

**RESPONSIBILITY STATEMENTS:**

OUR DIRECTORS HAVE SEEN AND APPROVED THIS PROSPECTUS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM THAT, HAVING MADE ALL ENQUIRIES WHICH ARE REASONABLE IN THE CIRCUMSTANCES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENTS HEREIN FALSE OR MISLEADING. OUR DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT FORECAST AND PROJECTIONS INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT FORECAST AND PROJECTIONS HAVE BEEN PREPARED BASED ON THE ASSUMPTIONS MADE.

ASEAMBANKERS MALAYSIA BERHAD, BEING THE LEAD ADVISER, CO-FINANCIAL ADVISER, JOINT BOOKRUNNER, LEAD MANAGER AND MANAGING UNDERWRITER ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING PUBLIC OFFERING AND IS SATISFIED THAT ANY PROFIT FORECAST AND PROJECTIONS (FOR WHICH OUR DIRECTORS ARE FULLY RESPONSIBLE), PREPARED FOR INCLUSION IN THIS PROSPECTUS HAVE BEEN STATED BY OUR DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

**STATEMENTS OF DISCLAIMER:**

THE SECURITIES COMMISSION (“SC”) HAS APPROVED THE PUBLIC OFFERING AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC OFFERING.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN HEKTAR REIT (AS DEFINED HEREIN). IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

THE VALUATION OF THE SUBJECT PROPERTIES (AS DEFINED HEREIN) APPROVED OR ACCEPTED BY THE SC SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE PROPOSAL IN RELATION TO INITIAL LISTING OF HEKTAR REIT (AS DEFINED HEREIN) SUBMITTED TO AND APPROVED BY THE SC AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT PROPERTIES (AS DEFINED HEREIN) FOR ANY OTHER PURPOSES.

BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF HEKTAR REIT (“AS DEFINED HEREIN”) AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, HEKTAR REIT OR ITS UNITS.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED AND LODGED WITH THE SC.

NO UNITS WILL BE ISSUED OR SOLD ON THE BASIS OF THIS PROSPECTUS LATER THAN ONE YEAR AFTER THE DATE OF THIS PROSPECTUS.

YOU SHOULD NOT TAKE THE AGREEMENT BY THE UNDERWRITERS NAMED IN THIS PROSPECTUS TO UNDERWRITE THIS PUBLIC OFFERING AS AN INDICATION OF THE MERITS OF THE PUBLIC OFFERING UNITS.

**ADDITIONAL STATEMENTS:**

AN APPLICATION HAS BEEN MADE TO BURSA SECURITIES FOR PERMISSION TO DEAL IN AND FOR THE LISTING OF AND QUOTATION FOR ALL THE UNITS OF HEKTAR REIT ALREADY ISSUED AS WELL AS THE OFFER UNITS (AS DEFINED HEREIN) WHICH ARE THE SUBJECT OF THIS ISSUE. SUCH PERMISSION WILL BE GRANTED WHEN HEKTAR REIT HAS BEEN ADMITTED TO THE OFFICIAL LIST OF BURSA SECURITIES. ACCEPTANCE OF APPLICATIONS FOR THE OFFER UNITS WILL BE CONDITIONAL UPON PERMISSION BEING GRANTED TO DEAL IN AND QUOTATION FOR ALL THE OFFERED UNITS OF HEKTAR REIT. MONIES PAID IN RESPECT OF ANY APPLICATION FOR THE OFFER UNITS ACCEPTED WILL BE RETURNED IF THE SAID PERMISSION IS NOT GRANTED. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF HEKTAR REIT OR ITS UNITS.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR WITH OR BY ANY REGULATORY AUTHORITY OR OTHER RELEVANT BODY OF ANY JURISDICTION OTHER THAN MALAYSIA.

