversight

Hektar REIT's three lines of defence model ensures a structured risk governance framework, where risk owners manage risks, Risk Manager provides oversight, and internal and external auditors offer independent assurance to safeguard the Hektar REIT's resilience and compliance.

Risk Owners, within their respective business functions, form the first line of defence by identifying, assessing, and managing risks. They ensure compliance with policies, procedures, and controls, embedding risk management into daily operations. Their role is to proactively mitigate risks and report significant issues to the Risk Manager.

The Risk Manager, reporting to the Chief Executive Officer (CEO), constitutes the second line of defence, provide independent risk oversight, guidance, and continuous monitoring. This role involves developing the ERMF, ensuring alignment with the Board's risk appetite, and ensure risks remain within defined thresholds.

The third line of defence consists of internal and external auditors, who provide independent assurance of the effectiveness of risk management and internal controls, ensuring compliance with regulatory and governance requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Throughout the financial year, the ARMC and the Board reviewed and deliberated on key risk management matters, including:

- Enhancement of risk appetite statements and risk impact assessment parameters.
- Strengthening of financial resilience and liquidity strategies.
- Ensuring zero tolerance on bribery and corruption through rigorous internal controls and compliance monitoring.
- Integration of sustainability and ESG considerations into risk assessments.

Risk Appetite and Principal Risks

The Board defines and periodically reviews risk appetite levels to ensure alignment with strategic goals, regulatory requirements, and market conditions. Hektar REIT monitors and measures risk exposure using both quantitative and qualitative metrics, ensuring risks remain within acceptable thresholds. Adjustments to risk appetite are made when necessary to maintain alignment with business objectives.

The Board, guided by the ARMC, has set a clear tone from the top and approved the following key risk appetite statements, ensuring a balanced approach to risk-taking, business resilience, and sustainable value creation:

Corporate Governance & Compliance

Upholds high governance standards, ensuring strict compliance with regulations, guidelines, and governance requirements.



Strategic Growth & Innovation

Actively pursuing growth opportunities and technological advancements to enhance operational efficiency and address emerging threats.



Financial Resilience & Stability

Maintaining financial prudence, disciplined capital management, and sufficient liquidity to navigate unforeseen challenges.



Operational Continuity

Mitigating risks that could disrupt property management, tenant relations, and business operations.



Sustainability & ESG Commitments



Balancing business growth with commitments to climate risk management, energy efficiency, and stakeholder well-being.





Risk Owners submit their risk registers biannually to the Risk Manager, who consolidates the information and prepares a semi-annual Risk Report highlighting significant risk exposures. This report is first reviewed by Senior Management before being presented to the ARMC and the Board. Additionally, ad-hoc risk reports are prepared when necessary to promptly address emerging risks and maintain transparency in risk management. Mitigation measures are then implemented to reduce the likelihood or impact of identified risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The following key risks have been identified for the financial year ended 31 December 2024:

Risks	Mitigation Strategies	Opportunities	Monitoring Mechanism
Market Risk  Economic fluctuations could affect footfall, occupancy rates, rental yields, and investment performance, posing challenges for Hektar REIT.	<ul style="list-style-type: none"> Continuous monitoring of economic conditions and retail trends to ensure adaptive business strategies. Active asset management through portfolio optimisation, tenant diversification, and leasing strategies to maintain a stable rental income. Engagement with tenants to ensure sustainable occupancy rates and rental growth. 	<ul style="list-style-type: none"> Pursue asset portfolio diversification of both the retail and non-retail sectors. Innovative tenant mix strategies to optimise rental yields. Strong footfall recovery strategies through targeted promotions and tenant collaboration. 	<ul style="list-style-type: none"> Maintained healthy occupancy rates across key assets, with targeted marketing efforts driving positive leasing renewals despite market volatility. Periodic portfolio reviews to assess performance.
Financial Risks  Credit Risk: Long overdue and no collection of receivables may impact Hektar REIT's profitability and financial stability. Liquidity & Gearing Risk: Capacity to cover operational expenses, meet debt obligations, and pursue growth initiatives, and regulatory compliance on gearing ratio.	<ul style="list-style-type: none"> Enhanced tenant credit assessments and proactive monitoring of receivables. Regular engagement with tenants to ensure timely collection. Legal review to reinforce landlord rights and enforceability. Prioritising prudent cash flow management and exploring alternative financing options, maintaining flexibility in refinancing arrangements. Diversifying funding sources with a balanced mix of debt and equity to reduce dependence on a single channel. Negotiating favourable terms and exploring debt restructuring opportunities to enhance financial resilience. 	<ul style="list-style-type: none"> Strengthened tenant relations and financial forecasting for better risk management. Opportunities to secure financing at favourable terms due to strong financial management. Improved cash flow predictability through structured collection strategies. 	<ul style="list-style-type: none"> Continuous monitoring of receivables and tenant payment behaviours. Assessment of financing options and market conditions for refinancing. Reduced overdue receivables through enhanced collection processes and tenant engagement strategies.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risks	Mitigation Strategies	Opportunities	Monitoring Mechanism
Climate Change & ESG Risk  <p>Rising climate volatility, extreme weather, and energy costs present challenges to property resilience and sustainability. With increasing regulations, investor expectations, and ESG commitments, proactive adaptation is essential.</p>	<ul style="list-style-type: none"> ✔ Transitioning to renewable energy sources and implementing energy efficiency measures across assets. ✔ Enhancing sustainability-linked initiatives to meet regulatory expectations. ✔ Engaging tenants and stakeholders to promote sustainable business practices. 	<ul style="list-style-type: none"> ⬆ Increased investor confidence through sustainability commitments. ⬆ Enhanced sustainability governance, operation & resource efficiency, stakeholder engagement to drive long-term ESG resilience. 	<ul style="list-style-type: none"> 🕒 Track and manage carbon emissions to achieve net-zero targets. 🗣 Stakeholder engagement surveys and feedback mechanisms. 🔄 Progressive update to sustainability steering committee for all sustainability related matters.
Business Continuity & Operational Resilience  <p>Unforeseen events like natural disasters, cyber threats, or safety and security issues could disrupt Hektar REIT's operations, tenant confidence, and business continuity, potentially causing closures, financial and reputational impact.</p>	<ul style="list-style-type: none"> ✔ Strengthened Business Continuity Management (BCM) framework to ensure readiness for disruptions. ✔ Crisis response plans with regular emergency drills and simulations. ✔ Cybersecurity enhancements, including multi-factor authentication (MFA) and next-generation firewalls, to mitigate digital threats. 	<ul style="list-style-type: none"> ⬆ Increased operational resilience and investor confidence through robust risk preparedness. ⬆ Improved tenant retention through enhanced safety measures. 	<ul style="list-style-type: none"> 🕒 BCM drills and scenario planning. 🕒 Continuous monitoring of cybersecurity threats and system vulnerabilities. 🗣 Feedback loops from tenants and stakeholders on safety and operational concerns.

Hektar REIT will continue to proactively navigate challenges while capitalising on emerging opportunities to drive sustainable growth.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROLS

Hektar REIT remains committed to strengthening the internal control framework to safeguard assets, enhance operational efficiency, and uphold governance integrity. In 2024, Management has further refined key control measures to address emerging risks, regulatory compliance, and business continuity requirements.

