

# IGBREIT

IGB REAL ESTATE INVESTMENT TRUST

(A REAL ESTATE INVESTMENT TRUST CONSTITUTED IN MALAYSIA UNDER THE DEED DATED 18 JULY 2012 AND REGISTERED WITH THE SECURITIES COMMISSION OF MALAYSIA ON 25 JULY 2012, ENTERED INTO BETWEEN IGB REIT MANAGEMENT SDN BHD (908168-A) ("MANAGER") AND AMTRUSTEE BERHAD (163032-V), BOTH COMPANIES INCORPORATED IN MALAYSIA UNDER THE COMPANIES ACT, 1965)

INITIAL PUBLIC OFFERING OF 670,000,000 NEW UNITS IN IGB REIT ("OFFER UNITS") COMPRISING AN OFFER FOR SALE OF:

- (i) 469,000,000 OFFER UNITS MADE AVAILABLE FOR APPLICATION BY MALAYSIAN AND FOREIGN INSTITUTIONAL INVESTORS AND SELECTED INVESTORS, AT THE INSTITUTIONAL PRICE BEING THE PRICE PER OFFER UNIT TO BE PAID BY THE INVESTORS WHICH WILL BE DETERMINED BY WAY OF BOOKBUILDING ("INSTITUTIONAL PRICE"); AND
- (ii) 201,000,000 OFFER UNITS MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC, THE ELIGIBLE DIRECTORS AND EMPLOYEES OF THE MANAGER, THE ELIGIBLE DIRECTORS AND EMPLOYEES OF IGB CORPORATION BERHAD ("IGB" OR "SPONSOR") AND ITS ELIGIBLE SUBSIDIARIES (EXCLUDING THE MANAGER BUT INCLUDING THE VENDORS (AS DEFINED HEREIN)) AND THE ELIGIBLE SHAREHOLDERS OF THE SPONSOR, AT THE RETAIL PRICE BEING THE INITIAL PRICE PAYABLE BY APPLICANTS ("RETAIL PRICE"),

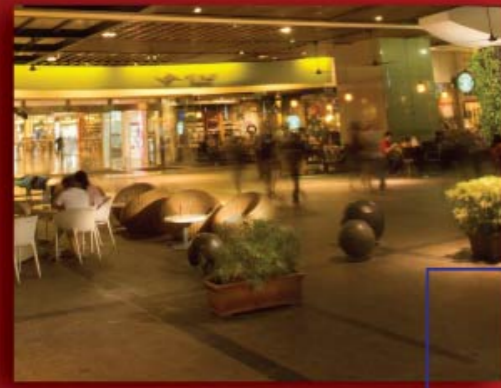
SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISION IN CONNECTION WITH THE LISTING OF AND QUOTATION FOR 3,400,000,000 NEW UNITS IN IGB REIT ("UNITS") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD.

THE RETAIL PRICE IS PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE, IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

- (i) THE RETAIL PRICE OF RM1.25 PER OFFER UNIT; AND
- (ii) THE INSTITUTIONAL PRICE.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE SECTION 5 "RISK FACTORS" OF THIS PROSPECTUS.



Mid Valley Megamall



Mid Valley City

The Gardens Mall



IGBREIT

IGB REAL ESTATE INVESTMENT TRUST

PROSPECTUS

Managed by:

**IGB REIT MANAGEMENT SDN BHD** (908168-A)  
Level 32, The Gardens South Tower,  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur  
Tel: (603) 2289 8989  
Fax: (603) 2289 8802  
[www.igbreit.com](http://www.igbreit.com)



**MANAGER**

**IGB REIT Management Sdn Bhd**  
(Company No.: 908168-A)

**TRUSTEE**

**AmTrustee Berhad**  
(Company No.: 163032-V)

**JOINT PRINCIPAL ADVISERS AND JOINT MANAGING UNDERWRITERS**

**CIMB Investment Bank Berhad**  
(Company No.: 18417-M)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Hong Leong Investment Bank Berhad**  
(Company No.: 43526-F)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**JOINT GLOBAL COORDINATORS**

**CIMB Investment Bank Berhad**  
(Company No.: 18417-M)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Credit Suisse (Singapore) Limited**  
(Company Registration No.: 197702363D)

**Hong Leong Investment Bank Berhad**  
(Company No.: 43526-F)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**JOINT BOOKRUNNERS**

**CIMB Investment Bank Berhad**  
(Company No.: 18417-M)

**Citigroup Global Markets Limited**  
(Company Registration No.: 3763297)

**Credit Suisse Securities (Malaysia) Sdn Bhd**  
(Company No.: 499609-F)

**Credit Suisse (Singapore) Limited**  
(Company Registration No.: 197702363D)

**DBS Bank Ltd**  
(Company Registration No.: 196800300E)

**Deutsche Bank AG, Hong Kong Branch**  
(Company Registration No.: F-2106)

**Goldman Sachs (Singapore) Pte.**  
(Company Registration No.: 196602165W)

**Hong Leong Investment Bank Berhad**  
(Company No.: 43526-F)

**J.P. Morgan Securities plc**  
(Company Registration No.: 2711006)

**Maybank Investment Bank Berhad**  
(Company No.: 159384-F)

**The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch**  
(Company Registration No.: S16FC0010A)

**JOINT UNDERWRITERS**

**AmInvestment Bank Berhad**  
(Company No.: 23742-V)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**CIMB Investment Bank Berhad**  
(Company No.: 18417-M)

**Hong Leong Investment Bank Berhad**  
(Company No.: 43526-F)

**Maybank Investment Bank Berhad**  
(Company No.: 159384-F)



This Prospectus is dated 27 August 2012 and expires on 26 August 2013

PROSPECTUS

*All terms used are defined under “Definitions” and “Presentation of Financial, Market, Industry and Other Information” commencing on pages xi and xxiii of this Prospectus respectively.*

## **RESPONSIBILITY STATEMENTS**

This Prospectus has been reviewed and approved by the directors of the Manager and the Offeror and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading. Each of the directors of the Manager and the Offeror accepts full responsibility for the profit forecasts included in this Prospectus and confirms that the profit forecasts have been prepared based on the assumptions made.

The Joint Principal Advisers and the Joint Global Coordinators acknowledge 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 the Offering and are satisfied that the profit forecasts (for which the directors of the Manager and the Offeror are fully responsible) prepared for inclusion in this Prospectus have been stated by the Directors after due and careful inquiry and have been duly reviewed by the Reporting Accountants.

## **STATEMENTS OF DISCLAIMER**

The SC has approved the issue of, offer for subscription or purchase, or issue of an invitation to subscribe for or purchase Units in respect of the Offering and a copy of this Prospectus has been registered with the SC.

The approval, and registration of this Prospectus, should not be taken to indicate that the SC recommends IGB REIT or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Prospectus.

The SC is not liable for any non-disclosure on the part of the Manager and takes no responsibility for the contents in this Prospectus. The SC makes no representation on the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

The valuation approved or accepted by the SC shall only be utilised for the purpose of the proposals, in relation to the Listing of IGB REIT, 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 for any other purpose.

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT ON THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

Admission to the Official List on the Main Market is not to be taken as an indication of the merits of the invitation, IGB REIT or of its Units.

## **NOTICE TO INVESTORS AND ADDITIONAL STATEMENTS**

Investors are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through Sections 248, 249 and 357 of the CMSA.

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any person set out in Section 236 of the CMSA, e.g. directors and advisers, are responsible.

Bursa Securities' approval for the admission of all the Units to be issued to the Official List of the Main Market and for the listing of and quotation for all the Units to be issued pursuant to the Listing was obtained on 3 August 2012.

Investors should note that any agreement by the Joint Underwriters to underwrite the Units under the Retail Offering is not to be taken as an indication of the merits of the Units being offered.

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.

The Manager and the Offeror will not, prior to acting on any acceptance in respect of the Offering, make or be bound to make any inquiry as to whether investors have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any inquiry or investigation is made in connection therewith. It shall be the investors' sole responsibility if they are or may be subject to the laws of countries or jurisdictions other than Malaysia to consult their legal and/or other professional advisers as to whether the Offering would result in the contravention of any laws of such countries or jurisdictions.

Further, it shall also be the investors' sole responsibility to ensure that their applications for the Offering would be in compliance with the terms of the Offering and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which they may be subjected. The Manager and the Offeror will further assume that investors have accepted the Offering in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith.

However, the Manager and the Offeror reserve the right, in their absolute discretion, to treat any acceptance as invalid if the Manager and the Offeror 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 this Prospectus complies with the laws of any countries or jurisdictions other than the laws of Malaysia. The Manager, the Offeror, the Sponsor, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters shall not accept any responsibility or liability in the event that any application made by investors shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

This Prospectus is published solely in connection with the Offering. The Units being offered in the Offering are offered solely on the basis of the information contained and representations made in this Prospectus. The Manager, the Offeror, the Sponsor, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters have not authorised anyone to provide any information or to make any representation

not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by the Manager, the Offeror, the Sponsor, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters, any of their respective directors or any other persons involved in the Offering. If anyone provides investors with different or inconsistent information, investors should not rely upon it. Neither the delivery of this Prospectus nor any offer, subscription, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, conditions and prospects of IGB REIT, the Manager or the Units since the date of this Prospectus. Investors should take notice of such announcements and documents and upon release of such announcements and documents shall be deemed to have notice of such changes. Unless required by applicable laws, and save as provided in the responsibility statement of the directors of the Manager and of the Offeror as set out in this Prospectus, no representation, warranty or covenant, express or implied, is made by any of IGB REIT, the Manager, the Offeror, the Sponsor, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise, representation or covenant by any of IGB REIT, the Manager, the Offeror, the Sponsor, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters or the Joint Underwriters or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

None of IGB REIT, the Manager, the Offeror, the Sponsor, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any purchaser or subscriber of Units regarding the legality of an investment by such purchaser or subscriber under appropriate legal, investment or similar laws. In addition, investors in the Units should not construe the contents of this Prospectus as legal, business, financial or tax advice. Investors should be aware that they may be required to bear the financial risks of an investment in the Units for an indefinite period of time. Investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in the Units.

The distribution of this Prospectus and the offering, subscription, purchase, sale or transfer of the Units in certain jurisdictions may be restricted by law. IGB REIT, the Manager, the Offeror, the Sponsor, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to IGB REIT, the Manager, the Offeror, the Sponsor, the Trustee, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters. This Prospectus does not constitute, and the Manager, the Offeror, the Sponsor, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters are not making, an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or

any information herein for any purpose whatsoever nor permit or cause the same to occur.

This Prospectus is available from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

This Prospectus has been prepared in the context of an initial public offering under the laws of Malaysia.

## **ELECTRONIC PROSPECTUS**

The contents of the electronic copy of this Prospectus and the copy of this Prospectus registered with the SC are the same. Prospective investors may obtain a copy of the Electronic Prospectus from the websites of Affin Bank Berhad at [www.affinOnline.com](http://www.affinOnline.com), CIMB at [www.eipocimb.com](http://www.eipocimb.com), CIMB Bank Berhad at [www.cimbclicks.com.my](http://www.cimbclicks.com.my), Malayan Banking Berhad at [www.maybank2u.com.my](http://www.maybank2u.com.my), RHB Bank Berhad at [www.rhb.com.my](http://www.rhb.com.my) or Public Bank Berhad at [www.pbebank.com](http://www.pbebank.com).

