

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 ("HAMSB"), 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 10.05 of the Securities Commission (“SC”)’s revised Guidelines on Real Estate Investment Trust (“REIT Guidelines”) which was released on 13 July 2011, the Revaluation must be conducted by an independent valuer and in accordance with SC’s Asset Valuation Guidelines. . 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 2012 RM (‘000)	Capital Expenditure (1 Jan 2012 to 30 Sep 2012) RM (‘000)	Unaudited book value as at 30 Sep 2012 RM (‘000)	Latest market valuation RM (‘000)	Revaluation Surplus/(Deficit) RM (‘000)
Subang Parade	385,000	1,050	386,050	391,270	5,220
Mahkota Parade	307,000	435	307,435	315,000	7,565
Wetex Parade	130,000	90	130,090	135,000	4,910
Total	822,000	1,575	823,575	841,270	17,695

Note : Central Square, Sg. Petani & Landmark Central, Kulim were not included in the abovementioned revaluation as they were only taken over in October 2012. Any revaluation surplus vis-à-vis acquisition price will be reported in the 2012 annual report, to be released by end of February 2013.

4. EFFECTS ON THE NET ASSET VALUE

The total revaluation of Subang Parade, Mahkota Parade and Wetex Parade represents a surplus of approximately 2% over the unaudited net book value of RM823.6 million as at 30 September 2012 (before revaluation).

Based on the unaudited results as at 30 September 2012, the net asset value per unit of RM1.4673 will increase to RM1.5226 upon incorporation of the revaluation surplus of RM17.7 million or equivalent to 5.53 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 2012 and the valuation certificates are dated 10 December 2012.

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 11 December 2012.