Segment	Key Internal Control Elements
Delegation of Authority (DAL)	Revised DAL to enhance governance, efficiency, and accountability by defining approval authority, and also for swift decision-making while maintaining Board oversight. It ensures effective controls, aligns with regulatory best practices, and balances routine decisions within limits while reserving major strategic matters for Board approval.
Annual Operating Plan ("AOP") and Performance Management	<p>Hektar REIT's AOP ensures strategic alignment, financial discipline, and operational efficiency. The process includes:</p> <ul style="list-style-type: none"> • Enhanced budgeting and forecasting to align financial plans with strategy and market conditions. • A five-year operating plan incorporating growth opportunity. • A Board-approved strategic plan and budget, factoring in risks and financial impacts. • Performance tracking across business units, with justifications for variances.
Organisational Structure and Human Capital Management	<p>To strengthen governance, risk management, and operational efficiency, risk and governance functions have been realigned to enhance oversight and improve regulatory compliance. Additionally, sustainability leadership has been reinforced to drive ESG initiatives and strengthen environmental risk management.</p> <p>Complementing these structural enhancement, human capital management has been reinforced by:</p> <ul style="list-style-type: none"> • Hiring talent with the right skills, leadership, and integrity. • Providing targeted training programs. • Implementing structured performance management. • Reinforcing ethical conduct through the Code of Conduct and whistleblowing mechanisms.
Internal Control Policy	<p>Hektar REIT continues to enhance policies, standard operating procedures (SOPs), and governance frameworks across key business functions to ensure consistency, efficiency, and compliance while strengthening risk management and both regulatory and operational adherence.</p> <p>New and updated policies and SOPs have been introduced across human resources, finance, procurement, governance, risk management, and strategic planning, reflecting Hektar REIT's commitment to continuous improvement and robust governance.</p>

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Segment	Key Internal Control Elements
Independent Audit & Assurance	<p>The ARMC ensures the effectiveness of internal controls and risk management by seeking independent assurance from internal and external auditors. It provides regular updates, including key deliberations and recommendations for improvement.</p> <p><u>Internal Audit</u> Evaluates risk controls, policies, and governance effectiveness. Findings are discussed with process owners before being formally presented to the ARMC. Management collaborates with internal audit to develop and monitor remediation plans, ensuring corrective actions enhance control effectiveness.</p> <p><u>External Audit</u> Independently assesses financial risks and regulatory compliance, ensuring transparency and reliability in financial reporting.</p>
Communication, Feedback & Monitoring	<p>Hektar REIT prioritises transparency and accountability, ensuring stakeholders receive timely and accurate information through regulatory disclosures, investor updates, and Bursa Malaysia announcements.</p> <p>To enhance stakeholder engagement, structured communication platforms manage corporate developments and reputational risks. The CEO and Chief Operating Officer (COO) engage with media, analysts, and investors through press briefings, interviews, and analyst updates, while key information is readily available on the Hektar REIT website.</p> <p>The Investor Relations & Strategic Communications Department serves as the primary channel for stakeholder feedback, integrating insights into decision-making. Internally, a culture of open communication is fostered through regular CEO-led meetings and employee engagement sessions, where business performance, financial health, operational matters, and risk management are reviewed for proactive monitoring and decision-making.</p>

MANAGEMENT COMMITMENT

The Board has received reasonable assurance from the CEO regarding the adequacy and effectiveness of the risk management and internal control system. Management is fully committed to safeguarding Hektar REIT against emerging risks by swiftly implementing comprehensive and effective mitigation strategies, leveraging proactive monitoring, insights, and focused solutions to ensure continued success and resilience.

This statement is issued in accordance with the resolution of the Board dated 26 February 2025.



FINANCIAL *Statements*

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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 2024.

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)
Johari Shukri Bin Jamil (Resigned w.e.f. 11 June 2024)
Norliza Binti Suleiman (Resigned w.e.f. 28 June 2024)

DIRECTORS' BENEFITS

For the financial year ended 31 December 2024, 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 2024, 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 (201906000013 (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 & Risk Management Committee
Independent Non-Executive Director

Kuala Lumpur
26 February 2025

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 157 to 197 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 2024 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 2025

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 157 to 197 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 2025)

Zainal Iskandar Bin Ismail

Before me:-

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 2024.

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, set out on pages 157 to 197, 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 income distributions declared and paid during the financial year ended 31 December 2024 are in line with and are reflective of the objective of Hektar REIT.

For and on behalf of the Trustee,
MTrustee Berhad

Nurizan binti Jalil
Chief Executive Officer

Selangor, Malaysia
26 February 2025

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 2024 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 pages 157 to 197.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at 31 December 2024, 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"), 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 were measured as RM1,391,644,339 as at 31 December 2024.

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 Trust 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 2025

Lu Yan Fen

03803/11/2025 J
Chartered Accountant

Statement of

FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 RM	2023 RM
ASSETS			
Non-current assets			
Property, plant and equipment	3	468,977	414,238
Investment properties	5	1,391,644,339	1,232,700,000
		1,392,113,316	1,233,114,238
Current assets			
Trade receivables	6	4,787,249	3,510,934
Other receivables, deposits and prepayments	7	18,476,892	14,917,200
Current tax asset		20,506	-
Cash and bank balances	8	18,625,673	63,307,084
		41,910,320	81,735,218
TOTAL ASSETS		1,434,023,636	1,314,849,456
LIABILITIES			
Non-current liabilities			
Other payables and accruals	10	26,697,684	25,477,419
Bank borrowings	11	579,072,566	559,228,255
Deferred tax liabilities	12	31,554,132	30,877,532
		637,324,382	615,583,206
Current liabilities			
Trade payables	9	9,033,990	7,348,647
Other payables and accruals	10	26,364,266	16,187,967
Bank borrowings	11	19,200,000	3,000,000
		54,598,256	26,536,614
TOTAL LIABILITIES		691,922,638	642,119,820
NET ASSET VALUE ("NAV")		742,100,998	672,729,636

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 RM	2023 RM
FINANCED BY:			
UNITHOLDERS' FUNDS			
Unitholders' capital	13	632,444,845	560,886,684
Undistributed income - realised		46,817,461	53,627,660
Undistributed income - unrealised		62,838,692	58,215,292
TOTAL UNITHOLDERS' FUNDS		742,100,998	672,729,636
NUMBER OF UNITS IN CIRCULATION	13	709,286,684	581,415,073
NAV PER UNIT (RM)			
Before the proposed final income distribution ¹		1.0463	1.1571
After the proposed final income distribution ²		1.0338	1.1341

¹ Before the proposed final income distribution of 1.25 sen per unit (2023: 2.30 sen per unit)

² After the proposed final income distribution of 1.25 sen per unit (2023: 2.30 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 2024

	Note	2024 RM	2023 RM
Gross revenue	14	124,804,268	111,497,331
Property operating expenses	15	(61,919,192)	(51,451,086)
Net property income		62,885,076	60,046,245
Income from Fund Placements		1,006,742	1,459,462
Sundry income		637,657	756,329
Bad debts recovered		224,359	45,000
Change in fair value of investment properties	5(f)	5,300,000	26,600,000
Total income		70,053,834	88,907,036
Manager's fees	16	(9,660,462)	(7,465,964)
Trustee's fees	17	(585,532)	(489,476)
Auditors' remuneration:			
- current year: statutory audit		(157,710)	(133,000)
- current year: others		(39,000)	(44,000)
Valuation fees		(509,421)	(282,800)
Professional fee		(2,398,743)	(3,481,987)
Reversal of impairment on trade receivables	6(f)	-	2,352,829
Impairment on trade receivables	6(f)	(12,534)	-
Administration expenses		(1,316,913)	(1,463,477)
Finance expense	18	(30,076,307)	(26,203,217)
Total expenses		(44,756,622)	(37,211,092)
Profit before tax		25,297,212	51,695,944
Tax expense	19	(682,024)	(2,638,546)
Profit for the financial year		24,615,188	49,057,398
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive income for the financial year		24,615,188	49,057,398

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
Profit for the financial year comprises the following:			
Realised		19,991,788	25,104,096
Unrealised - change in fair value of investment properties		5,300,000	26,600,000
Unrealised - provision for deferred tax on change in fair value of investment properties	12	(676,600)	(2,646,698)
		24,615,188	49,057,398
Earnings per unit (Total)			
Before Manager's fees (sen)	20(a)	5.01 ^a	11.31 ^a
After Manager's fees (sen)	20(b)	3.59 ^a	9.81 ^a
Earnings per unit (Realised)			
Before Manager's fees (sen)	20(c)	4.33 ^a	6.52 ^a
After Manager's fees (sen)	20(d)	2.92 ^a	5.02 ^a
Net income distributions			
Interim income distribution of 1.90 sen (2023: 2.70 sen) per unit		13,429,440	13,467,276
Proposed final income distribution of 1.25 sen (2023: 2.30 sen) per unit		8,866,084	13,372,547
Final income distribution per unit			
Gross (sen)	21	1.25	2.30
Net (sen)	21	1.25	2.30

^a Earnings per unit and income distribution for the financial year ended 31 December 2024 was calculated based on a weighted average of 684,708,351 units (2023: 499,887,866 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 2024

	--- Undistributed income ---			
	Unitholders' capital RM	Realised RM	Unrealised RM	Unitholders' fund RM
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
At 1 January 2023	496,731,949	66,967,629	34,261,990	597,961,568
Total comprehensive income				
Profit for the financial year	-	25,104,096	23,953,302	49,057,398
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income, representing the increase in net assets resulting from operations	-	25,104,096	23,953,302	49,057,398
Unitholders' transactions				
Unitholders' capital	64,154,735	-	-	64,154,735
Distributions to unitholders	-	(38,444,065)	-	(38,444,065)
Increase/(Decrease) in net assets resulting from unitholders' transactions	64,154,735	(38,444,065)	-	25,710,670
At 31 December 2023	560,886,684	53,627,660	58,215,292	672,729,636

