

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

| | As at 31.12.2019 RM (Unaudited) | As at 31.12.2018 RM (Audited) |
|--|--|--|
| <u>NON-CURRENT ASSETS</u> | | |
| Investment properties | 1,236,500,000 | 1,221,500,000 |
| Plant & Equipment | 113,099 | 140,776 |
| Capital work in progress | 1,157,929 | 6,128,723 |
| Fixed deposits with a licensed bank | 1,527,034 | 1,447,434 |
| | <u>1,239,298,062</u> | <u>1,229,216,933</u> |
| <u>CURRENT ASSETS</u> | | |
| Trade receivables | 19,994,849 | 18,216,824 |
| Other receivables, deposits and prepayments | 6,316,665 | 7,504,339 |
| Cash and bank balances | 10,466,667 | 13,334,709 |
| | <u>36,778,181</u> | <u>39,055,872</u> |
| TOTAL ASSETS | <u>1,276,076,243</u> | <u>1,268,272,805</u> |
| <u>NON-CURRENT LIABILITIES</u> | | |
| Tenancy deposits | 13,289,996 | 15,901,825 |
| Deferred tax liability | 28,171,132 | - |
| Bank borrowings | 548,090,863 | 548,071,883 |
| | <u>589,551,991</u> | <u>563,973,708</u> |
| <u>CURRENT LIABILITIES</u> | | |
| Trade payables | 9,134,723 | 5,588,271 |
| Other payables and accruals | 31,336,495 | 30,488,520 |
| Tenancy deposits | 21,621,383 | 17,906,759 |
| Bank borrowings | 15,000,000 | 15,000,000 |
| | <u>77,092,601</u> | <u>68,983,550</u> |
| TOTAL LIABILITIES | <u>666,644,592</u> | <u>632,957,258</u> |
| NET ASSET VALUE | <u>609,431,651</u> | <u>635,315,547</u> |
| <u>FINANCED BY:</u> | | |
| Unitholders' capital | 492,500,449 | 492,500,449 |
| Undistributed income – realised | 41,687,502 | 43,139,627 |
| – unrealised | 75,243,700 | 99,675,471 |
| TOTAL UNITHOLDERS' FUND | <u>609,431,651</u> | <u>635,315,547</u> |
| NET ASSET VALUE PER UNIT (RM) | | |
| -as at the date | 1.3192 | 1.3753 |
| -after distribution for the cumulative quarter | 1.2992 | 1.3522 |
| NUMBER OF UNITS IN CIRCULATION | 461,960,178 | 461,960,178 |

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached.

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2019 (UNAUDITED)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|--|------------------------------------|--------------------------------------|
| | Current Year Quarter 31.12.2019 RM | Preceding Year Corresponding Quarter 31.12.2018 RM | Current YTD 31.12.2019 RM | Preceding YTD 31.12.2018 RM |
| Revenue | 34,865,735 | 33,880,779 | 137,089,483 | 135,106,718 |
| Property operating expenses | (15,152,675) | (13,613,183) | (61,653,767) | (56,390,477) |
| Net property income | 19,713,060 | 20,267,596 | 75,435,716 | 78,716,241 |
| Interest income | 7,257 | 107,090 | 413,095 | 403,553 |
| Other income | 46,583 | 841,300 | 240,940 | 858,398 |
| Trust expenses | (3,554,132) | (2,704,309) | (14,049,653) | (12,425,379) |
| Borrowing costs | (6,996,388) | (6,474,912) | (26,165,840) | (25,284,164) |
| Realised income before taxation | 9,216,380 | 12,036,765 | 35,874,258 | 42,268,649 |
| Change in fair value of investment property | - | (9,405,600) | 3,739,361 | (9,405,600) |
| Change in fair value of derivative financial instrument | - | - | - | 265,527 |
| Income before taxation | 9,216,380 | 2,631,165 | 39,613,619 | 33,128,576 |
| Taxation | (28,171,132) | - | (28,171,132) | - |
| Net (deficit)/ income | (18,954,752) | 2,631,165 | 11,442,487 | 33,128,576 |
| Other comprehensive income after tax | - | - | - | - |
| Total comprehensive (deficit)/income | (18,954,752) | 2,631,165 | 11,442,487 | 33,128,576 |
| Earnings per unit (sen) | (4.10) | 0.57 | 2.48 | 7.17 |
| - realised (sen) | 2.00 | 2.61 | 7.77 | 9.15 |
| - unrealised (sen) | (6.10) | (2.04) | (5.29) | (1.98) |
| Number of units | 461,960,178 | 461,960,178 | 461,960,178 | 461,960,178 |

The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached.