The internet is not a fully secured medium. The internet application for the Units 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 Institutions. These risks cannot be borne by the Internet Participating Financial Institutions. If investors doubt the validity or integrity of an Electronic Prospectus, investors should immediately request from the Manager or the Issuing House, a paper or printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper or printed copy of this Prospectus, the contents of the paper or printed copy of this Prospectus which are 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, investors acknowledge and agree that:

- (i) each of the Manager, the Offeror, the Joint Global Coordinators, the Joint Bookrunners, the Joint Principal Advisers, the Joint Managing Underwriters and the Joint Underwriters does not endorse and is not affiliated in any way with third party internet sites. Accordingly, each of the Manager, the Offeror, the Joint Global Coordinators, the Joint Bookrunners, the Joint Principal Advisers, the Joint Managing Underwriters and the Joint Underwriters is not responsible for the availability of, or the contents or any data, files or other material provided on third party internet sites. Investors bear all risks associated with the access to or use of third party internet sites;
- (ii) each of the Manager, the Offeror, the Joint Global Coordinators, the Joint Bookrunners, the Joint Principal Advisers, the Joint Managing Underwriters and the Joint Underwriters is not responsible for the quality of products or services of third party internet sites, particularly in fulfilling any terms of agreements with third party internet sites. Each of the Manager, the Offeror, the Joint Global Coordinators, the Joint Bookrunners, the Joint Principal Advisers, the Joint Managing Underwriters and the Joint Underwriters is also not responsible for any loss or damage or cost that investors 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 third party internet sites is done at investors' own discretion and risk. Each of the Manager, the Offeror, the Joint Global Coordinators, the Joint Bookrunners, the Joint Principal Advisers, the Joint Managing Underwriters and the Joint Underwriters is not responsible, liable or under obligation for any damage to investors' computer systems or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on any of the websites of the Internet Participating Financial Institutions, investors are advised that:

- (i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus to the extent of the contents of the Electronic Prospectus on the web servers of the Internet Participating Financial Institutions which may be viewed via the investors' web browser or other relevant software. The Internet Participating Financial Institutions are not responsible for the integrity of the contents of an Electronic Prospectus which has been obtained from the web servers of the Internet Participating Financial Institutions and subsequently communicated or disseminated in any manner to investors or other parties; and
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The Internet Participating Financial Institutions are not liable (whether in tort or contract or otherwise) for any loss, damage or costs, investors 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 an Electronic Prospectus which may arise in connection with or as a result of any fault with the web browsers or other relevant software, any fault on investors' or any third party's personal computers, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the websites of the Internet Participating Financial Institutions, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on investors' personal computers.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## INDICATIVE TIMETABLE

An indicative timetable for the Offering is set out below:

Date and time <sup>(1)</sup>	Event
27 August 2012, 10.00 a.m.	: Opening date and time for the Retail Offering
28 August 2012	: Opening date of the Institutional Offering
4 September 2012, 5.00 p.m.	: Closing date and time for the Retail Offering
6 September 2012	: Closing date of the Institutional Offering
6 September 2012	: Price Determination Date
7 September 2012	: Balloting of applications for Offer Units pursuant to the Retail Offering for the Malaysian Public portion
20 September 2012	: Transfer of Offer Units to successful applicants
21 September 2012	: Listing of IGB REIT on the Main Market

**Note:**

(1) *The above timetable is indicative only and is subject to change. The Institutional Offering will open and close at the dates stated above or such other date(s) as the Manager, the Offeror and the Joint Global Coordinators may mutually decide in their absolute discretion. The application for the Offer Units offered under the Retail Offering will open and close at the dates stated above or such other date(s) as the Manager, the Offeror, the Joint Principal Advisers and the Joint Managing Underwriters may mutually decide in their absolute discretion.*

If either the Institutional Offering or the Retail Offering is extended, the Price Determination Date and dates for the balloting, transfer of Offer Units and Listing will be extended accordingly. Any extension of the abovementioned dates will be announced by way of advertisement in a widely circulated Bahasa Malaysia daily newspaper and English daily newspaper within Malaysia.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

# TABLE OF CONTENTS

	Page
<b>DEFINITIONS</b> .....	xi
<b>PRESENTATION OF FINANCIAL, MARKET, INDUSTRY AND OTHER INFORMATION</b> .....	xxiv
<b>FORWARD-LOOKING STATEMENTS</b> .....	xxvi
<b>CORPORATE DIRECTORY</b> .....	xxviii
<b>INFORMATION SUMMARY</b> .....	1
OVERVIEW OF IGB REIT .....	1
SUMMARY OF IGB REIT .....	3
STRUCTURE OF IGB REIT .....	6
OVERVIEW OF THE SUBJECT PROPERTIES.....	7
COMPETITIVE STRENGTHS AND INVESTMENT HIGHLIGHTS .....	11
PRINCIPAL STATISTICS RELATING TO THE OFFERING.....	18
FINANCIAL HIGHLIGHTS .....	22
RISK FACTORS .....	29
FEES AND CHARGES .....	33
<b>1. DETAILED INFORMATION ON IGB REIT</b> .....	37
1.1 OVERVIEW OF IGB REIT .....	37
1.2 STRUCTURE OF IGB REIT.....	37
1.3 STRATEGIES.....	38
1.4 INVESTORS' PROFILE .....	43
1.5 PERFORMANCE BENCHMARK.....	43
1.6 DISTRIBUTION POLICY.....	43
1.7 VALUATION POLICY .....	44
1.8 BORROWING LIMITATIONS AND GEARING POLICY .....	44
1.9 INTELLECTUAL PROPERTY .....	45
<b>2. BUSINESS AND SUBJECT PROPERTIES</b> .....	46
2.1 ACQUISITIONS BY IGB REIT .....	46
2.2 OVERVIEW OF THE SUBJECT PROPERTIES.....	47
2.3 COMPETITIVE STRENGTHS AND INVESTMENT HIGHLIGHTS .....	55
2.4 INDEPENDENT PROPERTY MARKET REPORT.....	62
2.5 VALUATION POLICIES .....	62
2.6 MID VALLEY MEGAMALL .....	63
2.7 THE GARDENS MALL.....	70
2.8 TENANCY MANAGEMENT .....	77
2.9 INSURANCE.....	78
2.10 FIRE PROTECTION .....	78
2.11 RETAIL PROPERTY COMPETITION .....	78
2.12 CAPITAL EXPENDITURE.....	79
2.13 LEGAL PROCEEDINGS.....	79



	<b>Page</b>
<b>3. PARTICULARS OF THE OFFERING</b> .....	80
3.1 INTRODUCTION .....	80
3.2 TOTAL FUND SIZE AND UNITS TO BE ISSUED.....	81
3.3 PURPOSE OF THE OFFERING.....	81
3.4 DETAILS OF THE OFFERING.....	82
3.5 THE OFFEROR.....	86
3.6 INDICATIVE TIMETABLE.....	86
3.7 PRINCIPAL UNITHOLDERS OF IGB REIT AND THEIR UNITHOLDINGS .....	87
3.8 BASIS OF DETERMINING THE PRICE OF THE OFFER UNITS.....	87
3.9 LISTING SCHEME.....	89
3.10 REIT FINANCING.....	90
3.11 LISTING EXPENSES.....	91
3.12 BROKERAGE, COMMISSIONS AND OTHER FEES AND CHARGES .....	92
3.13 SALIENT TERMS OF THE RETAIL UNDERWRITING AGREEMENT .....	93
3.14 LOCK-UP ARRANGEMENTS.....	96
3.15 TRADING ON THE MAIN MARKET AND SETTLEMENT IN THE SECONDARY MARKET .....	98
<b>4. FINANCIAL INFORMATION</b> .....	100
4.1 PRO FORMA STATEMENT OF FINANCIAL POSITION.....	100
4.2 CAPITALISATION AND INDEBTEDNESS.....	103
4.3 PRO FORMA NET PROPERTY INCOME.....	104
4.4 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....	106
4.5 PROFIT FORECASTS.....	122
<b>5. RISK FACTORS</b> .....	133
5.1 RISKS RELATING TO THE SUBJECT PROPERTIES.....	133
5.2 RISKS RELATING TO IGB REIT'S OPERATIONS .....	144
5.3 RISKS RELATING TO AN INVESTMENT IN THE UNITS.....	156
<b>6. THE MANAGER</b> .....	163
6.1 CORPORATE INFORMATION .....	163
6.2 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER.....	163
6.3 MANAGEMENT REPORTING STRUCTURE.....	165
6.4 DIRECTORS OF THE MANAGER.....	166
6.5 MANAGEMENT TEAM OF THE MANAGER.....	172
6.6 MANAGEMENT FEES .....	175
6.7 OUTSOURCING OF THE REGISTRAR FUNCTION.....	180
6.8 OUTSOURCING OF THE INTERNAL AUDIT FUNCTION .....	182
6.9 UNITHOLDINGS OF SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL OF THE MANAGER IN IGB REIT.....	184
6.10 SUMMARY OF THE MANAGER'S FINANCIAL POSITION SINCE THE DATE OF INCORPORATION.....	186
6.11 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER .....	186
6.12 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST .....	187
6.13 CORPORATE GOVERNANCE .....	187
6.14 MATERIAL LITIGATION AND ARBITRATION .....	188

	<b>Page</b>
<b>7. BACKGROUND INFORMATION ON THE SPONSOR</b> .....	189
7.1 CORPORATE INFORMATION .....	189
7.2 RELEVANT EXPERIENCE .....	189
7.3 UNITHOLDINGS OF THE SPONSOR IN IGB REIT.....	191
<b>8. THE TRUSTEE</b> .....	192
8.1 CORPORATE INFORMATION .....	192
8.2 BOARD OF DIRECTORS OF THE TRUSTEE .....	192
8.3 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE .....	193
8.4 FINANCIAL INFORMATION OF THE TRUSTEE .....	194
8.5 TRUSTEE'S FEE.....	194
8.6 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE .....	194
8.7 TRUSTEE'S RESPONSIBILITY STATEMENT.....	195
8.8 MATERIAL LITIGATION AND ARBITRATION .....	196
8.9 DELEGATION OF THE TRUSTEE'S FUNCTION .....	197
<b>9. THE PROPERTY MANAGER</b> .....	198
9.1 CORPORATE INFORMATION .....	198
9.2 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE PROPERTY MANAGER.....	198
9.3 EXPERIENCE IN PROPERTY MANAGEMENT AND PROPERTIES MANAGED .....	199
9.4 INFORMATION ON KEY PERSONNEL AND STAFF STRENGTH .....	200
9.5 PROPERTY MANAGEMENT FEE .....	200
9.6 SALIENT TERMS OF THE PROPERTY MANAGEMENT AGREEMENT.....	200
9.7 UNITHOLDING OF THE PROPERTY MANAGER IN IGB REIT.....	202
9.8 SERVICE PROVIDERS TO PROVIDE PERSONNEL TO THE PROPERTY MANAGER .....	202
<b>10. SALIENT TERMS OF THE DEED</b> .....	203
10.1 THE DEED .....	203
10.2 NATURE OF UNITS .....	203
10.3 RIGHTS OF UNITHOLDERS .....	204
10.4 LIMITATION OF LIABILITY AND RIGHTS OF UNITHOLDERS .....	204
10.5 CREATION OF UNITS.....	205
10.6 SUSPENSION OF, DEALING IN AND ISSUE OF UNITS .....	205
10.7 VENDOR UNITS.....	206
10.8 DISTRIBUTABLE INCOME.....	206
10.9 INVESTMENT POLICIES OF IGB REIT.....	207
10.10 CONCERNING THE TRUSTEE.....	209
10.11 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE .....	210
10.12 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE .....	210
10.13 LIMITATION OF LIABILITY AND INDEMNITY OF THE TRUSTEE .....	210
10.14 CONCERNING THE MANAGER.....	210
10.15 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER.....	211
10.16 RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER .....	211
10.17 LIMITATION OF LIABILITY AND INDEMNITY OF THE MANAGER .....	211
10.18 MANAGER'S FEES AND TRUSTEE'S FEE.....	211
10.19 PERMITTED CHARGES OF IGB REIT.....	212

	<b>Page</b>
10.20 MODIFICATION OF THE DEED .....	212
10.21 TERMINATION AND WINDING-UP OF IGB REIT .....	212
10.22 MEETINGS OF UNITHOLDERS.....	214
<b>11. CORPORATE GOVERNANCE, RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST .....</b>	<b>215</b>
11.1 CORPORATE GOVERNANCE .....	215
11.2 EXISTING AND ON-GOING RELATED PARTY TRANSACTIONS.....	215
11.3 POTENTIAL RELATED PARTY TRANSACTIONS .....	219
11.4 POTENTIAL CONFLICTS OF INTEREST .....	219
11.5 INTERESTS OF DIRECTORS AND OTHER SUBSTANTIAL SHAREHOLDERS OF THE MANAGER IN OTHER CORPORATIONS CARRYING ON SIMILAR BUSINESSES .....	221
11.6 OTHER PERTINENT INFORMATION.....	221
11.7 DECLARATIONS BY ADVISERS.....	221
<b>12. APPROVAL, CONDITIONS, WAIVERS AND VARIATIONS.....</b>	<b>227</b>
12.1 APPROVAL AND CONDITIONS.....	227
12.2 WAIVERS AND VARIATIONS .....	228
<b>13. OVERVIEW OF THE RELEVANT LAWS AND REGULATIONS IN MALAYSIA .....</b>	<b>231</b>
13.1 OVERVIEW OF REGULATION OF REITS IN MALAYSIA .....	231
13.2 OVERVIEW OF LAND LAW.....	233
<b>14. ADDITIONAL INFORMATION .....</b>	<b>243</b>
14.1 GENERAL .....	243
14.2 MATERIAL CONTRACTS.....	244
14.3 SALIENT TERMS OF THE SPAS .....	245
14.4 CONSENTS.....	249
14.5 DOCUMENTS AVAILABLE FOR INSPECTION.....	249
14.6 RESPONSIBILITY STATEMENTS.....	250
<b>APPENDIX A - VALUATION CERTIFICATES .....</b>	<b>A-1</b>
<b>APPENDIX B - INDEPENDENT PROPERTY MARKET REPORT .....</b>	<b>B-1</b>
<b>APPENDIX C - TAX CONSULTANT'S LETTER ON TAXATION OF IGB REIT AND UNITHOLDERS .....</b>	<b>C-1</b>
<b>APPENDIX D - REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION .....</b>	<b>D-1</b>
<b>APPENDIX E - REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECASTS.....</b>	<b>E-1</b>
<b>APPENDIX F - PROCEDURE FOR THE APPLICATION AND ACCEPTANCE FOR THE RETAIL OFFERING.....</b>	<b>F-1</b>