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

Statement of

CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		25,297,212	51,695,944
Adjustments for:			
Bad debts written off		369,477	499,877
Change in fair value of investment properties	5	(5,300,000)	(26,600,000)
Depreciation of property, plant and equipment	3	97,281	56,468
Finance expense	18	30,076,307	26,203,217
Income from Fund Placement		(1,006,742)	(1,459,462)
Reversal of impairment loss on trade receivables	6(f)	-	(2,352,829)
Impairment loss on trade receivables	6(f)	12,534	-
Operating profit before changes in working capital		49,546,069	48,043,215
Trade and other receivables		(12,735,685)	(10,346,922)
Trade and other payables		13,081,907	(8,868,318)
Cash used in operating activities		49,892,291	28,827,975
Tax paid		(8,263)	-
Net cash from operating activities		49,884,028	28,827,975
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment properties	5	(141,000,000)	-
Additions of capital work in progress of investment properties	5	(5,144,339)	-
Purchase of property, plant and equipment	3	(152,020)	(425,168)
Interest received from Fund Placement		1,006,742	1,459,462
Withdrawal of short term funds more than 3 months		-	10,760,000
Withdrawal/(Placement) of deposits with licensed Islamic banks more than 3 months		1,300,000	(1,300,000)
Net cash (used in)/from investing activities		(143,989,617)	10,494,294

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance expense paid		(30,076,307)	(26,203,217)
Drawdown of borrowings		319,215,734	16,784,465
Repayment of borrowings		(283,171,423)	(6,000,000)
Distributions paid to unitholders		(26,801,987)	(38,444,065)
Proceeds from issuance of new units	13	71,558,161	64,154,735
Net cash from financing activities		50,724,178	10,291,918
Net (decrease)/increase in cash and cash equivalents		(43,381,411)	49,614,187
Cash and cash equivalents at beginning of financial year		62,007,084	12,392,897
Cash and cash equivalents at end of financial year	8	18,625,673	62,007,084

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

Notes to the FINANCIAL STATEMENTS

31 DECEMBER 2024

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 2024 were authorised for issue in accordance with a resolution by the Board of Directors of the Manager on 26 February 2025.

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 2024, the Trust's current liabilities exceeded their current assets by RM12,687,936.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. BASIS OF PREPARATION (CONTINUED)

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

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

3. PROPERTY, PLANT AND EQUIPMENT

	Balance as at 1.1.2024 RM	Additions for the year RM	Written off for the year* RM	Depreciation charge for the year RM	Balance as at 31.12.2024 RM
2024					
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

	[----- 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

	Balance as at 1.1.2023 RM	Addition for the year RM	Depreciation charge for the year RM	Balance as at 31.12.2023 RM
2023				
Carrying amount				
Computer equipment	25,328	425,168	(52,032)	398,464
Office equipment	19,171	-	(3,957)	15,214
Plant and machinery	1,039	-	(479)	560
	45,538	425,168	(56,468)	414,238

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	[----- At 31.12.2023 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Carrying amount			
Computer equipment	538,256	(139,792)	398,464
Office equipment	43,388	(28,174)	15,214
Plant and machinery	3,200	(2,640)	560
	584,844	(170,606)	414,238

(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
	2024	2023	
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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

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.

- (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

	2024 RM	2023 RM
A. At fair value		
Freehold land and buildings	831,500,000	829,200,000
Leasehold land	171,121,525	98,041,443
Leasehold buildings	383,878,475	305,458,557
	1,386,500,000	1,232,700,000
At beginning of financial year	1,232,700,000	1,206,100,000
Addition	148,500,000	-
Change in fair value	5,300,000	26,600,000
At end of financial year	1,386,500,000	1,232,700,000
B. Capital work in progress		
At beginning of financial year	-	(20,000)
Additions	5,144,339	20,000
At end of financial year	5,144,339	-
Total at end of financial year (A + B)	1,391,644,339	1,232,700,000

- (a) Capital work in progress is 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 RM1,174,500,000 (2023: RM1,167,700,000) 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 2024

5. INVESTMENT PROPERTIES (CONTINUED)

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

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 2099 respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

5. INVESTMENT PROPERTIES (CONTINUED)

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

2023				Cost of investment as at 31 December 2023	Fair value as at 31 December 2023	Percentage of fair value over net asset value as at 31 December 2023
Description of property	Tenure of land	Location	Existing use	RM	RM	%
Subang Parade*	Freehold	Subang	Commercial	286,980,000	430,000,000 ^a	64%
Mahkota Parade*	Leasehold [^]	Melaka	Commercial	257,538,630	338,500,000 ^b	50%
Wetex Parade*	Freehold	Muar	Commercial	117,500,000	161,700,000 ^a	24%
Kulim Central*	Freehold	Kedah	Commercial	98,000,000	142,500,000 ^c	21%
Central Square*	Freehold	Kedah	Commercial	83,330,000	95,000,000 ^c	14%
Segamat Central	Leasehold [^]	Segamat	Commercial	106,068,739	65,000,000 ^b	10%
				1,232,700,000		

a Based on valuation carried out by First Pacific Valuers Property Consultants Sdn. Bhd. on 31 December 2023

b Based on valuation carried out by Raine Horne International Zaki & Partners on 31 December 2023

c Based on valuation carried out by Exastrata Solutions Sdn. Bhd. on 31 December 2023

* The properties are charged to financial institutions for banking facilities granted to the Trust.

[^] The leasehold land for Mahkota Parade and Segamat Central expires in year 2101 and 2116 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

31 DECEMBER 2024

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% (2023: 5.00% - 10.00%) - Term yield rate of 6.25% - 6.75% (2023: 6.25% - 6.75%) - Reversionary yield rate of 6.50% - 7.25% (2023: 6.50% - 7.00%) - Discount rate of 6.50% - 7.25% (2023: 6.50% - 7.00%) 	<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:

	2024 RM	2023 RM
At beginning of financial year	1,232,700,000	1,206,100,000
Addition	148,500,000	-
Change in fair value	5,300,000	26,600,000
At end of financial year	1,386,500,000	1,232,700,000

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

5. INVESTMENT PROPERTIES (CONTINUED)

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

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.

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

6. TRADE RECEIVABLES

	2024 RM	2023 RM
Third parties	7,369,870	6,281,980
Less: Impairment losses	(2,582,621)	(2,771,046)
	4,787,249	3,510,934

- (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 (2023: 7 days). Late charges ranging from 12% to 18% (2023: 12% to 18%) per annum will be imposed on overdue amount.
- (c) Gross trade receivables of RM7,369,870 (2023: RM6,281,980) is taken into account after bad debts written off of RM369,477 (2023: RM499,877) of which have been expensed off to the profit or loss.
- (d) The ageing analysis of the Trust's gross receivables is as follows:

	2024 RM	2023 RM
Current	1,278,420	1,180,308
1 to 30 days	539,057	485,830
31 to 60 days	527,159	219,946
More than 60 days	2,939,920	2,970,834
	4,006,136	3,676,610
Fair value adjustments	2,085,314	1,425,062
	7,369,870	6,281,980

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

6. TRADE RECEIVABLES (CONTINUED)

- (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:

	2024 RM	2023 RM
Maximum exposure, net of impairment	4,787,249	3,510,934
Collateral obtained	29,165,729	27,832,968
Net exposure to credit risk	-	-

The above collateral represents rental deposits received from tenants.

- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

6. TRADE RECEIVABLES (CONTINUED)

(f) Credit risk (continued).

(ii) Receivables that are impaired (continued)

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

	2024 RM	2023 RM
At beginning of financial year	2,771,046	10,237,047
Addition during the year	12,534	-
Reversal for the year	-	(2,352,829)
Bad debts written off	(200,959)	(5,113,172)
At the end of financial year	2,582,621	2,771,046

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

(h) Trade receivables are denominated in RM.