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE YEAR ENDED 31 DECEMBER 2019 (UNAUDITED)**

| | Unitholders' Capital RM | Undistributed income | | Unitholders' Fund RM |
|---|--|-----------------------------|--------------------------|-------------------------------------|
| | | Realised RM | Unrealised RM | |
| <u>Balance at 1 January 2019</u> | | | | |
| As previously reported | 492,500,449 | 43,139,627 | 99,675,471 | 635,315,547 |
| <u>Operation for year ended 31 December 2019</u> | | | | |
| Total comprehensive income for the financial quarter | - | 35,874,258 | (24,431,771) | 11,442,487 |
| <u>Unitholders' transaction</u> | | | | |
| Distribution to unitholders | - | (37,326,383) | - | (37,326,383) |
| Balance at 31 December 2019 | <u>492,500,449</u> | <u>41,687,502</u> | <u>75,243,700</u> | <u>609,431,651</u> |

CUMULATIVE QUARTER ENDED 31 DECEMBER 2018 (AUDITED)

| | Unitholders' Capital RM | Undistributed income | | Unitholders' Fund RM |
|---|--|-----------------------------|--------------------------|-------------------------------------|
| | | Realised RM | Unrealised RM | |
| As at 1 January 2018 | 492,500,449 | 47,552,935 | 108,815,544 | 648,868,928 |
| Effects of MFRS 9 | - | (485,938) | - | (485,938) |
| Restated as at 1 January 2018 | <u>492,500,449</u> | <u>47,066,997</u> | <u>108,815,544</u> | <u>648,382,990</u> |
| <u>Operation for year ended 31 December 2018</u> | | | | |
| Total comprehensive income for the financial quarter | - | 42,268,649 | (9,140,073) | 33,128,576 |
| <u>Unitholders' transaction</u> | | | | |
| Distribution to unitholders | - | (46,196,019) | - | (46,196,019) |
| Balance at 31 December 2018 | <u>492,500,449</u> | <u>43,139,627</u> | <u>99,675,471</u> | <u>635,315,547</u> |

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes.

**CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Current YTD 31.12.2019 RM | Preceding YTD 31.12.2018 RM |
|---|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Income before taxation | 39,613,619 | 33,128,576 |
| Adjustments for :- | | |
| Bad debts written off | - | 227,679 |
| Depreciation PPE | 22,777 | 17,919 |
| Interest income | (413,095) | (403,553) |
| Interest expense | 26,165,840 | 25,284,164 |
| Impairment loss on trade receivables | 2,499,143 | 1,266,563 |
| Fair value adjustment derivative financial instruments | - | (265,527) |
| Fair value adjustment on Investment Properties | (3,739,361) | 9,405,600 |
| Reversal on impairment loss on trade receivables | - | (485,938) |
| Operating profit before working capital changes | <u>64,148,923</u> | <u>68,175,483</u> |
| Change in working capital :- | | |
| Receivables | (3,089,494) | (8,304,658) |
| Payables | 5,505,222 | 23,719,983 |
| Net cash from operating activities | <u>66,564,651</u> | <u>83,590,808</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of investment properties/Acquisition of property | - | (97,500) |
| Expenditure for refurbishment and enhancement of investment property incurred | (6,289,845) | (27,008,889) |
| Purchase of property, plant and equipment | (3,100) | (64,217) |
| Interest income | 413,095 | 403,553 |
| Fixed deposit | (79,600) | (119,030) |
| Net cash used in investing activities | <u>(5,959,450)</u> | <u>(26,886,083)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest expense | (26,165,840) | (25,284,164) |
| Distribution to Unitholders | (37,326,383) | (46,196,019) |
| Borrowings | 18,980 | 6,014,400 |
| Net cash used in financing activities | <u>(63,473,243)</u> | <u>(65,465,783)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (2,868,042) | (8,761,058) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 13,334,709 | 22,095,767 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>10,466,667</u> | <u>13,334,709</u> |

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached.