## DEFINITIONS

The following terms in this Prospectus bear the same meaning unless the term is defined otherwise or the context requires otherwise:

<b>Acquisitions</b>	: Acquisitions by the Trustee on behalf of IGB REIT of the Subject Properties and the Related Assets for a total purchase consideration of approximately RM4,613 million to be satisfied by the issuance of 3,400,000,000 Consideration Units at the issue price of RM1.00 per Unit and the balance of approximately RM1,213 million in cash
<b>Act</b>	: Companies Act, 1965, as amended from time to time and any re-enactment thereof
<b>ADA</b>	: Authorised Depository Agent
<b>AmlInvestment Bank</b>	: AmlInvestment Bank Berhad (Company Number: 23742-V), a company incorporated under the laws of Malaysia
<b>Application Forms</b>	: Printed application forms for the application of the Offer Units under the Retail Offering accompanying this Prospectus
<b>Appraised Value</b>	: In relation to a Subject Property, the value of that Subject Property as appraised by the Independent Property Valuer as at 10 April 2012
<b>Asset Valuation Guidelines</b>	: Asset Valuation Guidelines issued by the SC on 8 May 2009 (and updated on 3 August 2009), as amended from time to time
<b>ATM</b>	: Automated teller machine
<b>Authorised Investments</b>	: The following investments in which IGB REIT may invest, subject to the provisions of the REIT Guidelines: <ul style="list-style-type: none"><li>(i) Real Estate;</li><li>(ii) SPVs;</li><li>(iii) Real Estate-Related Assets;</li><li>(iv) Non-Real Estate-Related Assets;</li><li>(v) cash, deposits and money market instruments; and</li><li>(vi) any other investment not specified in (i) to (v) above but specified as a permissible investment in the REIT Guidelines or as otherwise permitted by the SC</li></ul>
<b>Board</b>	: Board of directors of the Manager
<b>Books Closing Date</b>	: The specified time and date set by the Manager for the purpose of determining the Unitholders' entitlement to the Distributable Income, new Units or other distributions or entitlements

<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn Bhd (Company Number: 165570-W), a company incorporated under the laws of Malaysia, being the central depository of Malaysia
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (Company Number: 635998-W), a company incorporated under the laws of Malaysia, being the securities exchange of Malaysia
<b>Cash Consideration</b>	: The settlement of the balance of the purchase consideration for the Acquisitions of approximately RM1,213 million by way of cash
<b>CDS</b>	: Central Depository System
<b>CDS Account</b>	: An account established by Bursa Depository for a depositor for the recording of the deposit of securities and for dealing in such securities by the depositor
<b>Central Business District</b>	: The Kuala Lumpur Central Business District, which comprises the older commercial area in the centre of Kuala Lumpur
<b>Central Depository Act</b>	: Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
<b>CIMB</b>	: CIMB Investment Bank Berhad (Company Number: 18417-M), a company incorporated under the laws of Malaysia
<b>CIS Prospectus Guidelines</b>	: Prospectus Guidelines for Collective Investment Schemes issued by the SC on 3 March 2008 (and updated on 1 June 2010), as amended from time to time
<b>Citi</b>	: Citigroup Global Markets Limited (Registration Number: 1763297), a corporation incorporated under the laws of England
<b>Clawback and Reallocation</b>	: The clawback and reallocation provision as set out in Section 3.4.3 “Clawback and Reallocation” of this Prospectus
<b>CMSA</b>	: Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
<b>Completion Date of the SPAs</b>	: The date, which will occur within one month from the date the SPAs have become unconditional or such extended date as the Vendors and the Trustee may agree in writing, when the Acquisitions are completed or deemed completed on the terms set out in the SPAs
<b>Consideration Units</b>	: The 3,400,000,000 Units to be issued as part satisfaction of the purchase consideration for the Acquisitions at the issue price of RM1.00 per Unit which shall be deemed fully paid
<b>Credit Suisse</b>	: Credit Suisse (Singapore) Limited (Registration Number: 197702363D), a corporation incorporated under the laws of Singapore

<b>Credit Suisse Malaysia</b>	: Credit Suisse Securities (Malaysia) Sdn Bhd (Company Number: 499609-H), a company incorporated under the laws of Malaysia
<b>DBS</b>	: DBS Bank Ltd (Registration Number: 196800306E), a corporation incorporated under the laws of Singapore
<b>Deed</b>	: The deed of trust dated 18 July 2012 entered into between the Manager and the Trustee, constituting IGB REIT and registered with the SC on 25 July 2012
<b>Deposited Property</b>	: All the assets of IGB REIT, including all its Authorised Investments and other assets (after consulting with the auditor) to be in the nature of assets in accordance with generally accepted accounting practices in Malaysia, for the time being held or deemed to be held in accordance to the Deed
<b>Deutsche Bank</b>	: Deutsche Bank AG, Hong Kong Branch (Registration Number: F-2106), a corporation incorporated under the laws of Hong Kong
<b>Distributable Income</b>	: The amount available for distribution to the Unitholders of IGB REIT and having the meaning as set out in Section 10.8 “Distributable Income” of this Prospectus
<b>Distribution-In-Specie by KrisAssets</b>	: The distribution-in-specie of the Distribution Units by KrisAssets to its entitled shareholders, in proportion to their shareholdings in KrisAssets on an entitlement date to be determined
<b>Distribution Period</b>	: Half-yearly, or such other interval as the Manager may determine in accordance with the Deed
<b>Distribution Units</b>	: The 2,730,000,000 Units to be distributed pursuant to the Distribution-In-Specie by KrisAssets
<b>DPU</b>	: Distribution per Unit
<b>Electronic Application(s)</b>	: Application(s) for the Offer Units under the Retail Offering for the Malaysian Public through the ATMs of Participating Financial Institution(s)
<b>Electronic Prospectus</b>	: A copy of this Prospectus that is issued, circulated or disseminated via the internet, electronic mail and/or distribution of CD-ROMs
<b>Extension Application</b>	: An application by the Joint Principal Advisers, on behalf of IGB REIT, to Bursa Securities for an extension of time to meet the Public Spread Requirement
<b>Final Retail Price</b>	: Final price per Offer Unit payable by investors pursuant to the Retail Offering equivalent to RM1.25 per Offer Unit or the Institutional Price, whichever is lower, to be determined on the Price Determination Date

<b>Forecast Period 2012</b>	: Six-month period ending 31 December 2012
<b>Forecast Year 2013</b>	: 1 January 2013 to 31 December 2013
<b>FPE2011</b>	: Three-month period ended 31 March 2011
<b>FPE2012</b>	: Three-month period ended 31 March 2012
<b>FRTL</b>	: The fixed rate term loan facility of up to RM1,200 million to part finance the Acquisitions
<b>FY</b>	: Financial year ended or, as the case may be, ending 31 December
<b>GDP</b>	: Gross domestic product
<b>GFA</b>	: Gross floor area
<b>Global Certificate</b>	: A certificate issued to Bursa Depository pursuant to the provisions of the Deed relating to some or all the Units registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or as agreed with Bursa Depository
<b>Goldman Sachs</b>	: Goldman Sachs (Singapore) Pte. (Registration Number: 198602165W), a corporation incorporated under the laws of Singapore
<b>Government</b>	: Government of Malaysia
<b>Gross Rental Income</b>	: Comprises base and percentage rent, service charges and promotional charges
<b>HLIB</b>	: Hong Leong Investment Bank Berhad (Company Number: 43526-P), a company incorporated under the laws of Malaysia
<b>HSBC</b>	: The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (Registration Number: S16FC0010A), a corporation incorporated under the laws of Singapore
<b>IGB or Sponsor</b>	: IGB Corporation Berhad (Company Number: 5745-A), a company incorporated under the laws of Malaysia, being the sponsor of IGB REIT
<b>IGB REIT</b>	: IGB Real Estate Investment Trust, a real estate investment trust established in Malaysia and constituted by the Deed
<b>Income Tax Act</b>	: Income Tax Act, 1967, as amended from time to time and any re-enactment thereof
<b>Independent Property Market Consultant</b>	: CB Richard Ellis (Malaysia) Sdn Bhd (Company Number: 333510-P), a company incorporated under the laws of Malaysia
<b>Independent Property Valuer</b>	: Henry Butcher Malaysia Sdn Bhd (Company Number: 160636-P), a company incorporated under the laws of Malaysia

<b>Institutional Offering</b>	: Offering of 469,000,000 Offer Units by the Offeror, subject to Clawback and Reallocation, to:  (i) Malaysian institutional and selected investors; and  (ii) institutional and selected investors outside Malaysia and outside the United States in reliance upon Regulation S under the Securities Act,  at the Institutional Price
<b>Institutional Price</b>	: The price per Offer Unit payable by the investors pursuant to the Institutional Offering which will be determined by way of bookbuilding
<b>Internal Auditor</b>	: IGB (Group Internal Audit Division), being the Internal Auditor of IGB REIT
<b>Internet Application(s)</b>	: Application(s) for the Offer Units under the Retail Offering for the Malaysian Public portion through an Internet Participating Financial Institution(s)
<b>Internet Participating Financial Institutions</b>	: Participating financial institutions for the Internet Application, being Affin Bank Berhad, CIMB, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad
<b>Issuing House</b>	: Malaysian Issuing House Sdn Bhd (Company Number: 258345-X), a company incorporated under the laws of Malaysia
<b>JMB</b>	: Joint management body established pursuant to the Building and Common Property (Maintenance and Management) Act 2007
<b>Joint Bookrunners</b>	: CIMB, Citi, Credit Suisse, Credit Suisse Malaysia, DBS, Deutsche Bank, Goldman Sachs, HLIB, HSBC, JP Morgan and Maybank IB, being the joint bookrunners in respect of the Institutional Offering
<b>Joint Global Coordinators</b>	: CIMB, Credit Suisse and HLIB
<b>Joint Managing Underwriters</b>	: CIMB and HLIB
<b>Joint Principal Advisers</b>	: CIMB and HLIB
<b>Joint Underwriters</b>	: AmlInvestment Bank, CIMB, HLIB and Maybank IB, being the joint underwriters in respect of the Retail Offering
<b>JP Morgan</b>	: J.P. Morgan Securities plc (Registration Number: 2711006), a corporation incorporated under the laws of England
<b>Klang Valley</b>	: The combined area of Kuala Lumpur, Putrajaya, the district of Petaling, the district of Gombak, the district of Klang and the district of Ulu Langat



<b>KrisAssets</b>	: KrisAssets Holdings Berhad (Company Number: 24123-H), a company incorporated under the laws of Malaysia, being the holding company of MVC and MVCG
<b>Latest Practicable Date</b>	: 30 June 2012, being the latest practicable date prior to the issuance of this Prospectus
<b>Listing</b>	: Admission to the Official List and the listing of and quotation for 3,400,000,000 issued Units, comprising the Distribution Units and the Offer Units on the Main Market
<b>Listing Date</b>	: The date of Listing
<b>Listing Requirements</b>	: Main Market Listing Requirements of Bursa Securities, as amended from time to time
<b>Lock-up Period</b>	: The period commencing from the date of the Sponsor's and the Manager's respective deed of undertaking in connection with the lock-up arrangements for the Lock-up Units until the date falling 180 days after the Listing Date (both dates inclusive)
<b>Lock-up Units</b>	: In the case of the Sponsor, the Units which will be credited into the Sponsor's CDS Account pursuant to the Distribution-In-Specie by KrisAssets and in the case of the Manager, the Units which will or may be held by the Manager, which are subject to the lock-up arrangement for the duration of the Lock-up Period
<b>Main Market</b>	: Main Market of Bursa Securities
<b>Malaysian FRS</b>	: Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board
<b>Malaysian Public</b>	: Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
<b>Management Fee</b>	: Fee payable to the Manager which comprises the Base Fee, the Performance Fee, the Acquisition Fee and the Divestment Fee as set out in Section 6.6 "Management Fees" of this Prospectus
<b>Manager</b>	: IGB REIT Management Sdn Bhd (Company Number: 908168-A), a company incorporated under the laws of Malaysia, being the manager of IGB REIT
<b>Market Day</b>	: A day on which Bursa Securities is open for trading in securities
<b>Maybank IB</b>	: Maybank Investment Bank Berhad (Company Number: 15938-H), a company incorporated under the laws of Malaysia