7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 RM	2023 RM
Other receivables	16,652,432	3,746,313
Deposits	610,094	7,910,994
	17,262,526	11,657,307
Prepayments	1,214,366	3,259,893
Total other receivables	18,476,892	14,917,200

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

(b) Included in other receivables is as follow:

	2024 RM	2023 RM
Amount owing from Property Manager	1,629,960	845,090

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

- (c) Included in deposits is as follow:

	2024 RM	2023 RM
Deposit on acquisition of Kolej Yayasan Saad ("KYS")	-	7,500,000
Earnest deposit on acquisition of Bayan Lepas Industrial Building	3,000,000	-

Deposit on acquisition of KYS is paid in cash upon execution of the Sales Purchase Agreement.

Earnest deposit on the acquisition of Bayan Lepas Industrial Building is paid in cash upon acceptance of the Term Sheet.

- (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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

8. CASH AND BANK BALANCES

	2024 RM	2023 RM
Cash and bank balances	18,149,153	10,807,084
Deposits with licensed Islamic banks	476,520	52,500,000
	18,625,673	63,307,084

- (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) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at balance sheet date:

	2024 RM	2023 RM
As reported in statement of financial position	18,625,673	63,307,084
Deposit with licensed Islamic bank more than three (3) months	-	(1,300,000)
As reported in statement of cash flows	18,625,673	62,007,084

- (d) The weighted average profit rate of deposits with licensed Islamic banks of the Trust is 2.30% (2023: 3.82%) per annum. Deposits with licensed Islamic banks are made for one (1) month (2023: varying periods of between two (2) months and twelve (12) months).
- (e) 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
2024			
Fixed rates			
Deposits with licensed Islamic banks	476,520	-	476,520
2023			
Fixed rates			
Deposits with licensed Islamic banks	52,500,000	-	52,500,000

- (f) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. TRADE PAYABLES

	2024 RM	2023 RM
Third parties	9,033,990	7,348,647

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

(b) Included in trade payables are as follows:

	2024 RM	2023 RM
Amount owing to Manager	1,281,387	612,042

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 (2023: 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

	2024 RM	2023 RM
Non-current liabilities		
Deposits received from tenants	26,697,684	25,477,419
Current liabilities		
Other payables	3,689,050	4,338,193
Accruals	17,889,522	8,029,671
Advance received	1,671,874	818,779
Deferred income (Note 6(f)(ii))	645,775	645,775
Deposits received from tenants	2,468,045	2,355,549
	26,364,266	16,187,967
	53,061,950	41,665,386

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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:

	2024 RM	2023 RM
Amount owing to Property Manager	3,400,939	4,068,690

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:

2024	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
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

2023	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Financial liabilities				
Other payables and accruals (excluding deferred income)	13,186,643	-	-	13,186,643
Deposits received from tenants	2,355,549	27,197,145	-	29,552,694

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. BANK BORROWINGS

	2024 RM	2023 RM
Secured		
Current liability		
- Short term revolving credit	15,000,000	-
- Commodity Murabahah Term Financing-i	3,000,000	3,000,000
- Term financing-i 2	1,200,000	-
	19,200,000	3,000,000
	2024 RM	2023 RM
Secured		
Non-current liabilities:		
- CL-i 1	-	181,884,266
- CL-i 2	149,862,050	149,880,370
- CL-i 3	-	54,270,249
- CL-i 4	-	32,797,720
- CL-i 6	21,710,516	29,895,650
- Term financing-i 1	50,000,000	50,000,000
- Term financing-i 2	85,000,000	-
- Commodity Murabahah Term Financing-i	57,500,000	60,500,000
- MTN CGIF	215,000,000	-
	579,072,566	559,228,255
	598,272,566	562,228,255

- (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.

In the previous financial year, CL-i 1, CL-i 2, CL-i 3, CL-i 4, and CL-i 6 were secured by way of fixed charge over Subang Parade, Mahkota Parade, and Wetex Parade respectively.

CL-i 2 (2023: CL-i 1, CL-i 2, CL-i 3, and CL-i 4) bears profit rate at cost of fund plus 125 basis points (2023: cost of fund plus 100 basis points). CL-i 6 bears profit rate at cost of fund plus 125 basis points (2023: cost of fund plus 150 basis points). The effective profit rates on CL-i facilities are ranging from 4.76% to 5.40% (2023: 3.90% to 5.40%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. BANK BORROWINGS (CONTINUED)

- (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. The effective profit rate on short term revolving credit was 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 5 March 2024.
- (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 (2023: has a tenure renewed of 5 years until year of 2025). The term financing-i 1 bears profit rate at cost of funds plus 100 basis points (2023: cost of fund plus 100 basis points). The effective profit rates on the term financing-i 1 are ranging from 5.22% to 5.28% (2023: 4.69% to 5.13%) per annum.
- (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. The effective profit rates on the term financing-i 2 are ranging from 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, (2023: 100 basis points) and the effective profit rate on the Commodity Murabahah Term Financing-i are ranging from 5.32% to 5.50% per annum (2023: 5.30% to 5.48%).
- (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% (2023: Nil) 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:

2024	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Financial liabilities				
CL-i facilities	-	209,533,480	-	209,533,480
Short term revolving credit	15,675,000	-	-	15,675,000
Term financing-i facilities	1,788,300	177,191,320	-	178,979,620
Commodity Murabahah Term Financing-i	6,248,850	31,244,250	52,246,550	89,739,650
MTN CGIF	-	-	305,300,000	305,300,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. BANK BORROWINGS (CONTINUED)

- (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 (continued):

2023	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Financial liabilities				
CL-i facilities	-	466,826,864	-	466,826,864
Term financing-i facilities	-	56,000,000	-	56,000,000
Commodity Murabahah Term Financing-i	3,365,500	19,419,280	55,940,312	78,725,092

- (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:

2024	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
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

2023	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Floating rates				
CL-i facilities	-	448,728,255	-	448,728,255
Term financing-i facilities	-	50,000,000	-	50,000,000
Commodity Murabahah Term Financing-i	3,000,000	15,000,000	45,500,000	63,500,000
	3,000,000	513,728,255	45,500,000	562,228,255

NOTES TO THE FINANCIAL STATEMENTS

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11. BANK BORROWINGS (CONTINUED)

- (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:

	2024 RM	2023 RM
Profit after taxation		
- increase by 1% (2023: 1%)	(2,912,872)	(4,272,935)
- decrease by 1% (2023: 1%)	2,912,872	4,272,935

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.

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:

	2024 RM	2023 RM
As at 1 January	562,228,255	551,443,790
Cash flows from financing activities	36,044,311	10,784,465
As at 31 December	598,272,566	562,228,255

12. DEFERRED TAX LIABILITIES

	2024 RM	2023 RM
At beginning of financial year	30,877,532	28,230,834
Recognised in profit or loss (Note 19)	676,600	2,646,698
At the end of financial year	31,554,132	30,877,532

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

12. DEFERRED TAX LIABILITIES (CONTINUED)

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

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

13. UNITHOLDERS' CAPITAL

	2024		2023	
	Number of units	RM	Number of units	RM
Issued and fully paid				
Balance as at 1 January	581,415,073	560,886,684	471,260,178	496,731,949
Addition by way of:				
Private Placement	125,397,584	70,321,148	75,836,000	42,468,160
Income Distribution Reinvestment Plan ("IDRP")	2,474,027	1,237,013	34,318,895	21,686,575
	127,871,611	71,558,161	110,154,895	64,154,735
Balance as at 31 December	709,286,684	632,444,845	581,415,073	560,886,684

(a) Private Placement

On 15 January 2024, 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 5th March 2024 and 15th March 2024 respectively.

In previous financial year, the Manager proposed a Private Placement of up to 15% of the total number of issued unit of Hektar REIT to third party investor(s).

On 14 December 2023, Hektar REIT allotted and issued 75,836,000 new units pursuant to the Private Placement. The New Units have been listed and quoted on the Main Market of Bursa Malaysia Securities on 15 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

13. UNITHOLDERS' CAPITAL (CONTINUED)

(b) IDRP

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.

On 22 August 2024 a total new unit 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.

In previous financial year, 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.

As of 31 December 2023, a total of 34,318,895 of new units were allotted and issued pursuant to the IDRP.

