

HEKTAR REAL ESTATE INVESTMENT TRUST ("HEKTAR REIT")

- (I) PROPOSED ACQUISITION;
- (II) PROPOSED RIGHTS ISSUE;
- (III) PROPOSED ISSUANCE TO MANAGER;
- (IV) PROPOSED AUTHORITY; AND
- (V) PROPOSED INCREASE IN FUND SIZE

(COLLECTIVELY REFERRED TO AS "PROPOSALS")

*(Reference is made to Hektar REIT's announcements dated 10 June 2016, 5 September 2016, 9 January 2017, 14 February 2017, 20 February 2017, 13 April 2017, 22 May 2017, 13 June 2017 and 7 July 2017 in relation to the Proposals ("**Announcements**"). Unless otherwise stated, all abbreviations used herein shall have the same meanings as those used in the Announcements)*

On behalf of the Board, Maybank IB wishes to announce that as at 9 August 2017, being the last business day of the First Extended Conditional Period, TDSB has yet to secure the lease from the relevant state authorities in relation to the External Road Reserve upon terms acceptable by the Trustee and TDSB ("**Condition Precedent – External Road Reserve Lease**"), which is one of the conditions precedent of the SPA to be fulfilled by TDSB.

In view of this, the Trustee and TDSB have today entered into an agreement via a supplemental letter to the SPA ("**Supplemental SPA**") to amend the Condition Precedent – External Road Reserve Lease as a condition subsequent to the SPA ("**Condition Subsequent**") which is to be obtained or cause to be obtained by TDSB within four (4) months from the date of the Supplemental SPA or such other extended period as may be mutually agreed between the Trustee and TDSB ("**Extended Period**"):

- (i) on condition that the Trustee shall retain the sum of RM116,000 (Ringgit Malaysia One Hundred Sixteen Thousand only) from the Balance Purchase Price ("**Retention Sum**") until the Condition Subsequent is fulfilled by TDSB;
- (ii) upon fulfilment of the Condition Subsequent by TDSB and subject to fulfilment of Clause 6.5 of the SPA (which states that TDSB's solicitors are authorised to release the Balance Purchase Price to TDSB 14 days after presentation of the memorandum of transfer in favour of the Trustee together with the relevant stamping forms in relation to the Land at the relevant Land Office or Registry and subject to TDSB having complied with the relevant terms and conditions of the SPA), the Retention Sum shall be released to TDSB free of interest less the monthly car park rental income of RM700 per month for the period from the Completion Date until the date of fulfilment of the Condition Subsequent by TDSB; and
- (iii) in the event TDSB fails to fulfil or satisfy the Condition Subsequent within the said period and provided that such non-fulfilment is not wholly caused by the default or negligence of the Trustee during the Extended Period, the Trustee shall then be entitled to forfeit the Retention Sum as agreed liquidated damages. In the event such non-fulfilment is wholly caused by the default or negligence of the Trustee during the Extended Period, then the Retention Sum shall be released to the Vendor free of interest less the abovementioned monthly car park rental income.

Accordingly, the Proposed Acquisition will be deemed completed on the Completion Date subject to the Trustee and the Vendor complying with their respective obligations under the SPA notwithstanding that the Retention Sum is being retained by the Trustee for the above purpose.

The Supplemental SPA is available for inspection at the principal place of business of HAMS B at D1-U3-10, Block D1, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this Announcement.

This Announcement is dated 11 August 2017.