<b>MER</b>	: Management expense ratio, calculated by dividing the expenses of IGB REIT by the NAV of IGB REIT, where expenses of the REIT comprise all expenses, including the Management Fee, the Trustee's fee, valuation fee and other administrative expenses provided for under the Deed
<b>Mid Valley City</b>	: An integrated mixed development combining retail, leisure, dining, entertainment, beauty and well-being, hospitality, commercial offices and an exhibition centre
<b>Mid Valley Megamall</b>	: A five level retail mall with one mezzanine floor, two levels of basement car park and four levels of elevated car park, bearing the postal address of Mid Valley Megamall, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia and constructed on part of the leasehold land of ninety-nine (99) years held under PN 37075, Lot 80 Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, being one of the Subject Properties to be acquired by the Trustee on behalf of IGB REIT pursuant to the Acquisitions
<b>Mid Valley Megamall Related Assets</b>	: Assets such as motor vehicles, machineries, equipment (including software), fixtures and fittings utilised by MVC for the operation of, or in relation to, Mid Valley Megamall which will be disposed together with the Mid Valley Megamall to the Trustee on behalf of IGB REIT pursuant to the Mid Valley Megamall SPA
<b>Mid Valley Megamall SPA</b>	: The Sale and Purchase Agreement dated 26 July 2012 and entered into by MVC as the Vendor and the Trustee on behalf IGB REIT as the purchaser in relation to the sale and purchase of Mid Valley Megamall and the Mid Valley Megamall Related Assets pursuant to the Acquisitions, including any supplemental agreements executed thereafter
<b>MRT</b>	: Mass Rail Transit
<b>MVC</b>	: Mid Valley City Sdn Bhd (Company Number: 102986-K), a company incorporated under the laws of Malaysia, being the registered land proprietor of the master land on which Mid Valley Megamall is erected on and the vendor of Mid Valley Megamall and Mid Valley Megamall Related Assets
<b>MVCD</b>	: Mid Valley City Developments Sdn Bhd (Company Number: 21593-H), a company incorporated under the laws of Malaysia, being the registered land proprietor of the master land on which The Gardens Mall is erected on and a wholly-owned subsidiary of the Sponsor

<b>MVCG</b>	: Mid Valley City Gardens Sdn Bhd (Company Number: 186198-P), a company incorporated under the laws of Malaysia, being the vendor of The Gardens Mall and The Gardens Mall Related Assets and the offeror of the 670,000,000 Offer Units pursuant to the Offering
<b>NAV</b>	: Net asset value
<b>Net Property Income or NPI</b>	: Total Revenue less Property Operating Expenses
<b>Net Lettable Area or NLA</b>	: Area in a property that is lettable for Gross Rental Income but excludes space used for building and centre management operations, common areas, carts, storage, signages and ATMs
<b>Non-Real Estate-Related Assets</b>	: Refers to: <ul style="list-style-type: none"> <li>(i) listed shares issued by non-property companies;</li> <li>(ii) debt securities issued by, or fully guaranteed by the Government; and</li> <li>(iii) commercial papers or other debt securities issued by companies or institutions with a credit rating of not less than: <ul style="list-style-type: none"> <li>(a) A/PI by RAM Holdings Berhad; and</li> <li>(b) A/MARC-1 by Malaysian Rating Corporation Berhad,</li> </ul> and such other assets as may be permitted by the REIT Guidelines and the SC </li> </ul>
<b>Occupancy Rate</b>	: The percentage of Occupied NLA against total NLA
<b>Occupied NLA</b>	: The total NLA of the Subject Properties which is committed by the tenants and determined based on the commencement date stipulated in the respective tenancy agreements and/or letters of offer
<b>Offeror</b>	: MVCG, being the offeror of 670,000,000 Offer Units pursuant to the Offering, who is also the vendor of The Gardens Mall and The Gardens Mall Related Assets
<b>Offering</b>	: The initial public offering of 670,000,000 Offer Units by the Offeror, comprising the Institutional Offering and the Retail Offering
<b>Offer Units</b>	: The Units offered for sale by the Offeror pursuant to the Offering
<b>Official List</b>	: A list specifying all securities listed on the Main Market

<b>Participating Financial Institutions</b>	: The participating financial institutions for Electronic Applications as referred to in Appendix F "Procedure for the Application and Acceptance of the Retail Offering" of this Prospectus
<b>Permitted Expenses</b>	: In relation to the Property Management Agreement means costs and expenses incurred in the operation, maintenance, management and marketing of the Subject Properties (including but not limited to the cost relating to the employment and remuneration of on-site staff provided)
<b>Placement Agreement</b>	: The placement agreement to be entered into between, inter alia, the Manager, the Sponsor, the Offeror and the Joint Global Coordinators on behalf of the Joint Bookrunners in respect of the placement of Offer Units under the Institutional Offering
<b>Price Determination Date</b>	: The date on which the Institutional Price and the Final Retail Price will be determined
<b>Profit Forecasts</b>	: The profit forecasts of IGB REIT for the Forecast Period 2012 and the Forecast Year 2013
<b>Property Management Agreement</b>	: The property management agreement dated 26 July 2012 entered into between the Manager, the Trustee (on behalf of IGB REIT) and the Property Manager
<b>Property Manager</b>	: Chartwell ITAC International Sdn Bhd (Company Number: 52312-H), a company incorporated under the laws of Malaysia, being the property manager of IGB REIT
<b>Property Operating Expenses</b>	: All expenses or outgoings required to manage or maintain the Subject Properties as permitted by the Deed
<b>Public Spread Requirement</b>	: The requirement, in accordance with the Listing Requirements, to have at least 25.0% of the total number of Units in issue to be held by public unitholders upon completion of the Offering and at the point of the Listing or such other minimum public spread as may be approved by Bursa Securities
<b>Real Estate</b>	: Land and things attached to the land both below and above ground and any interest or option or right to use, possession and/or occupation, or other right in or over any land and things attached to the land both below and above ground (other than a security interest arising under a mortgage, lien or other security) whether located in or outside of Malaysia
<b>Real Estate Assets</b>	: Real Estate and SPVs
<b>Real Estate-Related Assets</b>	: Includes units of other REITs, listed securities of and issued by property companies, listed or unlisted debt securities of and issued by property companies and real estate-related asset-backed securities

<b>Record of Depositors</b>	: A record provided by Bursa Depository to the Manager under Chapter 24 of the Rules of Bursa Depository
<b>Registrar</b>	: IGB (Share Registration Department), being the registrar of IGB REIT
<b>Regulation S</b>	: Regulation S under the Securities Act
<b>REIT</b>	: Real estate investment trust
<b>REIT Guidelines</b>	: The Guidelines on Real Estate Investments Trusts issued by the SC on 21 August 2008 (and updated on 13 July 2011), as amended from time to time
<b>Related Assets</b>	: Collectively, the Mid Valley Megamall Related Assets and The Gardens Mall Related Assets
<b>Relevant Laws and Requirements</b>	: The laws, regulations, guidelines, rules and official requirements, guidance notes, practice notes (whether or not having the force of law) applicable to REITs from time to time including securities laws, the REIT Guidelines, the Asset Valuation Guidelines, the Listing Requirements, the Rules of Bursa Depository and taxation laws, rulings and guidelines
<b>Reporting Accountants</b>	: PricewaterhouseCoopers (Firm Number: AF 1146)
<b>Reserved Units</b>	: 167,000,000 Offer Units under the Retail Offering reserved for subscription by: <ul style="list-style-type: none"> <li>(i) the eligible directors and employees of the Manager;</li> <li>(ii) the eligible directors and employees of the Sponsor;</li> <li>(iii) the eligible directors and employees of the Sponsor's eligible subsidiaries (excluding the Manager but including the Vendors); and</li> <li>(iv) the eligible shareholders of the Sponsor,</li> </ul> at the Retail Price as part of the Retail Offering
<b>Retail Offering</b>	: Offering of 201,000,000 Offer Units by the Offeror, subject to Clawback and Reallocation, to the Malaysian Public via balloting and the eligible directors and employees of the Manager, the eligible directors and employees of the Sponsor and its eligible subsidiaries (excluding the Manager but including the Vendors) and the eligible shareholders of the Sponsor
<b>Retail Price</b>	: RM1.25 per Offer Unit, being the initial price payable by applicants pursuant to the Retail Offering

<b>Retail Underwriting Agreement</b>	: The retail underwriting agreement dated 3 August 2012 entered into between the Manager, the Sponsor, the Offeror, the Joint Managing Underwriters and the Joint Underwriters in respect of the underwriting of 136,207,924 Offer Units under the Retail Offering
<b>ROFR</b>	: Right of first refusal
<b>Rules of Bursa Depository</b>	: Rules of Bursa Depository and all procedure manuals (as defined in Rules of Bursa Depository), as amended from time to time
<b>SBRC</b>	: The standby revolving credit facility of up to RM20 million to, among others, part finance the Acquisitions
<b>SC</b>	: Securities Commission of Malaysia
<b>Securities Act</b>	: U.S. Securities Act of 1933, as amended from time to time
<b>Service Provider Agreements</b>	: The service provider agreements dated 26 July 2012, entered into between the Property Manager and each of MVC and MVCG for the provision of, among others, a team of personnel by each of MVC and MVCG to the Property Manager, in order to facilitate the Property Manager in carrying out its services under the Property Management Agreement
<b>SPAs</b>	: Collectively, Mid Valley Megamall SPA and The Gardens Mall SPA
<b>Special Resolution</b>	: A resolution passed at a meeting of the Unitholders duly convened and held in accordance with the provisions of the Deed by a majority consisting of not less than $\frac{3}{4}$ of the persons voting upon a show of hands and, if a poll is demanded, then by a majority consisting of not less than $\frac{3}{4}$ of the votes given on such poll, provided always that for the purpose of terminating or winding up of IGB REIT, a "Special Resolution" means a resolution passed by a majority in number representing at least $\frac{3}{4}$ of the value of the Units held by Unitholders at the meeting
<b>SPV</b>	: Unlisted single-purpose company, corporation, entity or structure whose principal assets comprise Real Estate or shares or interests in a single-purpose company, corporation or such other entities (as may be permitted by the SC) whose principal assets comprise Real Estate
<b>sq ft</b>	: Square feet

<b>State Authority</b>	: In relation to the States of West Malaysia, the Ruler-in-Council or Governor-in-Council of a State and includes in Negeri Sembilan, the Yang di-Pertuan Besar acting on behalf of himself and the Ruling Chiefs (the Undang of Sungei Ujong, the Undang of Jelebu, the Undang of Johol, the Undang of Rembau and the Tunku Besar of Tampin), and in relation to the Federal Territories of Kuala Lumpur, Putrajaya and Labuan, the minister charged with the responsibility for local government
<b>Subject Properties</b>	: Mid Valley Megamall and The Gardens Mall, which form the property portfolio of IGB REIT at the point of Listing, and “ <b>Subject Property</b> ” means either one of them
<b>Syndicated Financing Facilities</b>	: The syndicated financing facilities of up to RM1,220 million comprising the FRTL and the SBRC
<b>Syndicated Lenders</b>	: The syndicate of lenders granting the Syndicated Financing Facilities
<b>Take-over Code</b>	: Malaysian Code on Take-Overs and Mergers 2010 issued by the SC, as amended from time to time
<b>Tax Consultant</b>	: PricewaterhouseCoopers Taxation Service Sdn Bhd (Company Number: 464731-M), a company incorporated under the laws of Malaysia
<b>The Gardens Mall</b>	: An eight level retail mall together with four levels of basement car park and four levels of elevated car park, bearing the postal address of The Gardens Mall, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia and constructed on part of the leasehold land of ninety-nine (99) years held under PN 37073, Lot 79 Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, being one of the Subject Properties to be acquired by the Trustee on behalf of IGB REIT pursuant to the Acquisitions
<b>The Gardens Mall Related Assets</b>	: Assets such as motor vehicles, machineries, equipment (including software), fixtures and fittings utilised by MVCG for the operation of, or in relation to, The Gardens Mall which will be disposed together with The Gardens Mall to the Trustee on behalf of IGB REIT pursuant to The Gardens Mall SPA
<b>The Gardens Mall SPA</b>	: The Sale and Purchase Agreement dated 26 July 2012 and entered into by MVCD as the registered land proprietor, MVCG as the Vendor and the Trustee on behalf IGB REIT as the purchaser in relation to the sale and purchase of The Gardens Mall and The Gardens Mall Related Assets pursuant to the Acquisitions, including any supplemental agreements executed thereafter