(c) As at 31 December 2024, the Manager held 1,281,700 (2023: 1,234,800) units in Hektar REIT. The Directors of the Manager and their related parties held units in Hektar REIT as follows:

	2024		2023	
	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.	123,097,854	17.36	124,013,854	21.33
The Manager's related parties' direct unitholdings in Hektar REIT:				
Hektar Black Sdn. Bhd.	123,097,854	17.36	124,013,854	21.33

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

14. GROSS REVENUE

	2024 RM	2023 RM
Rental income	89,491,509	75,873,823
Service and promotional charges	19,177,809	19,177,302
Carpark income	10,438,443	10,423,643
Hotel income	3,944,895	4,422,547
Other operating income	1,751,612	1,600,016
	124,804,268	111,497,331

(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:

	2024 RM	2023 RM
Not later than one (1) year	34,139,106	24,914,148
Later than one (1) year and not later than five (5) years	151,211,085	86,288,683
	185,350,191	111,202,831

(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

31 DECEMBER 2024

15. PROPERTY OPERATING EXPENSES

	2024 RM	2023 RM
Assessment and quit rent	4,486,618	3,709,902
Marketing and promotions	2,652,484	2,097,556
Property management fee	1,928,071	1,913,784
Property maintenance	44,136,951	37,283,076
Utilities	8,185,015	5,933,566
Insurance	530,053	513,202
	61,919,192	51,451,086

Property management fee of RM1,928,071 (2023: RM1,913,784) incurred is payable to Hektar Property Services Sdn. Bhd. in accordance to the Valuers, Appraisers and Estate Agents Act, 1981.

16. MANAGER'S FEES

	2024 RM	2023 RM
Base fee	4,906,324	4,352,074
Performance fee	3,269,138	3,113,890
Acquisition fee	1,485,000	-
	9,660,462	7,465,964

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 2024, the base fee shall be 0.35% (2023: 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 2024, the performance fee shall be 5.0% (2023: 5.0%) per annum of the NPI, before deducting the property management fee.

(iii) Acquisition fee

The fee is calculated at 1.0% of the total acquisition cost for the acquisition of KYS.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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 2024, the Trustee's fee shall be 0.08% (2023: 0.07%) per annum of the Net Asset Value of the Trust including the Manager's fees.

18. FINANCE EXPENSE

	2024 RM	2023 RM
Finance expense paid/payable:		
- short term revolving credit	330,021	240,423
- CL-i facilities	9,192,923	21,565,831
- term financing-i facilities	7,391,769	2,621,506
- Commodity Murabahah Term Financing-i	3,329,320	1,775,457
- MTN CGIF	9,832,274	-
	30,076,307	26,203,217

19. TAX EXPENSE

	2024 RM	2023 RM
Recognised in profit or loss		
Current tax taxation		
- Current year	5,424	(8,152)
Deferred tax expenses		
- Relating to origination and reversal of temporary differences (Note 12)	676,600	2,646,698
Total tax expense	682,024	2,638,546

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

19. TAX EXPENSE (CONTINUED)

Reconciliation of the tax expense is as follows:

	2024 RM	2023 RM
Profit before tax	25,297,212	51,695,944
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	6,071,331	12,407,027
Tax effects in respect of:		
Non-allowable expenses	23,016,111	9,499,298
Income not subject to tax	(29,082,018)	(21,914,477)
Deferred real property gains tax on investment properties	676,600	2,646,698
Tax expense	682,024	2,638,546

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

The tax transparency system under Section 61A of the Income Tax Act 1967, 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 2024 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

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

Unitholders	Tax rate
Individuals and all other non-corporate investors such as institutional investors	10%
Non-resident corporate investors	24%

Resident corporate investors are required to report the distributions in their normal corporate tax return and subject to the normal corporate tax rate of 24%.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

20. EARNINGS PER UNIT

	2024 No. of unit	2023 No. of unit
At 31 December	684,708,351 ^a	499,887,866 ^a

^a Earnings per unit and income distribution for the financial year ended 31 December 2024 was calculated based on a weighted average of 684,708,351 units (2023: 499,887,866 units).

- (a) The calculation of earnings per unit (total) before Manager's fee is based on Trust's net profit of RM34,275,650 (2023: RM56,523,362) for the financial year after adding back Manager's fee and weighted average number of units for 2024 and 2023 respectively of 684,708,351 (2023: 499,887,866).
- (b) The calculation of earnings per unit (total) after Manager's fee is based on Trust's net profit of RM24,615,188 (2023: RM49,057,398) for the financial year to the weighted average number of units for 2024 and 2023 respectively of 684,708,351 (2023: 499,887,866).
- (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 RM29,652,250 (2023: RM32,570,060) after adding back Manager's fee and weighted average number of units for 2024 and 2023 respectively of 684,708,351 (2023: 499,887,866).
- (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 RM19,991,788 (2023: RM25,104,096) to the weighted average number of units for 2024 and 2023 respectively of 684,708,351 (2023: 499,887,866).

21. INCOME DISTRIBUTION

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

	2024 RM	2023 RM
Net property income	62,885,076	60,046,245
Income from Fund Placements	1,006,742	1,459,462
Sundry income	637,657	756,329
Bad debts recovered	224,359	45,000
	64,753,834	62,307,036
Less: Expenses	(44,762,046)	(37,202,940)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

21. INCOME DISTRIBUTION (CONTINUED)

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

	2024 RM	2023 RM
As per realised undistributed income	19,991,788	25,104,096
Add: Loss not subject to distribution (Note 21(b))	26,076	58,719
Balance undistributed income	20,017,864	25,162,815
Gross provision for distribution per unit (sen):		
- Interim	1.90	2.70
- Final	***1.25	**2.30
	3.15	5.00
Net provision for distribution per unit (sen)*:		
- Interim	1.90	2.70
- Final	***1.25	**2.30
	3.15	5.00

* Withholding tax will be deducted for distributions made to the following types of unitholders:

	2024 Tax rate	2023 Tax rate
Resident individual	10%	10%
Non-resident individual	10%	10%
Resident institutional investors	10%	10%
Non-resident institutional investors	10%	10%
Non-resident companies	24%	24%

** Distribution of 2.30 sen (gross) per unit for the fourth quarter ended 31 December 2023 ("2023 Final Income Distribution") was announced on 23 January 2024 and payable on 27 February 2024.

*** 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

21. INCOME DISTRIBUTION (CONTINUED)

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

	2024 RM	2023 RM
Revenue	36,302	35,795
Other income	6,500	5,500
Expenses	(68,878)	(100,014)
Loss for the financial year	(26,076)	(58,719)

22. PORTFOLIO TURNOVER RATIO

	2024	2023
Portfolio Turnover Ratio ("PTR") (times)	0.20	-

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

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

23. MANAGEMENT EXPENSE RATIO

	2024	2023
Management expense ratio ("MER") (%)	1.98	2.22

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.

NOTES TO THE FINANCIAL STATEMENTS

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24. TRANSACTION WITH PARTY RELATED TO THE MANAGER

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

	2024 RM	2023 RM
Commission and service charges received from		
- Hektar Black Sdn. Bhd.	189,487	190,908

25. CAPITAL COMMITMENT

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

	2024 RM	2023 RM
Approved and contracted for:		
- Refurbishment of investment properties	13,803,000	15,800,000
- Acquisition of Bayan Lepas industrial building	27,000,000	-
- Acquisition of KYS	-	142,500,000
	40,803,000	158,300,000

26. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

26. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Capital management (continued)

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% (2023: 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.

	2024 RM	2023 RM
Non-current assets	1,392,113,316	1,233,114,238
Current assets	41,910,320	81,735,218
Total assets value	1,434,023,636	1,314,849,456
Total borrowings	598,272,566	562,228,255
Gearing ratio	41.72%	42.76%

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

(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.

NOTES 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% (2023: Nil) 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 High Court Judge dismissed the appeals in relation to the Trust's application for an order against the Judgment Debtor to produce bank statements for the years 2018 up to the date of hearing of the Judgment Debtor Summons. Following the dismissal, on the advice of the Trust's solicitors that the High Court Judge may have erred in his adverse finding and decision, the Trust has filed an appeal to the Court of Appeal against the High Court's decision.

NOTES TO THE FINANCIAL STATEMENTS

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27. MATERIAL LITIGATIONS (CONTINUED)

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

- (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 10 February 2025, the High Court has postponed the decision on the matter to 25 March 2025.

28. OPERATING SEGMENT

The principal activity of Hektar REIT is to invest in properties in Malaysia with the primary objective to derive rental income and medium to long terms capital growth. Hence, no operating segments are presented.

The Directors of the Manager assess the financial performance of the operating segment based on, including but not limited to, net property income ("NPI"). The NPI enables financial performance benchmarking which eliminates the effect of financing and investment decisions not adjusted at operating level.

29. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

29.1 New MFRSs adopted during the financial year

The Trust adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

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

NOTES TO THE FINANCIAL STATEMENTS

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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 2025

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 121 <i>Lack of Exchangeability</i>	1 January 2025
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
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) Hektar REIT proposed to establish a MTNs Programme of up to RM500 million in nominal value via a special purpose vehicle (Hektar MTN Satu Sdn. Bhd.) solely set up for the purpose of the Proposed MTNs Programme by MTrustee Berhad to be partially guaranteed by Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank, and to issue the MTNs from time to time, and to do all other actions necessary for the implementation and establishment of the MTNs Programme and the issuance of the MTNs. The MTNs Programme shall comprise of:
- issuance of 5 years guaranteed tranche(s) of up to an aggregate amount of RM230 million irrevocably guaranteed by CGIF; and
 - issuance of rated/ unrated tranches.

On 15 February 2024, the first issuance of the Guaranteed Tranche of RM215 million irrevocably guaranteed by CGIF, together with the redemption to refinance CL-i 1 was completed.

Proceeds from the Guaranteed Tranche, rated AAA(fg) by RAM Rating Services Berhad, were utilised towards redeeming the CL-i 1 amounted to RM184 million which is secured by legal charge over the title of Subang Parade and the balance utilised towards asset enhancement initiatives, capital expenditure and refurbishment requirements of Subang Parade.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

- (b) On 11 September 2023, MTrustee Berhad had entered into a conditional sale and purchase agreement with KYS College Sdn. Bhd. for the proposed acquisition of land and single, 1 ½-, 2- and 3- storey. This buildings that are categorised into administration, academic, residential and student facilities which form the fully residential and co-educational private school known as 'Kolej Yayasan Saad' located at Ayer Keroh, Melaka and erected on part of the leasehold land held under PN 62892, Lot 9808, Mukim of Durian Tunggal, District of Alor Gajah, State of Melaka at the revised purchase consideration of RM148.5 million, together with the novation of the lease agreement to the Trustee on the completion of the Acquisition.

The acquisition of KYS College was completed on 11 July 2024, and the land title was successfully transferred and registered in name of MTrustee for Hektar REIT on 5 November 2024.

- (c) During the Extraordinary General Meeting ("EGM") held on 15 January 2024, the Unitholders had granted their approval on the proposed Private Placement of up to 25% of the total number of issued unit of Hektar REIT to third party investor(s). The New units, totalling 125,397,584 with the total gross proceeds of RM73.36 million have been listed on the Main Market of Bursa Malaysia Securities on 5th March 2024 and 15th March 2024 respectively.

Hektar REIT's fund size increased from 581,415,073 units to 706,812,657 units as of 30 June 2024, arising from the new issuance of 125,397,584 units in total, as disclosed above.

- (d) The Manager had declared on 22 August 2024 an income distribution of 1.90 sen (gross) per unit amounting to RM13.43 million for the second quarter ended 30 June 2024. A total of 2,474,027 new units pursuant to the third Income Distribution Reinvestment Plan ("IDRP") were allotted and issued. The new units have been listed and quoted on the Main Market of Bursa Securities on 21 October 2024. For non-electable and balance of electable fraction of income distribution was paid by cash amounting of RM11,527,955 on 18 October 2024.

As of the 31 December 2024, the total number of units in issuance has increased to 709,286,684, with a corresponding Unitholders' capital of RM632,444,845.

- (e) On 29 September 2023, the Manager had given the approval on the acceptance of five (5) years Term Financing-i Facility of RM92.1 million from CIMB Islamic Bank Berhad. The drawdown of the facility and the redemption to refinance Wetex Parade located in Muar from Maybank Islamic Berhad (CL-i 3 & 4) amounted to RM87.1 million was completed on 31 January 2024.
- (f) CIMB Islamic Bank Berhad had via its letter of offer dated 10 October 2024 granted the Hektar REIT further 5 years extension of Term Financing-i 1 ("TF-i 1") and Term Financing-i 2 ("TF-i 2") totaling of RM60.0 million and new bank guarantee facility of RM5.0 million for Central Square. The Manager approved the acceptance of the renewal offer on 26 November 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

- (g) 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 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”.
- (h) 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.

Analysis

OF UNITHOLDERS

TOP 30 UNITHOLDERS AS AT 31 DECEMBER 2024 (AS PER RECORD OF DEPOSITORS)

No.	Name of Unitholders	No. of Units	%
1	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEXSTAR RUBBER SDN. BHD. (PJCAC-TL4)</i>	101,100,000	14.25
2	TMF TRUSTEES MALAYSIA BERHAD <i>HEKTAR BLACK SDN BHD</i>	61,853,857	8.72
3	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEKTAR BLACK SDN BHD (001)</i>	47,349,228	6.68
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA YIELD ENHANCEMENT FUND</i>	34,188,034	4.82
5	KSV CONSTRUCTION SDN. BHD.	32,127,800	4.53
6	HORIZON TERRACE SDN. BHD.	32,118,800	4.53
7	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO') (MY3918)</i>	30,979,400	4.37
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES FOR UPAYAPADU (M) SDN. BHD.</i>	26,508,900	3.74
9	KUMPULAN PRASARANA RAKYAT JOHOR SDN BHD	14,128,200	1.99
10	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HEKTAR BLACK SDN BHD</i>	13,894,769	1.96
11	HLIB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')</i>	10,784,700	1.52
12	GMA RESOURCES SDN BHD	9,000,000	1.27
13	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR DATO' ONG CHOO MENG (SMART)</i>	7,135,900	1.01
14	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR GOH LENG PHEOW</i>	6,205,200	0.88
15	IFAST NOMINEES (TEMPATAN) SDN BHD <i>GLOBAL SUCCESS NETWORK SDN BHD</i>	4,800,000	0.68
16	MIRSHAM BIN MEER SADIK	4,521,800	0.64
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR AVENTURA SDN BHD</i>	4,000,001	0.56
18	TEW PENG HWEE @ TEOH PENG HWEE	2,634,265	0.37
19	DING SIEW CHOO	2,400,000	0.34

ANALYSIS OF UNITHOLDERS

No.	Name of Unitholders	No. of Units	%
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ONG KAH HOE</i>	2,350,000	0.33
21	MOK TECK LIANG	2,274,860	0.32
22	MOHD AIMRAN LONG BIN ABD HALIM	2,092,224	0.30
23	TAN BENG GUAN	2,000,200	0.28
24	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>AMBANK (M) BERHAD FOR LIM CHOO HONG (5682-1502)</i>	2,000,000	0.28
25	PB TRUSTEE SERVICES BERHAD <i>KHOO KOK SENG FAMILY TRUST-1</i>	2,000,000	0.28
26	CHOONG YEAN YAW	1,880,400	0.27
27	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEE TIAM HOCK</i>	1,720,000	0.24
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR NORAZHAR BIN ABDUL RAHMAN (E-TCS/PJA)</i>	1,559,980	0.22
29	CHAN CHOR YOOK	1,505,007	0.21
30	KIM GAP YONG	1,471,337	0.21
Total		466,584,862	65.80

UNITHOLDERS AS AT 31 DECEMBER 2024

	No. of Unitholders	% of Unitholders	No. of Units Held	% of Total Units
Less than 100	488	6.27	10,822	0.00
100 to 1,000	1,101	14.14	586,306	0.08
1,001 to 10,000	3,052	39.18	15,764,208	2.23
10,001 to 100,000	2,593	33.28	86,074,106	12.14
100,001 and above	555	7.13	606,851,242	85.55
Directors Shareholding	0	0	0	0
Total	7,789	100.00%	709,286,684	100.00%

ANALYSIS OF UNITHOLDERS

CLASSIFICATION OF UNITHOLDERS AS AT 31 DECEMBER 2024

Category of Shareholders	No. of Holders				No. of Securities				%			
	Malaysia		Foreign		Malaysia		Foreign		Malaysia		Foreign	
	Bumi	Non-Bumi		Total	Bumi	Non-Bumi		Total	Bumi	Non-Bumi		Total
1) Individual	153	5,223	72	5,448	10,402,523	163,902,165	4,089,774	178,394,462	1.47	23.11	0.58	25.16
2a) Body Corporate Banks/finance companies	0	2	0	2	0	200,600	0	200,600	0	0.03	0	0.03
2b) Investments trusts/ foundation/ charities	1	5	0	6	10,000	2,177,853	0	2,187,853	0.00	0.31	0	0.31
2c) Other types of companies	6	37	1	44	43,327,760	35,118,324	22,500	78,468,584	6.11	4.95	0.00	11.06
3) Government agencies/ Institutions	2	0	0	2	75,982,057	0	0	75,982,057	10.71	0	0	10.71
4) Nominee Company	108	2,124	55	2,287	104,536,430	263,746,373	5,770,325	374,053,128	14.74	37.18	0.81	52.73
Subtotal	270	7,391	128	7,789	234,258,770	465,145,315	9,882,599	709,286,684	33.03	65.58	1.39	100.00
Malaysian Total		7,661				699,404,085				98.61		
Grand Total (Malaysian + Foreign)		7,789				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