A. EXPLANATORY NOTES FOR THE QUARTER ENDED 31 DECEMBER 2019 PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS")

A1 BASIS OF PREPARATION

The quarterly financial report is unaudited and has been prepared in compliance with MFRS 134: Interim Financial Reporting and Chapter 9, Paragraph 9.44 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Hektar REIT had adopted Malaysian Financial Reporting Standards issued by Malaysian Accounting Standards Board for accounting period beginning 1 January 2012.

A2 AUDIT REPORT OF PRECEDING FINANCIAL YEAR

The auditors have expressed an unqualified opinion on Hektar REIT's financial statements for the year ended 31 December 2018 in their report dated 28 February 2019.

A3 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of Hektar REIT is not affected by material, seasonal or cyclical factors.

A4 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

A5 CHANGES IN ESTIMATES

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

A6 DEBT AND EQUITY SECURITIES

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

A7 INCOME DISTRIBUTION

Based on the quarterly result ended 31 December 2019, there will be a Final Income Distribution of 2.00 sen per unit, amounting to RM9,239,204 to be made on 9 April 2020.

A8 SEGMENT INFORMATION

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 term growth. Hence, no segmental reporting is presented.

A9 VALUATION OF INVESTMENT PROPERTIES

The Investment Properties for Subang Parade, Mahkota Parade, Wetex Parade, Central Square, Kulim Central and Segamat Central were last valued on 30 September 2019.

A10 MATERIAL SUBSEQUENT EVENTS TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the interim period.

A11 CHANGES IN THE COMPOSITION OF THE TRUST

There were no changes to the composition of Hektar REIT during the current quarter and the fund size stands at 461,960,178 units.

A12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed.

A13 RENTAL INCOME FROM TENANCIES (MFRS 16)

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

A14 CAPITAL COMMITMENT (MFRS 134)

Capital commitment in respect of the following has not been provided for in the financial statements:-

| | |
|--|------------------|
| Authorised and contracted for:- | <u>RM</u> |
| Refurbishment of investment properties | <u>1,273,040</u> |

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

B1 REVIEW OF PERFORMANCE

For the cumulative period ended 31 December 2019, Hektar REIT generated total revenue of RM137,743,518 including interest and other income.

Revenue was marginally higher than the preceding year by 1% and higher property operating expenses by 9% resulting in lower realised net income by 15%.

B2 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

| | Current Quarter Ended 31.12.2019 | Current Quarter Ended 31.12.2018 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| | RM | RM |
| Income before tax (RM) | 9,216,380 | 2,631,165 |
| - Realised income before tax (RM) | 9,216,380 | 12,036,765 |

B3 PROSPECTS

Retail business in Malaysia continues to remain challenging. However, measures are being taken to improve performance by way of costs control and active marketing, amongst others.

B4 VARIANCE OF PROFIT FORECAST OR PROFIT GUARANTEE

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

B5 TAX EXPENSE

Pursuant to the introduction of the new tax regime for Real Estate Investment Trust ("REIT"), a REIT will be fully exempted from income tax provided at least 90% of its income is distributed to unitholders with effect from the year of assessment 2007. Barring unforeseen circumstances, there will be no tax payable as Hektar REIT intends to distribute at least 90% of the distributable income to unitholders for the year ending 31 December 2019.

Generally, gains on disposal of investments by Hektar REIT are regarded as capital gains and will not be subject to income tax. However, where the investments represents real properties and shares in real property companies, such gains will be subject to Real Property Gains Tax ("RPGT").

B5 TAX EXPENSE (Continued)

With the gazette of the Finance Act 2019 on 31 December 2019, any gains on disposal of real properties or shares in real property companies held by a Trust would be subject to RPGT at the following rates:

| Date of Disposal | Rates (%) |
|---|------------------|
| Within 3 years from date of acquisition | 30 |
| In the 4th year | 20 |
| In the 5th year | 15 |
| In the 6th year and subsequent years | 10 |

Hektar REIT has provided Deferred Tax Liability of RM28.2 million calculated based on RPGT at a rate of 10% on the net fair value gain of five (5) investment properties which comprised of Subang Parade, Mahkota Parade, Wetex Parade along with Classic Hotel, Central Square and Kulim Central.

B6 SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

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

B7 QUOTED INVESTMENTS

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

B8 CORPORATE PROPOSAL AND DEVELOPMENTS

There was no corporate proposal announced but not completed during the quarter.