<b>Total Asset Value</b>	: The value of the Deposited Property in accordance with generally accepted accounting practices in Malaysia, as determined in accordance with the Deed
<b>Total Revenue</b>	: Gross Rental Income and other operating income earned through the Subject Properties
<b>Trustee</b>	: AmTrustee Berhad (Company Number: 163032-V), a company incorporated under the laws of Malaysia, acting in its capacity as trustee of IGB REIT
<b>Unit</b>	: An undivided interest in IGB REIT as provided for in the Deed
<b>United States</b>	: United States of America
<b>Unitholders</b>	: The holders of the Units
<b>USD</b>	: United States Dollars
<b>Vendors</b>	: (In relation to the Acquisitions) the vendors of the Subject Properties and the Related Assets, namely: <ul style="list-style-type: none"> <li>(i) MVC in respect of Mid Valley Megamall and the Mid Valley Megamall Related Assets; and</li> <li>(ii) MVCG in respect of The Gardens Mall and The Gardens Mall Related Assets,</li> </ul> (each a " <b>Vendor</b> ")

<b>THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK</b>
--



## **PRESENTATION OF FINANCIAL, MARKET, INDUSTRY AND OTHER INFORMATION**

References to “Manager” are to “IGB REIT Management Sdn Bhd” and references to “Offeror” are to “Mid Valley City Gardens Sdn Bhd”, unless the context otherwise requires. Unless the context otherwise requires, references to “Management” are to the directors and senior management team of the Manager as at the date of this Prospectus, and statements in this Prospectus as to beliefs, expectations, estimates and opinions of IGB REIT are those of the Management. All references to “IGB REIT” in this Prospectus include references to AmTrustee Berhad, in its capacity as trustee for IGB REIT, unless the context otherwise requires.

In this Prospectus, references to the “Government” are to the Government of Malaysia; references to “Ringgit”, “Ringgit Malaysia”, “Malaysian Ringgit”, “RM” and “sen” are to the lawful currency of Malaysia.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations and a reference to a section is a reference to the relevant section of this Prospectus.

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

Any reference to a date and time in this Prospectus shall be a reference to Malaysian date and time, unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to one or two decimal places, where appropriate. Percentage changes in this Prospectus have been calculated on the basis of relevant figures before rounding.

Certain acronyms, technical terms and other abbreviations used herein are defined in the “Definitions” section of this Prospectus.

This Prospectus includes statistical data provided by the Manager and various third parties and cites third-party projections regarding growth and performance of the markets in which IGB REIT operates. This data is taken or derived from information published by industry sources and from the Manager's internal data. In each such case, the source is acknowledged in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originates from the Manager. In particular, certain information in this Prospectus is extracted or derived from the Independent Property Market Report prepared by the Independent Property Market Consultant. The Manager believes that the statistical data and projections cited in this Prospectus are useful in helping prospective investors understand the major trends in the markets in which IGB REIT operates. However, none of IGB REIT, the Manager, the Offeror, the Sponsor, the Trustee, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters has independently verified these figures. Moreover, the rapidly evolving nature of the property industry makes it difficult to obtain precise and accurate statistics. None of IGB REIT, the Manager, the Offeror, the Sponsor, the Trustee, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters make any representation as to the correctness, accuracy or completeness of such data and accordingly prospective investors should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third-party projections cited in this

Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the forecast figures. No assurances are or can be given that the estimated figures will be achieved, and prospective investors should not place undue reliance on the third-party projections cited in this Prospectus.

This Prospectus includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third-party sources or ascertained the underlying economic assumptions relied upon therein.

All the information set out in this Prospectus is presented as of the Latest Practicable Date, unless otherwise indicated.

The information on the Manager's, IGB REIT's and the Subject Properties' websites or any website directly or indirectly linked to such websites is not incorporated by reference into this Prospectus and should not be relied on.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute “forward-looking statements”. All statements other than statements of historical facts included in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of IGB REIT, the Manager, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Manager’s present and future business strategies and the environment in which IGB REIT or the Manager will operate in the future. Because these statements reflect the current views of the Manager concerning future events, these statements necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements. Investors should not place any undue reliance on these forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking terminology such as the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- estimated financial information regarding the future development and economic performance of IGB REIT’s business;
- future earnings, cash flow and liquidity;
- potential growth opportunities;
- financing plans;
- the Manager’s business strategy;
- the competitive position and the effects of competition on IGB REIT’s investment portfolio;
- development of additional revenue sources;
- the amount and nature of future capital expenditures required by IGB REIT; and
- the general industry environment.

Among the important factors that could cause the actual results, performance or achievements of IGB REIT or the Manager to differ materially from those in the forward-looking statements are the conditions of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as political, economic and social conditions in Malaysia and overseas, changes in Government laws and regulations affecting IGB REIT, competition in the Malaysian and overseas property markets in which IGB REIT may invest, currency exchange rates, interest rates, inflation, relations with tenants, relations with service providers, relations with lenders, hostilities (including any potential terrorist attacks), the performance and reputation of IGB REIT’s properties and/or acquisitions, difficulties in identifying future acquisitions, difficulty in completing acquisitions, changes in the Manager’s directors and executive officers, risks related to natural disasters, general volatility of the capital markets, general risks relating to the property market in which IGB REIT may invest and the market price of the Units as well as other matters not yet known to the Manager or not currently considered material by the Manager.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those set out in Section 5 “Risk Factors”, Section 4.5 “Profit Forecasts”, Section 4.4 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Section 2 “Business and Subject Properties” of this Prospectus. Neither IGB REIT nor the Manager can give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus. The Manager expressly disclaims any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement contained herein to reflect any change in the expectations of the Manager with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## CORPORATE DIRECTORY

<b>MANAGER</b>	:	IGB REIT Management Sdn Bhd (Company Number: 908168-A)
<b>Registered Office</b>	:	Level 32, The Gardens South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur, Malaysia Telephone No.: +603 2289 8989 Facsimile No.: +603 2289 8802
<b>Business Office</b>	:	Level 32, The Gardens South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur, Malaysia Telephone No.: +603 2289 8989 Facsimile No.: +603 2289 8802 E-mail: enquiry@igbreit.com Website: www.igbreit.com

### DIRECTORS OF THE MANAGER

No.	Name	Designation
1	Tan Sri Dato' Dr. Lin See Yan	Chairman and Independent Non-Executive Director
2	Robert Tan Chung Meng	Managing Director and Non-Independent Executive Director
3	Halim bin Haji Din	Independent Non-Executive Director
4	Le Ching Tai @ Lee Chen Chong	Independent Non-Executive Director
5	Tan Boon Lee	Non-Independent Non-Executive Director
6	Tan Lei Cheng	Non-Independent Non-Executive Director
7	Daniel Yong Chen-I	Non-Independent Executive Director
8	Elizabeth Tan Hui Ning	Non-Independent Executive Director
9	Tan Yee Seng	Non-Independent Non-Executive Director

### AUDIT COMMITTEE

No.	Name	Designation	Directorship
1	Halim bin Haji Din	Chairman	Independent Non-Executive Director
2	Tan Sri Dato' Dr. Lin See Yan	Member	Independent Non-Executive Director and Chairman
3	Le Ching Tai @ Lee Chen Chong	Member	Independent Non-Executive Director
4	Tan Lei Cheng	Member	Non-Independent Non-Executive Director

**COMPANY SECRETARY OF THE MANAGER** : Tina Chan Lai Yin (MAICSA 7001659)  
IGB Corporation Berhad  
Level 32, The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur, Malaysia  
Telephone No.: +603 2289 8989

**TRUSTEE** : AmTrustee Berhad  
(Company Number: 163032-V)

**Registered Office** : Level 22, Bangunan AmBank Group  
55, Jalan Raja Chulan  
50200 Kuala Lumpur, Malaysia  
Telephone No.: +603 2036 2633  
Facsimile No.: +603 2032 1914

**Business Office** : Level 15, Menara AmFirst  
1 Jalan 19/3  
46300 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Telephone No.: +603 7954 6862  
Facsimile No.: +603 7954 3712  
Website: [www.ambankgroup.com](http://www.ambankgroup.com)

**PROPERTY MANAGER** : Chartwell ITAC International Sdn Bhd  
(Company Number: 52312-H)  
Suite A-6-3, Level 6  
Block A, Putra Majestik  
Jalan Kasipillay, Batu 2½, Off Jalan Ipoh  
51200 Kuala Lumpur, Malaysia  
Telephone No.: +603 4043 3998  
Website: [www.chartwell-asia.com](http://www.chartwell-asia.com)

**LEGAL ADVISERS TO THE MANAGER** : Malaysian Legal Adviser:  
Rahmat Lim & Partners  
Suite 33.01 Level 33  
The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur, Malaysia  
Telephone No.: +603 2299 3888  
Website: [www.rahmatlim.com](http://www.rahmatlim.com)

Transaction and International Legal Adviser:  
Allen and Gledhill LLP  
One Marina Boulevard  
#28-00  
Singapore 018989  
Telephone No.: +65 6890 7188  
Website: [www.allenandgledhill.com.sg](http://www.allenandgledhill.com.sg)

**LEGAL ADVISERS TO THE JOINT GLOBAL COORDINATORS, JOINT BOOKRUNNERS AND JOINT UNDERWRITERS** :

Malaysian Legal Adviser:  
Albar & Partners  
6th Floor  
Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur, Malaysia  
Telephone No.: +603 2078 5588  
Website: [www.albar.com.my](http://www.albar.com.my)

International Legal Adviser:  
Linklaters Singapore Pte Ltd  
One Marina Boulevard  
#28-00  
Singapore 018989  
Telephone No.: +65 6890 7300  
Website: [www.linklaters.com](http://www.linklaters.com)

**AUDITORS/REPORTING ACCOUNTANTS** :

PricewaterhouseCoopers  
(Firm Number: AF 1146)  
Level 10, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Telephone No.: +603 2173 1188  
Website: [www.pwc.com/my/en](http://www.pwc.com/my/en)

**TAX CONSULTANT** :

PricewaterhouseCoopers Taxation Services Sdn Bhd  
(Company Number: 464731-M)  
Level 10, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Telephone No.: +603 2173 1188  
Website: [www.pwc.com/my/en](http://www.pwc.com/my/en)

**PRINCIPAL BANKERS** :

Hong Leong Bank Berhad  
(Company Number: 97141-X)  
Level 5, Wisma Hong Leong  
18 Jalan Perak  
50450 Kuala Lumpur, Malaysia  
Telephone No.: +603 2164 2828  
Website: [www.hlb.com.my](http://www.hlb.com.my)

Public Bank Berhad  
(Company Number: 6463-H)  
Head Office, Menara Public Bank  
146 Jalan Ampang  
50450 Kuala Lumpur, Malaysia  
Telephone No.: +603 2176 6000  
Website: [www.pbebank.com](http://www.pbebank.com)

- INDEPENDENT  
PROPERTY MARKET  
CONSULTANT** : CB Richard Ellis (Malaysia) Sdn Bhd  
(Company Number: 333510-P)  
#9-1, Level 9 Menara Millenium  
Jalan Damanlela, Bukit Damansara  
50490 Kuala Lumpur, Malaysia  
Telephone No.: +603 2092 5955  
Website: [www.cbre.com.my](http://www.cbre.com.my)
- INDEPENDENT  
PROPERTY VALUER** : Henry Butcher Malaysia Sdn Bhd  
(Company Number: 160636-P)  
25, Jalan Yap Ah Shak  
Off Jalan Dang Wangi  
50300 Kuala Lumpur, Malaysia  
Telephone No.: +603 2694 2212  
Website: [www.henrybutcher.com.my](http://www.henrybutcher.com.my)
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd  
(Company Number: 258345-X)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Telephone No.: +603 7841 8000  
Website: [www.mih.com.my](http://www.mih.com.my)
- REGISTRAR** : IGB Corporation Berhad (Share Registration Department)  
IGB Corporation Berhad  
(Company Number: 5745-A)  
Level 32, The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur, Malaysia  
Telephone No.: +603 2289 8989  
Website: [www.igbcorp.com](http://www.igbcorp.com)
- INTERNAL AUDITOR** : IGB Corporation Berhad (Group Internal Audit Division)  
IGB Corporation Berhad  
(Company Number: 5745-A)  
Level 32, The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur, Malaysia  
Telephone No.: +603 2289 8989  
Website: [www.igbcorp.com](http://www.igbcorp.com)