THIS PROSPECTUS IS NOT INTENDED TO BE AND WILL NOT BE ISSUED, CIRCULATED OR DISTRIBUTED AND THE PUBLIC OFFERING (AS DEFINED HEREIN) WILL NOT BE MADE OR DEEMED TO BE MADE IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA OR TO PERSONS WHO ARE MADE SUBJECT TO THE LAWS OF ANY COUNTRIES OR JURISDICTION OTHER THAN THE LAWS OF MALAYSIA. THE PUBLIC OFFERING TO WHICH THIS PROSPECTUS RELATES IS ONLY AVAILABLE TO PERSONS RECEIVING THIS PROSPECTUS ELECTRONICALLY OR OTHERWISE WITHIN MALAYSIA.

WE WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF THE PUBLIC OFFERING (AS DEFINED HEREIN), MAKE OR BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA AND WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION THEREWITH. IT SHALL BE YOUR SOLE RESPONSIBILITY IF YOU ARE OR MAY BE SUBJECT TO THE LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER THE PUBLIC OFFERING WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OF SUCH COUNTRIES OR JURISDICTIONS.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR THE PUBLIC OFFERING (AS DEFINED HEREIN) WOULD BE IN COMPLIANCE WITH THE TERMS OF THE PUBLIC OFFERING AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED TO. THE MANAGER WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THE PUBLIC OFFERING (AS DEFINED HEREIN) IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION THEREWITH.

HOWEVER, WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION, TO TREAT ANY ACCEPTANCE AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

NO ACTION HAS BEEN OR WILL BE TAKEN TO ENSURE THAT THE PROSPECTUS COMPLIES WITH THE LAWS OF ANY COUNTRIES OR JURISDICTIONS OTHER THAN THE LAWS OF MALAYSIA. IT SHALL BE YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS ON THE LAWS TO WHICH THE PUBLIC OFFERING (AS DEFINED HEREIN) YOU ARE OR MIGHT BE SUBJECTED TO. NEITHER US NOR THE ADVISER NOR ANY OTHER ADVISERS IN RELATION TO THE PUBLIC OFFERING SHALL ACCEPT ANY RESPONSIBILITY OR LIABILITY IN THE EVENT THAT ANY APPLICATION MADE BY YOU SHALL BECOME ILLEGAL, UNENFORCEABLE, VOIDABLE OR VOID IN ANY COUNTRY OR JURISDICTION.

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES WEBSITE AT [www.bursamalaysia.com](http://www.bursamalaysia.com). THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME.

THE INTERNET IS NOT A FULLY SECURED MEDIUM. YOUR INTERNET APPLICATION FOR THE OFFER UNITS OF THE PUBLIC OFFERING (AS DEFINED HEREIN) MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, OUR ADVISER OR ISSUING HOUSE, A PAPER/PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS, WHICH IS IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS "THIRD PARTY INTERNET SITES"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

- (I) WE DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY INTERNET SITES REFERRED IN THIS PROSPECTUS. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENT OR ANY DATA, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU ARE TO BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;
- (II) WE ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF ANY OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, FILE OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (III) ANY DATA, FILE OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR DISCRETION AND RISK. WE ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, YOU ARE ADVISED THAT:

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS, I.E. TO THE EXTENT THAT THE CONTENT OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES.
- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN THE ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF THE ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURED MEDIUM.

**The rest of this page is intentionally left blank**

THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN THE ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

**The rest of this page is intentionally left blank**

---

**TENTATIVE TIMETABLE**

---

The tentative timing of events is as follows:

	<b>Tentative dates</b>
Opening date of the Public Offering	15 November 2006
Closing date of the Public Offering	22 November 2006*
Tentative balloting date	24 November 2006
Tentative allotment date	29 November 2006
Tentative listing date of Hektar REIT	4 December 2006

*Note:*

- \* *The Public Offering will open and close at the times and dates as stated above or such further dates as our Directors and the Managing Underwriter at their absolute discretion may mutually decide. Should the closing date of the Public Offering be changed, the dates for the balloting, allotment of Offer Units and the listing would be changed accordingly (where relevant). Any change to the closing date of the Public Offering will be published in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia.*