GLOSSARY

M-REIT	: Malaysian Real Estate Investment Trust
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 13th Annual General Meeting (“AGM”) of Hektar Real Estate Investment Trust (“Hektar REIT”) will be held physically at StatEROOM 2, Level G, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Wednesday, 21 May 2025 at 10.00 a.m. and/or remote attendance via www.vpoll.com.my for the following purpose:

AS ORDINARY BUSINESS

1. To lay the Audited Financial Statements of Hektar REIT for the financial year ended 31 December 2024 together with the Trustee’s Report to the Unitholders issued by MTrustee Berhad, as Trustee of Hektar REIT and the Statement by the Manager issued by Hektar Asset Management Sdn Bhd, as the Manager of Hektar REIT and the Independent Auditors’ Report thereon.

(Please refer to Explanatory Note A)

AS SPECIAL BUSINESS

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

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

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

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

- (a) the conclusion of the next AGM of the Unitholders, at which time it shall lapse, unless the authority is renewed by Unitholders by a resolution passed at the meeting; or
- (b) the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or
- (c) the Proposed Authority is revoked or varied by the Unitholders in an Unitholders’ Meeting;

whichever occurs first (Validity Period);

NOTICE OF ANNUAL GENERAL MEETING

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."

3. **PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO THE INCOME DISTRIBUTION REINVESTMENT PLAN ("IDRP") THAT PROVIDES UNITHOLDERS WITH AN OPTION TO ELECT TO REINVEST THEIR INCOME DISTRIBUTION IN NEW UNITS IN HEKTAR REIT ("PROPOSED RENEWAL OF IDRP AUTHORITY")**

Resolution 2

"THAT pursuant to the IDRP as approved by the Unitholders at the Extraordinary General Meeting held on 15 December 2022, and subject to the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to allot and issue such number of new Units from time to time as may be required to be allotted and issued pursuant to the IDRP until the conclusion of Hektar REIT's next AGM, upon the terms and conditions and to such persons as the Board may, in its absolute discretion, deem fit or expedient and in the best interest of Hektar REIT and its Unitholders **PROVIDED THAT** the issue price of the said new Units, which will be fixed by the Board on the price-fixing date to be determined and announced ("**Price-Fixing Date**"), shall not be more than 10% discount to the 5-day volume weighted average market price ("**VWAMP**") of the Units immediately prior to the Price-Fixing Date, of which the VWAMP shall be adjusted ex-income distribution before applying the aforementioned discount.

THAT the new Units issued pursuant to the IDRP shall, upon allotment and issuance, rank equally in all respects with the existing Units except that the holders of the new Units shall not be entitled to any distributable income, right, benefit, entitlement and/or any other forms of distribution that may be declared before the date of allotment and issuance of such new Units.

AND THAT the Board be and is hereby authorised to do all such acts and enter into such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of Hektar REIT, all such documents and impose such terms and conditions or delegate all or any part of its power as may be necessary and expedient in order to give full effect to the Proposed Renewal of IDRP Authority and IDRP, with full power to assent to any conditions, variations, modifications and/or amendments including amendments, modifications, suspension and termination of the IDRP as the Board may, in its absolute discretion, deem fit and in the best interest of Hektar REIT and its Unitholders and/or as may be required or permitted by any relevant authorities."

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, Malaysia

11 April 2025

Notes :

1. Unitholders who wishes to participate in the 13th AGM of Hektar Real Estate Investment Trust, will have to refer to the *Notification of 13th Annual General Meeting (AGM) & Annual Report 2024* for further information.
2. Only unitholders registered in the Record of Depositors as at 8 May 2025 shall be entitled to attend and speak at the AGM or appoint proxy(ies) to attend on his behalf. A proxy may but need not to 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 be emailed though polladm@amethystdestiny.net or deposited at the Office of The Poll Administrator, 54B, Damai Complex, Jalan Lumut, 50400 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING

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.

Ordinary Resolution 2 – Proposed renewal of IDRP authority

The Proposed Renewal of IDRP Authority will empower the Board with the flexibility to allot and issue such number of new Units from time to time as may be required to be allotted and issued pursuant to the IDRP until the conclusion of the next AGM of Hektar REIT.

Administrative

GUIDE

ADMINISTRATIVE GUIDE HYBRID 2025 ANNUAL GENERAL MEETING ("AGM")

Name of Company	Hektar REIT ("the Company")
Meeting Date and Time	21/05/2025 (Wednesday) at 10.00 a.m.
Meeting Mode	Hybrid – Physical and Remote Attendance
Meeting Venue	<p>Physical Meeting <i>Stateroom 2, Level G, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur, Malaysia</i></p> <p>Remote Meeting www.vpoll.com.my <i>[Domain Registration No. with MyNIC Berhad: (D1A457149)] provided by AI Smartual Learning Sdn. Bhd. ("AISL") in Malaysia</i></p>

1. REGISTRATION PROCESS

1.1 Unitholder is required to pre-register ("Hybrid AGM e-Registration") at the following website :-

REGISTRATION: www.vpoll.com.my

1.2 During registration, please provide the following information in order to be verified to gain admission to the Hybrid 2025 AGM:

- (a) Unitholder's Name
- (b) Unitholder's NRIC/Passport No/Registration Number
- (c) Mobile Number
- (d) Email Address
- (e) CDS Account Number

- To upload a copy of your NRIC (front and back)/Passport/Certificate of Incorporation

1.3 An acknowledgement of receipt email will be sent to you after the approval of your registration.

1.4 Unitholder can register on the AGM day, for either Meeting mode, physical or remote, via www.vpoll.com.my.

1.5 Should you register and attend physically on the AGM day, your seat availability shall be subject to the maximum seating capacity at the physical Meeting Venue. Should there are not enough seats at the Meeting Venue, you will also be able to attend the AGM remotely as the administrative staff at the Booth, shall provide the Meeting Details, including the Meeting Link for you.

ADMINISTRATIVE GUIDE

- 1.6 Your attendance at the AGM, will be subject to verification after the **Cut-off Date** as at 8 May 2025 and the authenticated parties (Unitholder, Proxy Holders and/or Corporate Representatives) will be entitled to attend the AGM.
- 1.7 On the AGM day,
- i) *Unitholder attending physically, after registration at the Registration Counter, will be directed to the Meeting Venue; and*
 - ii) *Unitholder attending remotely, will need login at www.vpoll.com.my.*

2. ENTITLEMENT TO PARTICIPATE AND VOTE

- 2.1 Only Unitholder whose names appear in the Record of Depositors of the Company on the Cut-off Date as at the 8 May 2025, shall be entitled to participate and/or vote remotely at the AGM or appoint a proxy/proxies to participate and/or vote on his stead.
- 2.2 Eligible Unitholder is required to pre-register at www.vpoll.com.my to ascertain their eligibility to participate and/or vote at the AGM, physically or remotely.
- 2.3 All Eligible voters will be required to cast their votes at www.vpoll.com.my weather physically or remotely.

3. APPOINTMENT OF PROXY(IES) AND/OR CORPORATE / AUTHORISED REPRESENTATIVE(S)

- 3.1 Unitholder may appoint proxy(ies) or corporate/authorised representative(s) to participate and/or vote at the AGM, or appoint the Chairperson of the Meeting as his/her proxy by indicating the voting instructions in the Proxy Form [otherwise the proxy(ies) will vote at his/her discretion] in accordance with the notes and instructions printed therein.
- 3.2 Please ensure that :-
- i) the duly completed and executed Proxy Form; or
 - ii) the appointed corporate/authorised representative(s) shall:
 - (a) provide a copy of his/her identity card, email address and mobile phone number, and
 - (b) deposit together with the original evidence of his authority (*eg. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority in English or Bahasa Malaysia*)

is deposited at the office as described below not less than 48 hours before the time appointed for holding the AGM ie. latest by Monday, 19 May 2025 at 10.00 a.m. for verification to

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The Poll Administrator,
Amethyst Destiny Sdn. Bhd.
54B, Damai Complex,
Jalan Lumut
50400 Kuala Lumpur, Malaysia.

