

Type : **Announcement**
Subject : **Hektar Real Estate Investment Trust ("Hektar REIT")**
- Revaluation of Subang Parade, Mahkota Parade and Wetex Parade

Contents :

1. INTRODUCTION

Hektar Asset Management Sdn Bhd ("HAMS B"), the Manager of Hektar REIT, hereby announces that it has carried out a revaluation exercise on the following properties:

- (i) Name of Property : Subang Parade
- Address : No.5 Jalan SS 16/1, 47500 Subang Jaya Selangor
Geran 55365/Lot 14193, Bandar Subang Jaya,
District of Petaling, Selangor
- Description : A freehold land measuring approximately 475,021.80 square feet (10.905 acres) in area together with a three-storey shopping complex with two basement levels. The commercial/retail complex comprises three floors of shopping/commercial area on the ground, second and third floors, one level of basement car parks and another level of basement service tunnel.
- (ii) Name of Property : Mahkota Parade
- Address : No.1, Jalan Merdeka, 75000 Melaka
PN 28957/Lot 1337, Kawasan Bandar XLII, District
of Melaka Tengah, Melaka
- Description : A leasehold land measuring approximately 570,815 square feet (13.1 acres) in area together with a three-storey shopping complex with one level of basement car park. The commercial/retail complex comprises four floors of shopping/commercial area on the basement, ground, second and third floors.
- (iii). Name of Property : Wetex Parade
- Address : 69, Jalan Ali, Off Jalan Sulaiman, 84000 Muar, Johor
HS (D) 19633, No. Lot PTB 10586 & Geran 84560,
Lot No. 3675, both located in Bandar Maharani,
District of Muar, Johor

Description : A freehold land measuring approximately 52,829 square feet (1.2128 acres) in area with a five-storey shopping complex podium known as “Wetex Parade” and a 3 star category ten-storey hotel tower with 156 rooms known as “Hotel Classic” and one level of basement car park
(hereinafter referred to as “Revaluation”).

2. RATIONALE FOR REVALUATION

The Revaluation was conducted to determine the current market values of Subang Parade, Mahkota Parade and Wetex Parade for accounting purposes as per Financial Reporting Standard (“FRS”) 140. Based on the fair value method from FRS 140, the fair value of the investment property shall reflect market conditions at the balance sheet date. This necessitates the revaluation of investment properties on an annual basis.

Since it has adopted the fair value method from FRS 140, Hektar REIT will undertake an annual revaluation of all investment properties under its portfolio.

Pursuant to the amended Clause 10.03 of the Securities Commission (“SC”)’s revised Guidelines on Real Estate Investment Trust (“REIT Guidelines”) which was released on 21 August 2008, the Revaluation must be conducted by an independent valuer and in accordance with the Malaysian Valuation Standards or other applicable valuation standards. A copy of the Revaluation report must be submitted to the SC, together with the annual report of the fund as required pursuant to clause 10.10(c) (ii) of the REIT Guidelines.

3. REVALUATION SURPLUS

The details of the revaluation surplus are set out below.

Name of Property	Audited book/Market value as at 1 Jan 2011 RM (‘000)	Capital Expenditure (1 Jan 2011 to 30 Sep 2011) RM (‘000)	Unaudited book value as at 30 Sep 2011 RM (‘000)	Latest market valuation RM (‘000)	Revaluation Surplus/(Deficit) RM (‘000)
Subang Parade	347,000	14,023	361,023	385,000	23,977
Mahkota Parade	283,000	981	283,981	307,000	23,019
Wetex Parade	122,000	773	122,773	130,000	7,227
Total	752,000	15,777	767,777	822,000	54,223

4. EFFECTS ON THE NET ASSET VALUE

The total revaluation of Subang Parade, Mahkota Parade and Wetex Parade represents a surplus of approximately 7% over the unaudited net book value of RM767.8 million as at 30 September 2011 (before revaluation).

Based on the unaudited results as at 30 September 2011, the net asset value per unit of RM1.3296 will increase to RM1.4990 upon incorporation of the revaluation surplus of RM54.2 million or equivalent to 16.94 sen per unit.

5. NAME OF VALUER

The valuations of Subang Parade, Mahkota Parade and Wetex Parade were carried out by independent professional valuers, Messrs. Henry Butcher Malaysia Sdn Bhd, Henry Butcher Malaysia (Malacca) Sdn Bhd and Henry Butcher Malaysia (Muar) Sdn Bhd respectively.

6. DATES OF VALUATION

The cut off date for the Revaluation is 31 October 2011 and the valuation reports are dated 8 December 2011.

7. DOCUMENTS AVAILABLE FOR INSPECTION

The valuation reports in relation to the Revaluation are available for inspection at the management office of HAMS B at D1-U3-10, Block D1, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur during normal office hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 20 December 2011.