**The rest of this page is intentionally left blank**

---

## DEFINITIONS

---

Unless the context otherwise requires, the following definitions shall apply throughout this Prospectus and the Application Forms:

- “Acquisitions” : Collectively, the Acquisition of Mahkota Parade and the Acquisition of Subang Parade
- “Acquisition of Mahkota Parade” : The acquisition by Hektar REIT of Mahkota Parade from HBSB for a total purchase consideration of RM232,000,000 to be satisfied by issuance of 72,700,000 Units at RM1.00 per Unit and cash payment of RM159,300,000
- “Acquisition of Subang Parade” : The acquisition by Hektar REIT of Subang Parade from HPSB for a total purchase consideration of RM280,000,000 to be satisfied by issuance of 87,800,000 Units at RM1.00 per Unit and cash payment of RM192,200,000
- “Act” : Companies Act, 1965 and any statutory modification, amendment or re-enactment thereof for the time being in force
- “ADA(s)” : Authorised Depository Agent(s)
- “ADA Code” : ADA (Broker) Code
- “AmMerchant” : AmMerchant Bank Berhad (*Company No. 23742-V*), being the Co-Financial Adviser, Joint Bookrunner and Underwriter of Hektar REIT
- “Application Form(s)” : Printed application form(s) for the application of the Retail Offering accompanying this Prospectus
- “Aseambankers” : Aseambankers Malaysia Berhad (*Company No. 15938-H*), being the Lead Adviser, Co-Financial Adviser, Joint Bookrunner, Lead Manager and Managing Underwriter of Hektar REIT
- “Asset(s)” : All the cash (including subscriptions for Units), investments and other properties of the Fund
- “ATM” : Automated teller machine
- “Authorised Financial Institution(s)” : The authorised financial institution(s) participating in the Internet Application, with respect to payments for the 10,000,000 Offer Units made available for application by the Malaysian public
- “Base Fee” : An amount equal to 0.25% per annum of the GAV of the Fund (excluding any GST), payable monthly in arrears, such fees not exceeding 1% of the GAV of the Fund as set out in the Deed
- “Board” : Board of Directors of Hektar Asset Management
- “Bookbuilding Agreement” : the bookbuilding agreement to be entered into by the Manager, the Lead Manager and the Joint Bookrunners in respect of the Institutional Offering
- “Bursa Depository / Depository” : Bursa Malaysia Depository Sdn Bhd (*Company No. 165570-W*)
- “Bursa Securities” : Bursa Malaysia Securities Berhad (*Company No. 635998-W*)

---

**DEFINITIONS (Cont'd)**

---

“Bursa Securities LR”	:	Listing requirements of Bursa Securities
“CDS”	:	Central Depository System
“Central Depositories Act”	:	Securities Industries (Central Depositories) Act, 1991 or any statutory modifications, amendments or re-enactment thereof and any regulations made thereunder
“CIMB Securities”	:	CIMB Securities Sdn Bhd ( <i>Company No.163712-V</i> )
“Co-Financial Advisers”	:	Namely, Aseambankers and AmMerchant
“Deed”	:	The deed dated 5 October 2006 constituting Hektar REIT executed between the Trustee and the Manager
“Direct Costs”	:	The direct cost of operating and maintaining real estate and other income-generating assets whether held directly or indirectly through single purpose companies, being outgoings which are necessary or desirable or incidental to the investment or administration of Hektar REIT which includes quit rent, assessment, water rates, repairs and maintenance (including charges of non-recurring nature), insurance, electricity and cleaning charges incurred in the relation to any real estate held by Hektar REIT (excluding fees payable to the Manager and the Trustee, finance charges and other indirect costs).
“Distributable Income”	:	The distributable income of Hektar REIT as described in Section 8 of this Prospectus
“Electronic Application(s)”	:	Electronic application(s) for the Units through a Participating Financial Institution’s ATM
“Electronic Prospectus”	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs or floppy disks
“FIC”	:	Foreign Investment Committee
“Final Retail Price”	:	The Final Price per Unit payable by investors pursuant to the Retail Offering to be determined in accordance with Section 3.6 of this Prospectus
“Financial Adviser”	:	KPMG Corporate Advisory Sdn Bhd ( <i>Company No. 567386-P</i> ), licensed investment adviser, being the Financial Adviser of Hektar REIT
“Footfall”	:	A key performance indicator which tracks customer traffic at a particular location through the installation of video cameras and a computerised counting system from a United Kingdom based technology company with installations at shopping centres worldwide. Footfall figures represent traversed customer / pedestrian traffic
“FYE(s)”	:	Financial year(s) ended / ending 31 December