B9 BORROWINGS AND DEBT SECURITIES

Hektar REIT's total borrowings of RM563,090,863 are secured and comprise of the following:

1. Current liabilities of RM15,000,000; and
2. Non-current liabilities of RM548,090,863.

B10 UTILISATION OF PROCEEDS RAISED FROM ISSUANCE OF NEW UNITS

There was no issuance of new units during the quarter under review.

B11 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B12 MATERIAL LITIGATION

Strata Management Tribunal Claim Against Mahkota Parade JMB

(Judicial Review No: MA-25-3-01/2019)

(Originating Summons No: MA-24-1-01/2019)

(Strata Management Tribunal, Putrajaya Case No. TPS/M-2024-11/2016)

Further to our earlier announcements on this case, on 20 January 2020, the Court of Appeal decided that the Judicial Review Application by Hektar REIT be re-instated and remitted to the High Court of Malaya in Malacca in order for the substantive Judicial Review Application to be heard on its merits at the inter-parte stage. The Court of Appeal awarded cost of RM15,000 each to be paid by the respondents (JMB members and Commissioner of Buildings Malacca) to Hektar REIT. The Judicial Review Application is now fixed for case management in the High Court of Malaya in Malacca on 14 April 2020.

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

Writ of Summons by Hektar REIT against Teo Lark Sye, Lee Won Fah, Lee Kim Fah and Tony Lee Kong Fah

(Civil Suit No. B53F-05-11/2017)

(Civil Appeal No. MA-12BNCvC-7-03/2019)

Further to our earlier announcements on this case, the written grounds of judgment were issued by the Sessions Court on 30 June 2019 and the High Court had subsequently fixed the notice of appeal for hearing on 5 March 2020. Due to the sudden demise of Hektar's appointed legal counsel for this matter which necessitated a change of legal counsel, on application by Hektar REIT, the High Court had granted a postponement of the hearing and fixed the initial hearing date of 5 March 2020 for case management instead.

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

Writ of Summons against The Store (Central Square and Kulim Central)

(Appeal No: W-02(NCVC)(W)-2230/11/2017)

(Civil Suit No: WA-22NCVC-394-07/2016)

Further to our earlier announcements on this case, the application for leave to appeal to the Federal Court filed by The Store has been adjourned to 16 April 2020.

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

B12. MATERIAL LITIGATIONS (Continued)

Writ of Summons against The Store (Wetex Parade)

(Appeal No: BA-12NCvC-46-06/2018)

(Civil Suit No: BA-A52NCVC-45-02/2017 and WA-24NCvC-266-02/2017)

Further to our earlier announcements on this case, the High Court had, on 17 July 2019, granted a conditional stay of execution in favor of The Store, subject to the payment of double rental in the sum of RM5,518,811.88 to be deposited by The Store into a joint stakeholders account of Hektar REIT's solicitors (Messrs Han & Partners) and The Store's solicitors (Messrs Gideon Tan Razali Zaini). On 15 August 2019, The Store had made payment for the sum of RM5,518,811.88 and deposited the same into the joint stakeholder solicitors' account.

In the meantime, the Court of Appeal had fixed the notice of appeal for hearing on 13 February 2020. However, it was adjourned to 14 August 2020.

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

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)

Further to our earlier announcements on this case, the Sessions Court had vacated the earlier decision date scheduled on 3 October 2019 and proceeded to fix a further trial date on 14 October 2019 for assessment of damages. On 14 October 2019, after concluding the trial for assessment of damages, the Sessions Court had fixed the matter for decision on 23 January 2020 but subsequently postponed the decision to 12 March 2020.

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

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 14 March 2019, Eng Hiap Seng (Rengit) SB ("Rengit") had filed a writ of summons against Hektar REIT and Hektar Property Services ("HPS") seeking, amongst others, the following:-

1. a declaration that Hektar REIT and HPS are not entitled to enter or cross into Rengit's land known as GRN 95172, Lot 229, Bandar Maharani, Daerah Muar, Negeri Johor ("Neighbouring Property").
2. an injunction against Hektar REIT and HPS, its tenants, agents, employees, servant, representatives, contractors or visitors from entering, trespassing or crossing the Neighbouring Property;
3. Specific performance of Hektar REIT and HPS to demolish any part of the building which trespassed or crossed into the Neighbouring Property;
4. General damages.