**JOINT PRINCIPAL  
ADVISERS**

: CIMB Investment Bank Berhad  
(Company Number: 18417-M)  
10<sup>th</sup> Floor Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur, Malaysia  
Telephone No.: +603 2084 8888  
Website: [www.cimb.com](http://www.cimb.com)

Hong Leong Investment Bank Berhad  
(Company Number: 43526-P)  
Level 23, Menara HLA  
3 Jalan Kia Peng  
50450 Kuala Lumpur, Malaysia  
Telephone No.: +603 2168 1168  
Website: [www.hlebroking.com](http://www.hlebroking.com)

**JOINT GLOBAL  
COORDINATORS**

: CIMB Investment Bank Berhad  
(Company Number: 18417-M)  
10<sup>th</sup> Floor Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur, Malaysia  
Telephone No.: +603 2084 8888  
Website: [www.cimb.com](http://www.cimb.com)

Credit Suisse (Singapore) Limited  
(Registration Number: 197702363D)  
1 Raffles Link  
#03/#04-01  
South Lobby  
Singapore 039393  
Telephone No.: +65 6212 2000  
Website: [www.credit-suisse.com](http://www.credit-suisse.com)

Hong Leong Investment Bank Berhad  
(Company Number: 43526-P)  
Level 23, Menara HLA  
3 Jalan Kia Peng  
50450 Kuala Lumpur, Malaysia  
Telephone No.: +603 2168 1168  
Website: [www.hlebroking.com](http://www.hlebroking.com)

**JOINT BOOKRUNNERS  
FOR THE INSTITUTIONAL  
OFFERING**

: CIMB Investment Bank Berhad  
(Company Number: 18417-M)  
10<sup>th</sup> Floor Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur, Malaysia  
Telephone No.: +603 2084 8888  
Website: [www.cimb.com](http://www.cimb.com)

Citigroup Global Markets Limited  
(Registration Number: 1763297)  
Citigroup Centre  
33 Canada Square  
Canary Wharf, London E14 5LB  
United Kingdom  
Telephone No.: +44 20 7986 4000  
Website: [www.citigroup.com](http://www.citigroup.com)

Credit Suisse (Singapore) Limited  
(Registration Number: 197702363D)  
1 Raffles Link  
#03/#04-01  
South Lobby  
Singapore 039393  
Telephone No.: +65 6212 2000  
Website: [www.credit-suisse.com](http://www.credit-suisse.com)

Credit Suisse Securities (Malaysia) Sdn Bhd  
(Company Number: 499609-H)  
Suite 7.6, Level 7, Menara IMC  
8 Jalan Sultan Ismail  
50250 Kuala Lumpur, Malaysia  
Telephone No.: +65 6212 2000  
Website: [www.credit-suisse.com](http://www.credit-suisse.com)

DBS Bank Ltd  
(Registration Number: 196800306E)  
6 Shenton Way  
#35-00 DBS Building Tower One  
Singapore 068809  
Telephone No.: +65 6878 8888  
Website: [www.dbs.com](http://www.dbs.com)

Deutsche Bank AG, Hong Kong Branch  
(Registration Number: F-2106)  
Floor 62, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong  
Telephone No.: +852 2203 8888  
Website: [www.db.com](http://www.db.com)

Goldman Sachs (Singapore) Pte.  
(Registration Number: 198602165W)  
1 Raffles Link  
#07-01 South Lobby  
Singapore 039393  
Telephone No.: +65 6889 1000  
Website: [www.goldmansachs.com](http://www.goldmansachs.com)

Hong Leong Investment Bank Berhad  
(Company Number: 43526-P)  
Level 23, Menara HLA  
3 Jalan Kia Peng  
50450 Kuala Lumpur, Malaysia  
Telephone No.: +603 2168 1168  
Website: [www.hlebroking.com](http://www.hlebroking.com)

The Hongkong and Shanghai Banking Corporation Limited, Singapore  
Branch  
(Registration Number: S16FC0010A)  
21 Collyer Quay  
#09-02 HSBC Building  
Singapore 049320  
Telephone No.: +65 6216 9008  
Website: [www.hsbc.com](http://www.hsbc.com)

J.P. Morgan Securities plc  
(Registration Number: 2711006)  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom  
Telephone No.: +44 207 777 2000  
Website: [www.jpmorgan.com](http://www.jpmorgan.com)

Maybank Investment Bank Berhad  
(Company Number: 15938-H)  
1 Jalan Maarof  
Level 10, Tower C  
Dataran Maybank  
59000 Kuala Lumpur, Malaysia  
Telephone No.: +603 2297 8888  
Website: [www.maybank-ib.com](http://www.maybank-ib.com)

**JOINT MANAGING  
UNDERWRITERS FOR THE  
RETAIL OFFERING**

: CIMB Investment Bank Berhad  
(Company Number: 18417-M)  
10<sup>th</sup> Floor Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur, Malaysia  
Telephone No.: +603 2084 8888  
Website: [www.cimb.com](http://www.cimb.com)

Hong Leong Investment Bank Berhad  
(Company Number: 43526-P)  
Level 23, Menara HLA  
3 Jalan Kia Peng  
50450 Kuala Lumpur, Malaysia  
Telephone No.: +603 2168 1168  
Website: [www.hlebroking.com](http://www.hlebroking.com)

**JOINT UNDERWRITERS  
FOR THE RETAIL  
OFFERING**

: AmInvestment Bank Berhad  
(Company Number: 23742-V)  
22nd Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur, Malaysia  
Telephone No.: +603 2078 2633  
Website: [www.ambankgroup.com](http://www.ambankgroup.com)

CIMB Investment Bank Berhad  
(Company Number: 18417-M)  
10<sup>th</sup> Floor Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur, Malaysia  
Telephone No.: +603 2084 8888  
Website: [www.cimb.com](http://www.cimb.com)

Hong Leong Investment Bank Berhad  
(Company Number: 43526-P)  
Level 23, Menara HLA  
3 Jalan Kia Peng  
50450 Kuala Lumpur, Malaysia  
Telephone No.: +603 2168 1168  
Website: [www.hlebroking.com](http://www.hlebroking.com)

Maybank Investment Bank Berhad  
(Company Number: 15938-H)  
1 Jalan Maarof  
Level 10, Tower C  
Dataran Maybank  
59000 Kuala Lumpur, Malaysia  
Telephone No.: +603 2297 8888  
Website: [www.maybank-ib.com](http://www.maybank-ib.com)

**LISTING SOUGHT**

: Main Market of Bursa Malaysia Securities Berhad

## INFORMATION SUMMARY

*This section is only a summary of the salient information on the Offering and IGB REIT, as extracted from the full text of this Prospectus. The following section is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Prospectus and investors should read and understand this Prospectus in its entirety prior to making investment decisions. If necessary, investors should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers as to the legal, business, financial, tax and related aspects of an investment in the Units.*

*There are fees involved and investors are advised to consider them before investing in IGB REIT. Investors should be aware that the rental yields of the Subject Properties as well as other real estate that IGB REIT may invest in the future are not equivalent to the yields of the Units and the current rental receipts and yields of the Subject Properties may not be sustainable. Investors should also note that the value of the Subject Properties (including other investments that IGB REIT may have in the future), Unit prices and distributions payable, if any, may go down as well as up. For information concerning certain risk factors which should be considered by prospective investors, please refer to Section 5 "Risk Factors" of this Prospectus.*

*Statements contained in this section that are not historical facts may be forward-looking statements or are historical statements reconstituted on a pro forma basis. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results of IGB REIT to differ materially from those forecast. Please refer to the section on "Forward-looking Statements" for further details. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by IGB REIT, the Manager, the Offeror, the Sponsor, the Trustee, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Managing Underwriters or any other person or that these results will be achieved or are likely to be achieved. Investing in the Units involves risks.*

## OVERVIEW OF IGB REIT

### Investment Policy

IGB REIT is a REIT established with the principal investment policy of investing, directly and indirectly, in a diversified portfolio of income producing Real Estate used primarily for retail purposes in Malaysia and overseas as well as Real Estate-Related Assets.

Real Estate used primarily for retail purposes will include retail properties and mixed-use developments with a retail component.

### Investment Objective

The Manager's key objective is to provide Unitholders with regular and stable distributions, sustainable long term Unit price and Distributable Income and capital growth, while maintaining an appropriate capital structure.

### **Key Investment Strategies**

The Manager intends to increase the income and, consequently, the value of the Subject Properties, through the following strategies:

- (i) **Active asset management strategy** – The Manager will seek to optimise the rental rates, occupancy rates and NLA of the Subject Properties in order to improve the returns from IGB REIT's property portfolio;
- (ii) **Acquisition growth strategy** – The Manager will source for and acquire properties that fit within IGB REIT's investment strategy to enhance returns to Unitholders and capitalise on opportunities for future income and NAV growth. In doing so, IGB REIT expects to benefit from a ROFR from the Sponsor to acquire the Sponsor's future retail properties and mixed-use developments with a retail component and will also pursue acquisitions from third parties that, in each case, fit with the investment criteria and investment objective of IGB REIT; and
- (iii) **Capital and risk management strategy** – The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions, will seek to manage refinancing risk and, where appropriate, will also seek to manage interest rate risk by utilising interest rate hedging strategies in compliance with the REIT Guidelines.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## SUMMARY OF IGB REIT

<b>Name of REIT</b>	IGB REIT
<b>REIT type</b>	Income stability and growth
<b>Deed</b>	Deed dated 18 July 2012
<b>The Manager</b>	IGB REIT Management Sdn Bhd
<b>The Trustee</b>	AmTrustee Berhad
<b>Approved size of IGB REIT</b>	3,550,000,000 Units
<b>Authorised Investments</b>	Real Estate, SPVs, Real Estate-Related Assets, Non-Real Estate-Related Assets, cash, deposits, money market instruments and any other investments not specified above but specified as a permissible investment in the REIT Guidelines or as otherwise permitted by the SC.
<b>Authorised Investments limits</b>	<p>The investments of IGB REIT are subject to the following investment limits imposed by the REIT Guidelines:</p> <ul style="list-style-type: none"><li>(i) at least 50.0% of IGB REIT's Total Asset Value must be invested in Real Estate Assets at all times; and</li><li>(ii) not more than 25.0% of IGB REIT's Total Asset Value may be invested in Non-Real Estate-Related Assets and/or cash, deposits and money market instruments,</li></ul> <p>provided that investments in both Real Estate-Related Assets and Non-Real Estate-Related Assets are limited as follows:</p> <ul style="list-style-type: none"><li>(i) the value of IGB REIT's investments in securities issued by any single issuer must not exceed 5.0% of IGB REIT's Total Asset Value;</li><li>(ii) the value of IGB REIT's investments in securities issued by any group of companies must not exceed 10.0% of IGB REIT's Total Asset Value; and</li><li>(iii) IGB REIT's investment in any class of securities must not exceed 10.0% of the securities issued by any single issuer; or</li></ul> <p>such other limits and investments as may be permitted by the SC or the REIT Guidelines.</p>

**Distribution Policy**

The Deed provides that the Manager shall, with the approval of the Trustee, for each distribution period, distribute all (or such other percentage as determined by the Manager at its absolute discretion) of IGB REIT's Distributable Income. It is the intention of the Manager to distribute up to 100.0% of IGB REIT's Distributable Income for the period from the date of establishment of IGB REIT to 31 December 2014 and thereafter at least 90.0% of IGB REIT's Distributable Income on a half-yearly basis (or such other intervals as the Manager may determine at its absolute discretion). The actual proportion of Distributable Income to be distributed to Unitholders beyond 31 December 2014, which shall be at the absolute discretion of the Manager, may be greater than 90.0% of IGB REIT's Distributable Income to the extent that the Manager believes it to be appropriate, having regard to IGB REIT's funding requirements, other capital management considerations and the availability of funds. Distributions, when made, will be in Ringgit Malaysia. The first distribution, which will be in respect of the period from the date of establishment of IGB REIT to 31 December 2012, will be paid by the Manager within two months from the end of the financial period ending 31 December 2012. Please refer to Section 1.6 "Distribution Policy" of this Prospectus for further details.

**Borrowing Limitations and Gearing Policy**

Up to 50.0% of the Total Asset Value of IGB REIT at the time the borrowing is incurred (or such other limit permitted by the REIT Guidelines from time to time). However, IGB REIT's total borrowings may exceed this limit with the prior approval of the Unitholders.

Upon Listing, IGB REIT will have total indebtedness of approximately RM1,206 million (net of estimated transaction costs of RM7 million) representing approximately 25.8% of its estimated Total Asset Value.