---

**DEFINITIONS (Cont'd)**

---

“Gross Asset Value / GAV”	:	As at any time, the sum of (a) the value of all Assets obtained or determined by the Manager in accordance with the Deed, and (b) any other amounts which, in the opinion of the Manager in consultation with the Auditors, if appropriate, should be included for the purpose of making a fair and reasonable determination of the gross value of Hektar REIT on an undiscounted basis, having regard to approved accounting standards prescribed by the Financial Reporting Act, 1997
“GST”	:	Any value added, consumption, goods and services or other such tax imposed on goods and services in Malaysia
“HBSB”	:	Hektar Black Sdn Bhd ( <i>Company No. 593778-H</i> )
“Hektar Asset Management / The Manager”	:	Hektar Asset Management Sdn Bhd ( <i>Company No. 732261-T</i> ) (formerly known as Impiland Sdn Bhd), being the manager of Hektar REIT
“Hektar REIT / the Fund”	:	Hektar Real Estate Investment Trust
“Hektar Group”	:	Collectively, HBSB, HPSB and HKSJ and its subsidiary company, Hektar Asset Management
“HKSJ”	:	Hektar Klasik Sdn Bhd ( <i>Company No. 557687-X</i> )
“HPSB”	:	Hektar Premier Sdn Bhd ( <i>Company No. 586618-M</i> )
“HPSB’s Land”	:	Part of the master title to Subang Parade measuring approximately 1.949 acres which will be retained by HPSB under the terms of the SPA;
“Independent Property Market Consultants”	:	MIRP Consult Sdn Bhd ( <i>Company No. 525968 W</i> ), being the Independent Property Market Consultants, of Hektar REIT
“Independent Property Valuer(s)”	:	Henry Butcher Malaysia Sdn Bhd ( <i>Company No. 160636-P</i> ) and Henry Butcher Malaysia (Malacca) Sdn Bhd ( <i>Company No. 246114-T</i> ), being the Independent Property Valuer(s) of Hektar REIT
“Internet Participating Financial Institution”	:	Participating organisations in the Internet Application. Presently, MBB, RHB and CIMB Securities are the only Internet Participating Financial Institutions
“Internet Application”	:	Application for the 10,000,000 Offer Units made available for application by the Malaysian public through eShare application via- <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a> ; <a href="http://www.eipocimb.com">www.eipocimb.com</a> ; or <a href="http://www.rhbbank.com.my">www.rhbbank.com.my</a>
“Institutional Offering”	:	The offering of 143,500,000 Units, subject to reallocation, to institutions and selected investors at the Institutional Price
“Institutional Price”	:	The price per Unit payable pursuant to the Institutional Offering to be determined in accordance with Section 3.6 of this Prospectus
“Issuing House”	:	Malaysian Issuing House Sdn Bhd ( <i>Company No. 254345 X</i> ), being the Issuing House of Hektar REIT
“Joint Bookrunner(s)”	:	Namely, Aseambankers and AmMerchant
“Listing”	:	Admission to the Official List and the listing of and quotation of 320,001,000 units on the Main Board of Bursa Securities