Alternatively, the duly completed and executed Proxy Form or Corporate Representative Certificate can also be submitted electronically, through polladm@amethystdestiny.net.

Appointed proxies /corporate/authorised representative(s) are required to pre-register for the RVP at www.vpoll.com.my to ascertain their eligibility to participate and/or vote at the AGM, physically or remotely.

- 3.3 If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in the AGM by yourself, please write in to the Poll Administrator or alternatively to submit electronically via email to polladm@amethystdestiny.net to revoke the earlier appointed proxy 48 hours before the time appointed for holding the AGM :-

The Poll Administrator,
Amethyst Destiny Sdn. Bhd.
54B, Damai Complex,
Jalan Lumut
50400 Kuala Lumpur, Malaysia.

- 3.4 Appointed corporate/authorised representative(s) are required to pre-register for the RVP at www.vpoll.com.my to ascertain their eligibility to participate and/or vote at the AGM, physically or remotely.

4. SUBMISSION OF QUESTIONS

- 4.1 Unitholder can submit pre-meeting questions in advance prior to the convening of the AGM not later Wednesday, 19 May 2025 at 10.00 a.m. electronically, through polladm@amethystdestiny.net
- 4.2 Unitholder can submit questions during the AGM.
- i) Physical Attendance
Submission of questions can be made at the venue of the AGM or via RVP at www.vpoll.com.my.
 - ii) Remote Attendance
Submission of questions can be made via RVP at www.vpoll.com.my.

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4.3 The Board will endeavour to answer the questions received at the AGM.

5. VOTING PROCEDURES

5.1 The Chairperson of the AGM will announce the allocated time frame of the voting session.

5.2 Upon the commencement of the voting session, Unitholder, proxies holders or corporate/authorised representative(s) can proceed to vote on the resolutions via RVP through the login at www.vpoll.com.my from various devices such as smart phone, tablet, laptop or computer.

5.3 After the voting session concludes, the designated independent scrutineers will validate the poll results, and the Chairperson will announce whether the proposed resolutions were accepted or rejected.

6. ENQUIRY AND TECHNICAL SUPPORT

6.1 For enquiries related to the above, please contact the Poll Administrator during office hours from 9.00 am to 5.00 pm (Monday to Friday, excluding public holidays and days on which the office is closed due to regulations imposed by the Malaysian government, if any):

Email to : polladm@amethystdestiny.net

7. OTHERS

7.1 Recording

Strictly NO recording or photography - Unauthorised recording and/or photography are strictly prohibited at the AGM.


7.2 Personal Data Privacy

By submitting the duly executed Proxy Form or Corporate Representative Certificates, the Unitholder and his/her proxy or corporate/authorised representative has consented to our Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM of our Company and any adjournment thereof.

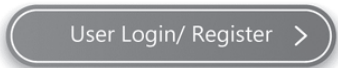

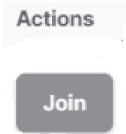
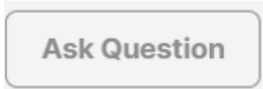



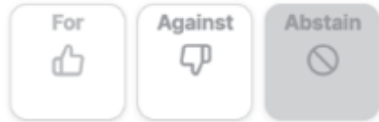
7.3 Other information

Please refer to Appendix A of this Administrative Guide for further information.

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APPENDIX A	
PROCEDURE I - Pre-Event Day : Registration as User	
<div><div>1. Go to www.vpoll.com.my to access the landing page.</div><div>2. To register as a user, click on "User Login / Register" button.</div><div><div>User Login/ Register ></div><div>For shareholders , proxy , invitees login</div></div><div>3. To register as new user, click on the "Register" button.</div><div><div>Register ></div></div><div>4. At the signup page,<div>i) Key in your mobile number.</div><div>Mobile No.<div><div>+60</div><div>121234567</div></div></div><div>ii) Then click "Get OTP".</div><div><div>Get OTP</div></div><div>5. Wait for the OTP in your mobile phone.</div><div>6. Key in your mobile number.</div><div>7. Key in the OTP.</div><div>8. Set up your password.</div><div>9. Click "Sign-up".</div><div><div>Sign-Up</div></div></div></div>	<div><div>10. Re-login as User.</div><div><div>User Login/ Register ></div><div>For shareholders , proxy , invitees login</div></div><div>11. Key in your mobile number.</div><div>12. Key in your password .</div><div>13. Click "Sign In".</div><div><div>Sign In ></div></div><div>14. Key in your registered mail.</div><div>15. Key in your NRIC / passport number.</div><div>16. Upload your NRIC (front & back) / Passport.</div><div>17. Click "Submit for Verification".</div><div><div>Submit for Verification</div></div><div>18. Your registration will be either approve / reject within 12.</div><div>19. An email will be sent to the user on the approval / rejection.</div><div>20. If you received a rejection email, please resolve the issue.</div><div>21. If you received an approval email from mailer@vpoll.com.my, you may login to the www.vpoll.com.my.</div><div>22. After verification, you can see in your account that it has been verified.</div><div><div>Your account is verified</div></div></div>

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APPENDIX A (CONTINUED)	
PROCEDURE II - Event Day : Attendance and Q & A Session	PROCEDURE III - Event Day : Voting Session
<ol style="list-style-type: none">Go to www.vpoll.com.my to access the landing page.To register as a user, click on "User Login / Register" button.  <i>For shareholders , proxy , invitees login</i>Click on the "Events" button. Choose the Event you would like to attend and click the "Join" button under Action column. Your screen will be diverted to event page.To watch livestream, click on "►" on the livestream widgetIf you wish to raise a question, please click on "Ask Question". Type your question(s) in the Q&A pop-up screen and click on "Submit" to send in the question.You can raise as many questions as you wish.Click on the "leave" button should you wish to exit the Event. 	<ol style="list-style-type: none">To vote, click on the "Vote" button. A box consists of the resolutions to be approved will pop-up on screen.You can only start to vote once the polling starts.Once, the polling session starts, the "Vote" button will appear. You can click either one of the button : "For / Against / Abstain". After the polling session ends, you can view the results on screen.The results will be presented as shown.



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 Sdn Bhd and MTrustee Berhad)

PROXY FORM

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

CDS Account No.	
No. of units held	

I/We _____ (Full name in block letters)

I.C No./Co.No.: _____ of _____

_____ (full address) being a unitholder(s) of

HEKTAR REIT hereby appoint the following person:-

Name of proxy, NRIC No., Address & Contact No.

No. of units to be represented by proxy

as my/our proxy to attend on my/our behalf at the unitholders' 13th Annual General Meeting ("AGM") of the Company to be held physically at the Stateroom 2, Level G, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Wednesday, 21 May 2025 at 10.00 a.m. and/or remote attendance via www.vpoll.com.my 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		
Ordinary Resolution 2	Proposed renewal of the authority to allot and issue new units pursuant to the Income Distribution Reinvestment Plan ("IDRP") that provides unitholders with an option to elect to reinvest their income distribution in new units in Hektar REIT ("Unit(s)")		

Dated this _____ day of _____ 2025

Signature/Common Seal of Unitholder(s)

Notes:

1. Unitholders who wishes to participate in the 13th AGM of Hektar Real Estate Investment Trust, will have to refer to the *Notification of 13th Annual General Meeting (AGM) & Annual Report 2024* for further information.
2. Only unitholders registered in the Record of Depositors as at 8 May 2025 shall be entitled to attend and speak at the AGM or appoint proxy(ies) to attend on his behalf. A proxy may but need not to 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 be emailed though polladm@amethystdestiny.net or deposited at the Office at The Poll Administrator, 54B, Damai Complex, Jalan Lumut, 50400 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.

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HEKTAR REAL ESTATE INVESTMENT TRUST

c/o The Poll Administrator,
Amethyst Destiny Sdn. Bhd.
54B, Damai Complex, Jalan Lumut,
50400 Kuala Lumpur, Malaysia

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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 income-producing real estate in Malaysia which aim 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	709,286,685 Units as at 31 December 2024
Financial year	1 January 2024 - 31 December 2024
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 2024 actual: 0.35%) • Performance Fee: up to 5.0% per annum of the NPI (FY 2024 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 2024 actual: 0.08%)
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.