**Performance Benchmark**

The following performance indicators can be considered in reviewing the performance of IGB REIT: (i) distribution yield, (ii) NAV, (iii) total return (calculated as the change in market price of the Units over a period of time plus any distributions received during the relevant period) and (iv) MER. The performance indicators will be used to benchmark IGB REIT against its peers as well as against its own historical performance where applicable.

**Revaluation Policy**

Independent professional valuation will be obtained at least once every three years in accordance with the REIT Guidelines or such other shorter interval as the Manager deems necessary and these valuations will be conducted on the bases and methods which are in accordance with the Asset Valuation Guidelines.

**Redemption Policy**

Unitholders have no right to request the Manager to repurchase their Units.



<b>Minimum Initial Investment</b>	Minimum of 100 Units.
<b>Minimum Additional Investment</b>	Multiples of 100 Units.
<b>Investor Profile</b>	IGB REIT may appeal to an investor with long-term investment objectives who seeks regular income distribution and long term <sup>1</sup> capital appreciation, and who understands the risks related to the real estate industry and REITs.
<b>Form</b>	The Units will be issued in registered form and IGB REIT shall be constituted by the Deed.
<b>Board lot</b>	100 Units per board lot.  Investors may buy and/or sell the minimum of one board lot (i.e. a minimum of 100 Units). Any additional investment in IGB REIT will be in board lot increments.
<b>Quotation</b>	Main Market.
<b>Governing Law</b>	The Deed is governed by Malaysian law.
<b>Avenue for Advice Available to Prospective Investors</b>	The Manager strives to provide investors with quality information services to assist investors to make well informed investment decisions and keep abreast of developments relating to IGB REIT.  Enquiries can be made through: <ul style="list-style-type: none"> <li>(i) telephone number +603 2289 8989 or facsimilie number +603 2289 8802 during normal business hours;</li> <li>(ii) Level 32, The Garden South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur during normal business hours; or</li> <li>(iii) IGB REIT's e-mail at enquiry@igbreit.com or website at www.igbreit.com.</li> </ul> Normal business hours (Malaysian time): Monday to Friday from 9.00 a.m. to 5.00 p.m.

<sup>1</sup> Long-term in this context refers to a period of five years or more.

## STRUCTURE OF IGB REIT

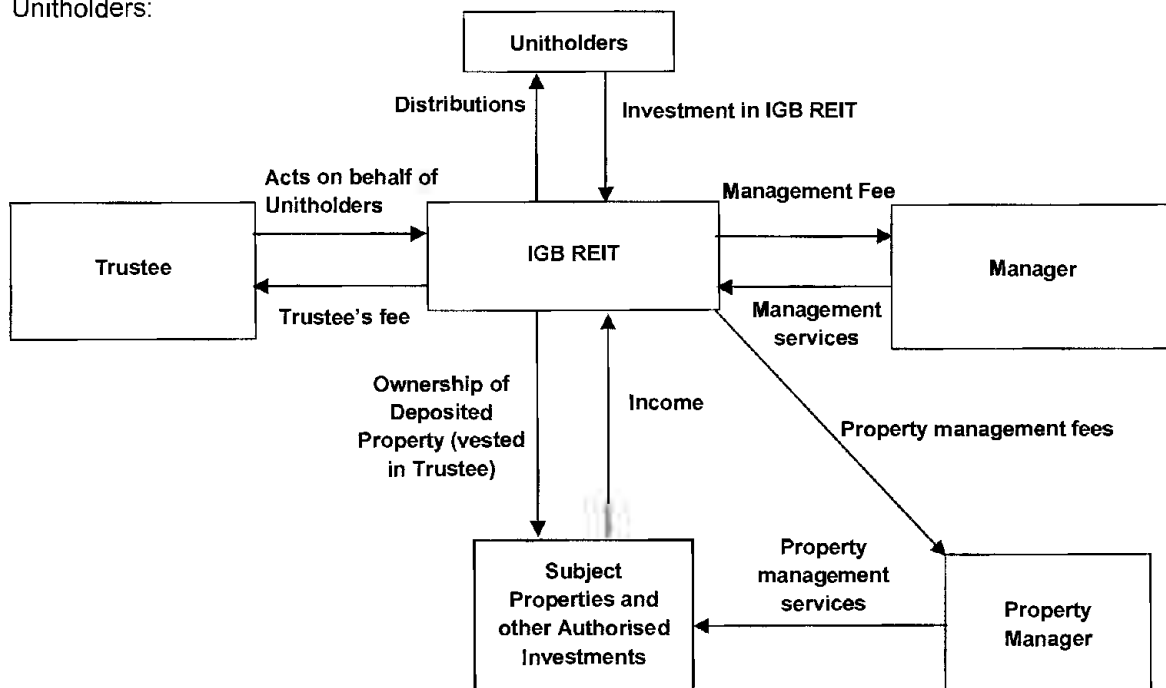
IGB REIT Management Sdn Bhd is the manager of IGB REIT. The Manager undertakes primary management activities in relation to IGB REIT. The Manager's main responsibility is to manage IGB REIT's assets and liabilities for the benefit of Unitholders, set the strategic direction of IGB REIT and give recommendations to the Trustee on the acquisition, divestment and enhancement of assets of IGB REIT in accordance with its stated investment strategy. The Manager is a wholly-owned subsidiary of the Sponsor. For further details of the Manager, please refer to Section 6 "The Manager" of this Prospectus.

IGB is the sponsor of IGB REIT. The Sponsor is one of Malaysia's largest owners and managers of investment properties by market capitalisation and asset value as at the Latest Practicable Date, with diversified interests worldwide. The Sponsor's expertise includes site acquisition and project planning, design and development, project management and construction, marketing and leasing and asset and operational management. The Sponsor is listed on Bursa Securities.

AmTrustee Berhad is the trustee of IGB REIT. The Trustee provides corporate trusteeship services for IGB REIT. For further details of the Trustee, please refer to Section 8 "The Trustee" of this Prospectus.

Chartwell ITAC International Sdn Bhd is the property manager of IGB REIT. The Property Manager is responsible for providing property management services to manage, operate, maintain and market the Subject Properties upon the terms and conditions of the Property Management Agreement. For further details of the Property Manager, please refer to Section 9 "The Property Manager" of this Prospectus.

IGB REIT will acquire the Subject Properties and the Related Assets in accordance with the terms of the SPAs. For further details of the SPAs, please refer to Section 14.3 "Salient Terms of the SPAs" of this Prospectus. The following diagram illustrates the structure of IGB REIT and indicates the relationship between IGB REIT, the Manager, the Trustee, the Property Manager and the Unitholders:



## OVERVIEW OF THE SUBJECT PROPERTIES

IGB REIT's initial property portfolio will consist of the following major retail malls in Malaysia:

- (i) Mid Valley Megamall, a five level retail mall with one mezzanine floor, two levels of basement car park and four levels of elevated car park, completed in 1999 and which is part of a mixed development comprising three office towers and two hotels (of which only Mid Valley Megamall will be acquired by the Trustee on behalf of IGB REIT). Mid Valley Megamall houses a convention centre measuring approximately 66,395 sq ft in area and has a total NLA of 1,718,951 sq ft as at 31 May 2012; and
- (ii) The Gardens Mall, an eight level retail mall together with four levels of basement car park and four levels of elevated car park, completed in 2007 and which is part of a mixed development comprising two office towers, a block of residential suites and a five-star hotel (of which only The Gardens Mall will be acquired by the Trustee on behalf of IGB REIT). The Gardens Mall has a total NLA of 817,053 sq ft as at 31 May 2012.

The Subject Properties have a combined NLA of over 2.5 million sq ft and are part of Mid Valley City, which is to the west of Kuala Lumpur City Centre and is one of the largest<sup>1</sup> mixed-use developments in Malaysia spanning a 50 acre site, combining retail, leisure, dining, entertainment, beauty and well-being, hospitality, commercial offices and an exhibition centre. Mid Valley City is served by five regional road systems, one KL LRT line and KTM Komuter railway lines and is within close proximity to the upmarket Bangsar commercial and residential areas and the established Damansara Heights, Seputeh and Petaling Jaya residential areas. The Subject Properties are located in close proximity to three hotels with 1,683 hotel rooms and serviced residences, as well as seven commercial office buildings with over 2.6 million sq ft of NLA within Mid Valley City itself. Some of the key office tenants near the Subject Properties in Mid Valley City include BHP Billiton Shared Services Malaysia Sdn Bhd, Cagamas Bhd, Danone Dumex (M) Sdn Bhd, Accenture Solutions Sdn Bhd, RAM Holdings Bhd, Steelcase Office Solutions Sdn Bhd and Tricor Services Sdn Bhd. There are also several new mixed-use development projects in the vicinity of the Subject Properties, such as Bangsar South, which is located in Kampung Kerinchi, and KL Eco City, which is sited directly opposite Mid Valley City to the east.

The Subject Properties are accessible through a network of major roads and are also accessible through various modes of public transport. In addition to public buses and taxi services, Mid Valley Megamall is directly connected to the Mid Valley KTM Komuter train station and is within close proximity to Abdullah Hukum KL LRT station. The Gardens Mall is in turn directly connected to Mid Valley Megamall via a roofed bridge and an underground tunnel. According to the Independent Property Market Report, set out in Appendix B to this Prospectus, there is a proposed linkage from Mid Valley City to the Abdullah Hukum KL LRT station via the upcoming KL Eco City.

---

<sup>1</sup> According to the Independent Property Market Consultant, Mid Valley City's total built-up area excluding car parks is estimated at 12 million sq ft. This puts it amongst one of the largest mixed developments in Malaysia. Comparable developments would be in the likes of (i) KL Sentral – 72 acres of land area, built-up area of approximately 21 million sq ft, (ii) KLCC – 100 acres of land area, built-up area of approximately 21 million sq ft, (iii) KL Eco City – 25 acres of land area, built-up area of approximately 8 million sq ft. For further details on Mid Valley City, please refer to Appendix B "Independent Property Market Report" of this Prospectus.

Further, the draft Greater Kuala Lumpur / Klang Valley Land Public Transport Masterplan released by the Land Public Transport Commission includes plans for an upcoming MRT 2 Circle Line, an orbital line of the Mass Rapid Transit system that will link areas such as Mid Valley City, Mont' Kiara, Sentul Timur, Ampang and the MATRADE development. This railway system is targeted to be completed by 2020.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

Details of the Subject Properties are set out in the table below.

	Subject Properties	
	Mid Valley Megamall	The Gardens Mall
<b>Land area of master title (sq ft)</b>	1,047,532	421,773
<b>Tenure</b>	Leasehold interest of 99 years expiring on 6 June 2103	Leasehold interest of 99 years expiring on 6 June 2103
<b>Master title information</b>	PN 37075, Lot 80 Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	PN 37073, Lot 79 Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
<b>Encumbrances/material limitations in master title<sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>• Land charge registered in favour of Malaysian Trustees Berhad (Company No. 21666-V) vide presentation no. 24812/2004 on 10 November 2004</li> <li>• Land charge registered in favour of Malaysian Trustees Berhad (Company No. 21666-V) vide presentation no. 32452/2006 on 27 December 2006</li> <li>• Private caveat lodged by the Trustee on behalf of IGB REIT vide presentation no. 12689/2012 on 26 July 2012</li> </ul>	<ul style="list-style-type: none"> <li>• Private caveat lodged by MVCG vide presentation no. 5949/2005 on 17 May 2005</li> <li>• Private caveat lodged by Public Bank Berhad (Company Number 6463-H) vide presentation no. 8085/2008 on 26 May 2008</li> <li>• Private caveat lodged by MVCG vide presentation no. 4067/2012 on 16 March 2012</li> <li>• Private caveat lodged by the Trustee on behalf of IGB REIT vide presentation no. 12690/2012 on 26 July 2012</li> </ul>
<b>Restrictions in interest in master title</b>	This land shall not be transferred, leased, secured or charged except with the consent of the Federal Territory Land Executive Committee Secretariat ( <i>Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</i> ) <sup>(2)</sup>	This land shall not be transferred, leased, secured or charged except with the consent of the Federal Territory Land Executive Committee Secretariat ( <i>Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</i> ) <sup>(3)</sup>
<b>Express conditions in master title</b>	This land shall be used for commercial building only ( <i>Tanah ini hendaklah hanya untuk bangunan perdagangan sahaja</i> )	This land shall be used for commercial building only ( <i>Tanah ini hendaklah hanya untuk bangunan perdagangan sahaja</i> )
<b>Type</b>	Retail	Retail
<b>Appraised Value as at 10 April 2012 (RM'000)</b>	3,440,000	1,160,000