---

**DEFINITIONS (Cont'd)**

---

- “LPD” : Latest practicable date being 14 October 2006, for the purposes of ascertaining certain information contained in this Prospectus
- “Mahkota Parade” : A piece of leasehold land held under PN 28957, Lot 1337 (formerly known as H.S.(D) 49714, P.T. 501), Kawasan Bandar XLII, Daerah Melaka Tengah, Negeri Melaka, measuring approximately 53,030 sq m (13.1 acres) together with a three-storey shopping complex with one level of basement car park. The commercial/retail complex comprises 3 floors of shopping/commercial area on the basement, ground, first and second floors and basement car parks with total NLA of 471,417 sq ft (approximately 43,796 sq m) as at 30 September 2006 (excluding individual lots which have already been sold prior to the date of the SPAs)
- “Malaysian Public” : Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organized under the laws of Malaysia
- “Managing Underwriter” : Managing Underwriter for the Retail Offering, namely Aseambankers
- “Market Day” : Any day on which Bursa Securities is open for trading in securities
- “Master Land” : All that piece of land held under Grant No. 55365, Lot No. 14193, Bandar Subang Jaya, District of Petaling, State of Selangor, measuring approximately 559,920.24 sq ft (12.854 acres) in area
- “MBB” : Malayan Banking Berhad (*Company No. 3813-K*)
- “MER” : Management expense ratio
- “NAV” : Net asset value which is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets at the valuation point
- “Net Lettable Area / NLA” : Area in a building that is available for leasing, excluding common areas and is usually the area in respect of which the rent is payable
- “Net Property Income / NPI” : As at any day, being the gross revenue after deducting the Direct Cost
- “Offer Units” : The 159,500,000 new Units which are the subject of the Public Offering
- “Official List” : Official List of the Main Board of Bursa Securities
- “OMV” : Open market value
- “Ordinary Resolution” : A resolution of Unitholders proposed and passed by a majority consisting of 50% or more of the votes of those present and entitled to vote, but with a quorum of at least five (5) Unitholders or proxy of Unitholders holding in the aggregate at least 10% of Units carrying the right to vote
- “Participating Financial Institution(s)” : Participating financial institution(s) for Electronic Applications as listed in Appendix VIII of this Prospectus
- “Partition” : Partition of the Master Land pursuant to Section 140 of the National Land Code, 1965 so as to vest in:-  
(a) the Trustee, a separate document of title to Subang Parade; and  
(b) HPSB, a separate document of title to HPSB’s Land

---

## DEFINITIONS (*Cont'd*)

---

“Performance Fee”	: An amount equal to 3.5% per annum of the NPI but before deduction of PMC’s fee and where NPI is the amount determined by the Manager in consultation with the auditor, if appropriate, as representing the surplus (if any) of the total income and gains of Hektar REIT derived from real estate, whether held directly or indirectly through single-purpose companies after deducting all direct costs (excluding any GST payable), such fees not exceeding 5% of the aforesaid net property income as set out in the Deed
“Property Management Company / PMC”	: Izrin and Tan Properties Sdn Bhd ( <i>Company No. 602338-K</i> ), being the Property Management Company of Hektar REIT
“Prospectus”	: This prospectus dated 15 November 2006
“Public Offering”	: The Retail Offering and Institutional Offering, collectively
“Real Estate Assets”	: Real estate and single-purpose companies, real estate related assets or liquid assets which are types of authorised investments as described in Section 7.3 of this Prospectus
“Registrar”	: Mega Corporate Services Sdn Bhd ( <i>Company No. 187984-H</i> ), being the Registrar of Hektar REIT
“REIT(s)”	: Real estate investment trust(s)
“Reporting Accountants”	: Shamsir Jasani Grant Thornton ( <i>AF: 0737</i> ), being the Reporting Accountants of Hektar REIT
“Retail Offering”	: The offering of 16,000,000 Units, subject to reallocation, to the Malaysian Public as well as the eligible directors, employees and business associates of Hektar Group at the Retail Price
“Retail Price”	: The initial price of RM1.05 per Unit to be fully paid by applicants in accordance with Section 3.2 of this Prospectus and to be finalized on determination of the Institutional Price
“RHB”	: RHB Bank Berhad ( <i>Company No. 6171-M</i> )
“RM and sen”	: Ringgit Malaysia and sen, respectively
“Sale and Purchase Agreements / SPA(s)”	: Collectively, the conditional sale and purchase agreements dated 5 October 2006 entered into between the Trustee and HBSB and HPSB respectively, in relation to the Acquisitions
“SC”	: Securities Commission of Malaysia
“SCA”	: Securities Commission Act, 1993 and any statutory modification, amendment or re-enactment thereof for the time being in force
“SC Guidelines on REITs”	: Guidelines on Real Estate Investment Trusts issued by the SC on 3 January 2005, and any subsequent amendments or updates thereof
“Solicitors”	: Zul Rafique & Partners, being the solicitors of Hektar REIT