B12. MATERIAL LITIGATIONS (Continued)

Writ of Summons by Eng Hiap Seng (Rengit) Sdn Bhd against Hektar REIT & Hektar Property Services Sdn Bhd (Continued)

(Civil Suit No. JB-22NCvC-15-03/2019)

Subsequently, Rengit had, on 8 July 2019, filed an application for summary judgment of this case and on the hearing date on 25 November 2019, the High Court dismissed Rengit's summary judgment application and awarded costs of RM4,500.00 to be paid by Rengit to Hektar REIT. The High Court subsequently fixed the main action for case management on 13 January 2020.

On 13 January 2020, Hektar REIT's lawyers informed the High Court of Hektar REIT's intention to file an application for leave to issue a third party notice and the High Court then fixed the matter for further case management on 17 February 2020. The notice of application for leave to issue a third party notice against Wetex Realty Sdn Bhd (the previous proprietor of Classic Hotel and Wetex Parade) was filed on 24 January 2020 and on 17 February 2020, the High Court granted an order allowing for the issuance of the said third party notice and fixed the matter for further case management on 26 March 2020.

B13 SOFT COMMISSION

For the quarter ended 31 December 2019, there was no soft commission received by the Manager, or its delegates, from its broker from any transactions conducted by the Trust.

B14 INCOME DISTRIBUTION

The Board of Directors of Hektar Asset Management Sdn Bhd has recommended and the Trustee has approved a Fourth Income Distribution of 2.00 sen, amounting to RM9,239,204 for the Fourth Quarter ended 31 December 2019. The withholding tax rate imposed on the recipients of income distribution is as follows:

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

B15 DISTRIBUTION PER UNIT AND EARNINGS PER UNIT

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|--|------------------------------------|--------------------------------------|
| | Current Year Quarter 31.12.2019 RM | Preceding Year Corresponding Quarter 31.12.2018 RM | Current YTD 31.12.2019 RM | Preceding YTD 31.12.2018 RM |
| Net property income | 19,713,060 | 20,267,596 | 75,435,716 | 78,716,241 |
| Interest income | 7,257 | 107,090 | 413,095 | 403,553 |
| Other income | 46,583 | 841,300 | 240,940 | 858,398 |
| Trust expenses | (3,554,132) | (2,704,309) | (14,049,653) | (12,425,379) |
| Borrowing costs | (6,996,388) | (6,474,912) | (26,165,840) | (25,284,164) |
| Realised income before taxation | 9,216,380 | 12,036,765 | 35,874,258 | 42,268,649 |
| Change in fair value of investment property | - | - | - | - |
| Change in fair value of derivative financial instrument | - | - | - | - |
| Income before taxation | 9,216,380 | 12,036,765 | 35,874,258 | 42,268,649 |
| Taxation | - | - | - | - |
| Distribution income | 9,216,380 | 12,036,765 | 35,874,258 | 42,268,649 |
| Less: | | | | |
| Proposed/declared income distribution | (9,239,204) | (10,671,280) | (35,894,306) | (41,622,614) |
| Balance undistributed realised income | - | 1,365,485 | - | 646,035 |
| Number of units | 461,960,178 | 461,960,178 | 461,960,178 | 461,960,178 |
| Earnings per unit (sen) | | | | |
| - realised (sen) | 2.00 | 2.61 | 7.77 | 9.15 |
| Distribution per unit (sen) | 2.00 | 2.31 | 7.77 | 9.01 |
| Market price (RM) | 0.99 | 1.11 | 0.99 | 1.11 |
| Distribution yield (%) | 7.85 | 8.12 | 7.85 | 8.12 |

B16 RESPONSIBILITY STATEMENT

In the opinion of the Directors of the Manager, the quarterly report has been prepared in accordance with MFRSs and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Hektar REIT as at 31 December 2019 and of its financial performance and cash flows for the quarter/period ended on that date and duly authorised for release by the Board of the Manager on 26 February 2020.

By Order of the Board

HEKTAR ASSET MANAGEMENT SDN BHD

(as the Manager of Hektar Real Estate Investment Trust)

Dato' Muhammad Hafidz Nuruddin (MAICSA 7005820)

Lim Seck Wah (MAICSA 0799845)

Joint Company Secretaries

Kuala Lumpur

26 February 2020