---

## DEFINITIONS (*Cont'd*)

---

“Special Resolution”	: A resolution of Unitholders proposed and passed by a majority consisting 75% or more of the votes of those present and entitled to vote, but with a quorum of at least five (5) Unitholders or proxy of Unitholders holding at least 15% of Units carrying the right to vote
“sq ft”	: Square feet
“sq m”	: Square metres
“STA”	: Strata Titles Act, 1985 and any statutory modification, amendment or re-enactment thereof for the time being in force
“Step-Up”	: A provision in a tenancy agreement which specifies a pre-determined increase in rent at defined intervals during a tenancy agreement, typically every year. Usually forms the base rent of any tenancy agreement.
“Subang Parade”	: Part of the Master Land measuring approximately 475,021.80 square feet (10.905 acres) in area (excluding HPSB’s Land) together with a three-storey shopping complex with 2 basement levels. The commercial/retail complex comprises 3 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 with total NLA of 472,709 sq ft (approximately 43,916 sq m) as at 30 September 2006 (excluding individual lots which have already been sold prior to the date of the SPAs)
“Subject Properties”	: Subang Parade and Mahkota Parade, collectively
“Tax Consultants”	: Ernst and Young Tax Consultants Sdn Bhd ( <i>Company No. 179793-K</i> ), being the Tax Consultants of Hektar REIT
“Trustee”	AmTrustee Berhad ( <i>Company No. 163032-V</i> ), being the Trustee of Hektar REIT
“Turnover Rent”	: A rent which is calculated as a proportion of annual turnover of the tenant's business. Turnover Rent is paid to the Manager if it exceeds the base rent specified in the tenancy agreement
“Underwriter(s)”	: Namely, Aseambankers and AmMerchant
“Underwriting Agreement”	: The underwriting agreement dated 18 October 2006 entered into between Hektar Asset Management, the Managing Underwriter and the Underwriter(s)
“Unit(s)”	: Undivided interest(s) in Hektar REIT as constituted by the Deed
“Unitholder(s)”	: Holder(s) of the Units of Hektar REIT
“VAEA Act”	: Valuers, Appraisers and Estate Agents Act, 1981
“Vendors”	: The vendors of the Subject Properties, namely: (a) HPSB, in respect of Subang Parade; and (b) HBSB, in respect of Mahkota Parade

---

**DEFINITIONS (Cont'd)**

---

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to person shall include corporations.

Any reference in the Prospectus to any enactment or guideline is a reference to the enactment or guideline as for the time being amended or re-enacted.

Any reference to a time of day in the Prospectus shall be referenced to Malaysian time, unless otherwise stated.

All references to “Manager”, “we”, “us”, “our” and “ourselves” in this Prospectus are to Hektar Asset Management Sdn Bhd.

The terms “tenant” and “lessee”, and “tenancy” and “lease” respectively, are used inter-changeably in this Prospectus and do not denote any duration of the tenancy or lease, unless specifically stated.

Any discrepancies in the tables included in this Prospectus between the listed amounts and totals thereof are due to rounding.

**The rest of this page is intentionally left blank**

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
1. CORPORATE DIRECTORY.....	1
2. SUMMARY INFORMATION.....	5
2.1 Hektar REIT.....	5
2.2 Key Information On The Subject Properties.....	7
2.3 Fees And Charges.....	9
2.4 Financial Information.....	10
2.5 Principal Statistics Relating To The Issuance Of Units.....	14
2.6 Unitholdings Of The Vendors, Our Substantial Unitholders, Our Directors And Our Key Personnel.....	15
2.7 Risk Factors.....	15
3. THE PUBLIC OFFERING.....	16
3.1 Opening And Closing Of Applications.....	16
3.2 Details Of The Public Offering.....	16
3.3 Clawback and Reallocation.....	18
3.4 Purposes Of The Public Offering.....	18
3.5 Issuance Of Units.....	19
3.6 Basis Of Arriving At The Final Retail Price And The Refund Mechanism.....	19
3.7 Utilisation Of Proceeds.....	20
3.8 Brokerage And Commissions.....	20
3.9 Salient Terms Of The Underwriting Agreement.....	21
3.10 Bookbuilding Agreement.....	24
4. RISK FACTORS.....	25
4.1 Risks Relating to Hektar REIT's Organisation and Operations.....	25
4.2 Risks Relating To Real Estate Assets.....	28
4.3 Risks Relating to an Investment in the Units.....	34
5. INTRODUCTION TO REIT.....	38
5.1 Overview Of Reits.....	38
5.2 The Regulatory Framework.....	39
5.3 Benefits Of Investing In REIT.....	39
5.4 Risks Of Investing In REIT.....	41
5.5 Comparison With Other Forms Of Investments.....	44
5.6 Investor Profile.....	45
5.7 Performance Indicators And Benchmarks.....	45
5.8 Fees And Charges.....	46
6. STRUCTURE OF HEKTAR REIT.....	48
7. INVESTMENT STRATEGIES.....	49
7.1 Investment Objectives.....	49
7.2 Investment And Business Strategies.....	49
7.3 Investment Policies.....	55
7.4 Our Policy On Gearing And Minimum Liquid Asset.....	56
8. DISTRIBUTION POLICY.....	57

---

**TABLE OF CONTENTS (Cont'd)**

---

	<b>PAGE</b>
9. SUBJECT PROPERTIES .....	58
9.1 Subang Parade .....	58
9.2 Mahkota Parade.....	69
9.3 Summary of the Subject Properties .....	80
9.4 Valuation of Subject Properties.....	88
9.5 Partitioning of Subang Parade.....	89
9.6 Strata Titles on Subject Properties Not Issued .....	89
9.7 Management Discussion on the Fund's Future Potential .....	90
10. ACQUISITION OF THE SUBJECT PROPERTIES.....	93
10.1 Purchase Consideration .....	93
10.2 Salient Terms of The Agreements.....	94
10.3 Other Terms With Regards To Subang Parade .....	95
10.4 Islamic Financing Facility Taken To Part-Finance The Acquisitions .....	96
11. THE MANAGER .....	97
11.1 Our Background Information .....	97
11.2 Our Organisation Structure .....	98
11.3 Our Duties And Obligations.....	99
11.4 Our Board.....	100
11.5 Our Management Team.....	102
11.6 Unitholdings Of The Vendors, Our Substantial Unitholders, Our Directors And Our Key Personnel.....	105
11.7 Our Financial Position.....	106
11.8 Our Fees .....	106
11.9 Our Retirement, Removal Or Replacement.....	106
11.10 Corporate Governance .....	107
11.11 Our Powers To Remove Or Replace The Trustee .....	108
11.12 Our Relationship With The Vendors.....	108
11.13 Potential Conflict Of Interest And Related Party Transaction .....	109
11.14 Existing And Proposed Related Party Transactions .....	109
11.15 Our Policy In Dealing With Conflict Of Interest Situation .....	109
11.16 Registrar .....	110
11.17 Our Policy On Rebates And Soft Commissions.....	111
12. THE PROPERTY MANAGEMENT COMPANY .....	112
12.1 Background Information .....	112
12.2 Experience In Property Management .....	112
12.3 Properties Under PMC .....	113
12.4 Properties Under PMC.....	113
12.5 The Operational Structure Of The Property Management Company .....	115
12.6 Key Personnel Of The Property Management Company .....	116
12.7 Property Management Company's Fee.....	117
12.8 Salient Terms Of The Property Management Agreement .....	117
12.9 Unitholdings Of The Property Management Company.....	118
12.10 Material Litigation And Arbitration.....	118

**The rest of this page is intentionally left blank**

---

**TABLE OF CONTENTS (Cont'd)**

---

	<b>PAGE</b>
13. THE TRUSTEE.....	119
13.1 Background Information .....	119
13.2 The Trustee's Experience In Managing Unit Trust Funds .....	119
13.3 Board Of Directors Of The Trustee.....	119
13.4 Key Management Team .....	119
13.5 Financial Position.....	120
13.6 Trustee Fee.....	121
13.7 Duties And Responsibilities Of The Trustee.....	121
13.8 Retirement, Removal Or Replacement Of The Trustee .....	122
13.9 Powers Of The Trustee To Remove Or Replace The Manager.....	122
13.10 Trustee's Responsibility Statement .....	123
13.11 Material Litigation And Arbitration .....	123
13.12 Delegation Of Trustees Function .....	123
14. APPROVALS AND CONDITIONS.....	124
14.1 Approvals and conditions.....	124
14.2 Further Approval Granted By The SC .....	126
14.3 Waivers .....	126
15. FINANCIAL INFORMATION OF HEKTAR REIT.....	128
15.1 Proforma Historical Income Statement .....	128
15.2 Proforma Balance Sheet .....	132
15.3 Future Financial Information .....	133
16. ADDITIONAL INFORMATION .....	138
16.1 Other Pertinent Information To Unitholders .....	138
16.2 Material Litigation .....	140
16.3 Material Contracts.....	140
16.4 Consents .....	140
16.5 Responsibility Statements .....	141
16.6 Documents Available For Inspection.....	141
16.7 Real Estate Purchased Or To Be Purchased Out Of The Proceeds Of The Public Offering ..	142
17. SALIENT TERMS OF THE DEED.....	143
17.1 The Fund .....	143
17.2 Rights Of Unitholders .....	143
17.3 Liability Of Unitholders .....	144
17.4 Issue Of Units.....	144
17.5 Redemption of Units .....	145
17.6 Suspension of Units.....	146
17.7 Role of the Manager.....	146
17.8 Management Of The Fund .....	147
17.9 Authority Limit for Operation of Accounts.....	147
17.10 Valuation of Investments .....	147
17.11 The Trustee .....	147
17.12 Retirement Of Trustee.....	148
17.13 Register And Transfers .....	148
17.14 Amendment Of The Deed .....	148
17.15 Meetings Of Unitholders.....	149
17.16 Term Of Hektar-REIT.....	149
17.17 Termination of Hektar REIT .....	149

---

**TABLE OF CONTENTS (Cont'd)**

---

**APPENDICES**

- I VALUATION CERTIFICATES
- II REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA BALANCE SHEET
- III REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST FOR THE THIRTEEN (13) MONTHS FINANCIAL PERIOD ENDING 31 DECEMBER 2007
- IV REPORTING ACCOUNTANTS' LETTER ON THE PROFIT PROJECTIONS FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2008 AND 2009
- V TAXATION OF HEKTAR REIT
- VI INDEPENDENT MARKET RESEARCH REPORT
- VII PROCEDURES FOR APPLICATION AND ACCEPTANCE
- VIII LIST OF ADAS

**The rest of this page is intentionally left blank**