	Subject Properties	
	Mid Valley Megamall	The Gardens Mall
Purchase consideration (RM'000)	3,440,000	1,160,000
Subject Properties weighting (by Appraised Value) (%)	74.8	25.2
NLA as at 31 May 2012 (sq ft)	1,718,951	817,053
GFA as at 31 May 2012 (sq ft)	6,107,103	3,379,510
Number of tenancies as at 31 May 2012	454	209
Occupancy Rate as at 31 May 2012 (%)	99.8	99.7
Number of car park bays as at 31 May 2012	6,092	4,128

**Notes:**

- (1) Save for the private caveat lodged on 26 July 2012 and a trust caveat to be lodged prior to the closing of the Retail Offering by the Trustee on behalf of IGB REIT, all the relevant documents for the discharge and withdrawal of the encumbrances/material limitations in the aforesaid master titles over the Subject Properties will be presented at the relevant land registry within one month from the date of drawdown of the Syndicated Financing Facilities and the repayment of the existing indebtedness of KrisAssets group and MVCG for Mid Valley Megamall and The Gardens Mall, respectively.
- (2) MVC has on 15 August 2012 obtained the State Authority's consent for the transfer of Mid Valley Megamall in favour of the Trustee. Please refer to Section 5.1.14 "Beneficial ownership of the Subject Properties is dependent on the validity of the State Authority's consent on the Completion Date of the SPAs and the Trustee may not be registered as the legal owner of the Subject Properties" of this Prospectus for further details.
- (3) MVCD has on 16 March 2012, obtained the State Authority's consent for the transfer of The Gardens Mall in favour of MVCG, and MVCG has in turn on 15 August 2012, obtained the State Authority's consent for the transfer of The Gardens Mall in favour of the Trustee. Please refer to Section 5.1.14 "Beneficial ownership of the Subject Properties is dependent on the validity of the State Authority's consent on the Completion Date of the SPAs and the Trustee may not be registered as the legal owner of the Subject Properties" of this Prospectus for further details.

## COMPETITIVE STRENGTHS AND INVESTMENT HIGHLIGHTS

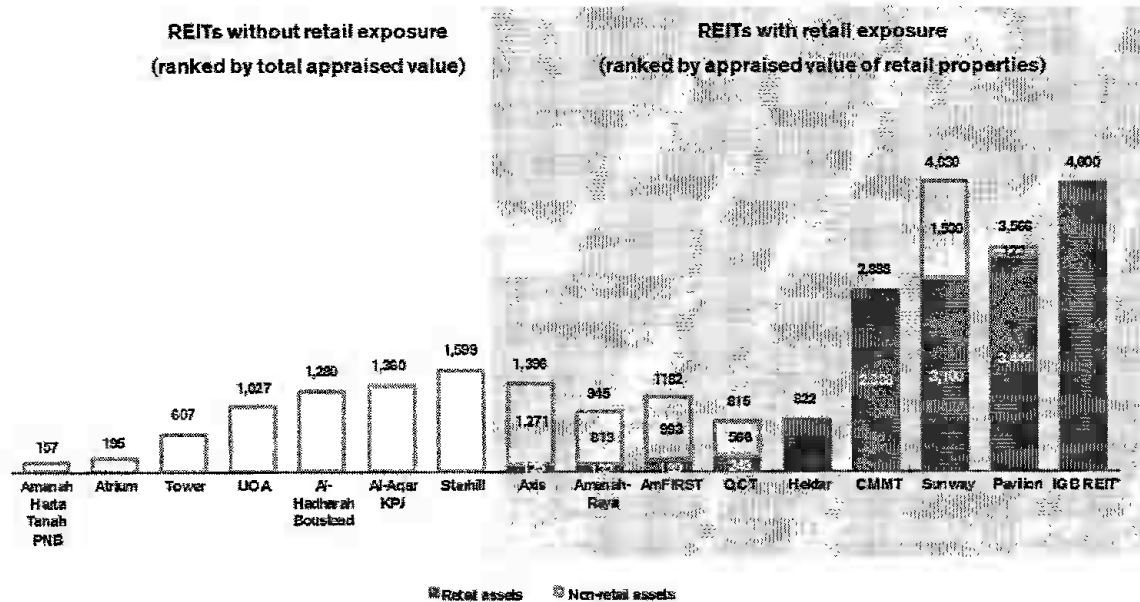
The Manager believes that an investment in IGB REIT offers the following investment attractions to Unitholders:

### One of Malaysia's largest REITs by assets and market capitalisation offering the largest retail exposure

According to the Independent Property Valuer, the Appraised Value of the Subject Properties is RM4,600 million as at 10 April 2012, making IGB REIT one of the largest Malaysia listed REITs by Appraised Value upon Listing. In addition, IGB REIT will have the largest retail property portfolio of the listed Malaysian REITs. Upon Listing, IGB REIT is expected to have a market capitalisation of RM4,250 million based on the Retail Price of RM1.25 per Unit, which may qualify IGB REIT for inclusion in certain equity indices such as, among others, the European Public Real Estate Association REIT Index.

The Manager believes that IGB REIT's size will further enhance visibility with Malaysian and international investors. IGB REIT's large asset base will allow it to raise capital in larger amounts to fund future acquisitions, thus placing it in a better competitive position to capitalise on future investment opportunities.

The chart below ranks Malaysian REITs according to appraised value and also indicates the level of retail property sector exposure where applicable.



**Source:** According to the latest publicly available financial statements and in RM millions.

\* Based on the Appraised Value of RM4,600 million as at 10 April 2012.

### **Subject Properties strategically located in Mid Valley City**

IGB REIT offers investors exposure to an initial portfolio of high quality<sup>1</sup> and well-located retail assets. The Subject Properties, comprising Mid Valley Megamall and The Gardens Mall, are part of Mid Valley City, one of the largest<sup>2</sup> mixed-use developments in Malaysia spanning a 50 acre site combining retail, leisure, dining, entertainment, beauty and well-being, hospitality, commercial offices and an exhibition centre.

#### ***Large and diverse catchment area***

According to the Independent Property Market Consultant the full catchment area of the Subject Properties extends across the whole of the Klang Valley, encompassing over six million people as at the end of 2010. Mid Valley City's strategic location nearby central Kuala Lumpur and its proximity to various suburbs of Kuala Lumpur ensures that the Subject Properties remain a preferred destination for all residents of the Klang Valley. The Subject Properties are also located in proximity to the upmarket Bangsar commercial and residential areas and the established Damansara Heights, Seputeh and Petaling Jaya residential areas, providing for an immediate catchment area which comprises some of the more affluent suburbs in the Klang Valley. Moreover, there are also several upcoming mixed-use development projects in the vicinity of the Subject Properties, such as Bangsar South, which is located in Kampung Kerinchi, and KL Eco City, which is situated directly to the east of Mid Valley City. The Manager believes that these future developments will not serve as competition for the Subject Properties but will instead draw even more shopper traffic to the Mid Valley City area.

#### ***Synergies from integration with Mid Valley City***

The Subject Properties will benefit significantly from synergies through the integrated master plan of Mid Valley City, which is home to three four- and five-star hotels with 1,683 hotel rooms and serviced residences and average occupancy rates of at least 75% as at the Latest Practicable Date. In addition, there are seven commercial office buildings spanning over 2.6 million sq ft of NLA in Mid Valley City. Some of the key office tenants in Mid Valley City include BHP Billiton Shared Services Malaysia Sdn Bhd, Cagamas Bhd, Danone Dumex (M) Sdn Bhd, Accenture Solutions Sdn Bhd, RAM Holdings Bhd, Steelcase Office Solutions Sdn Bhd and Tricor Services Sdn Bhd. In addition, Mid Valley City has been designated as a Multimedia Super Corridor Malaysia Cyber Center commercial precinct and this status has helped to attract tenants in the technology sector, bringing more office workers to the area. The presence of such notable tenants will also serve to further enhance Mid Valley City as a preferred destination for quality corporate tenants.

---

1 The quality of the Subject Properties can be seen from the large aggregate NLA of more than 2.5 million sq ft, large and diversified tenant portfolio of 663 tenants, high occupancy rates of more than 96% for the past three financial years, high renewal rates of expired tenancies of approximately 90% for the past two financial years and rising rental rates. Mid Valley Megamall has also received more than 18 awards and accolades since 1999.

2 According to the Independent Property Market Consultant, Mid Valley City's total built-up area excluding car parks is estimated at 12 million sq ft. This puts it amongst one of the largest mixed developments in Malaysia. Comparable developments would be in the likes of (i) KL Sentral – 72 acres of land area, built-up area of approximately 21 million sq ft, (ii) KLCC – 100 acres of land area, built-up area of approximately 21 million sq ft, (iii) KL Eco City – 25 acres of land area, built-up area of approximately 8 million sq ft. For further details on Mid Valley City, please refer to Appendix B "Independent Property Market Report" of this Prospectus.



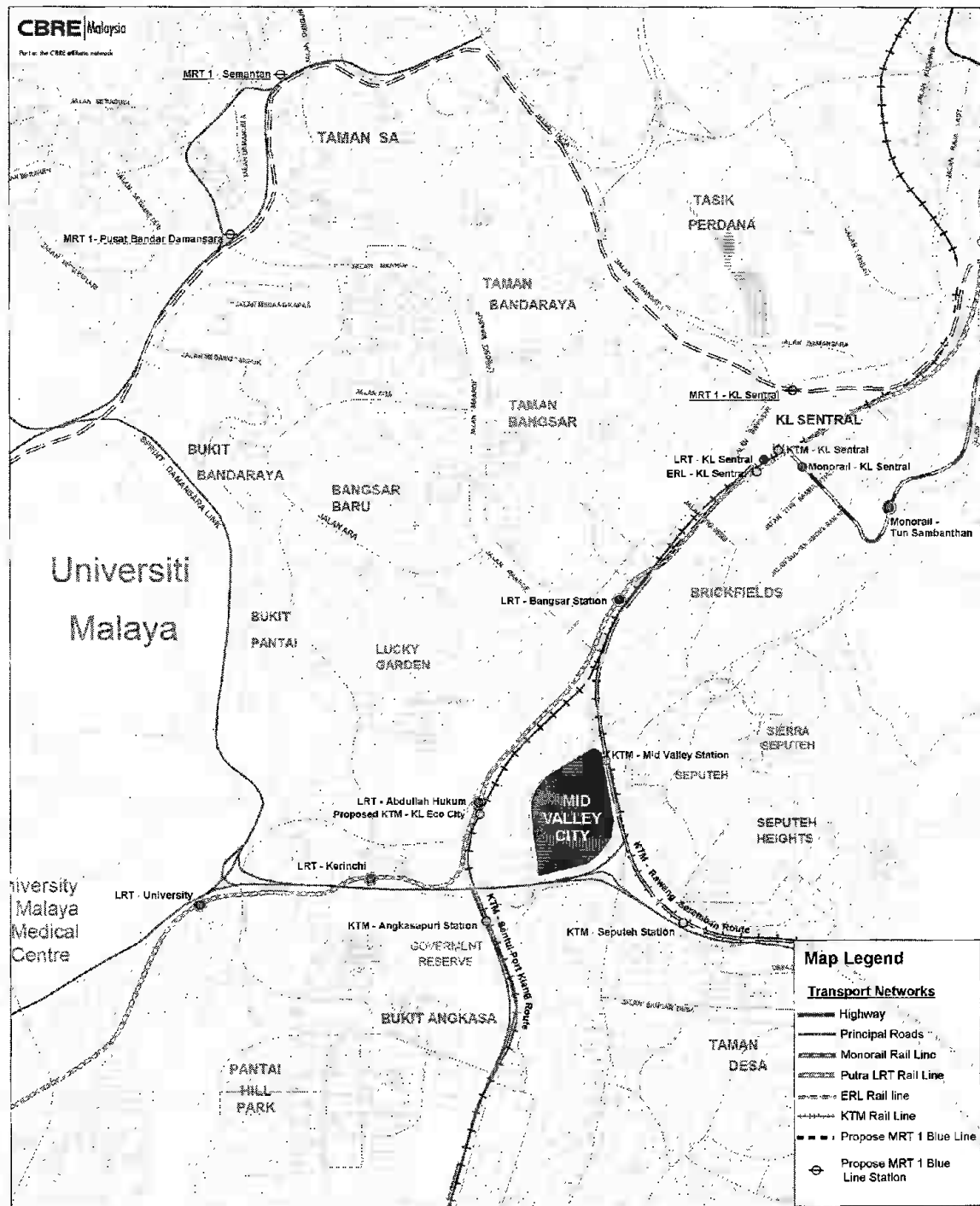
The proximity of a host of hotels, office and mixed-use properties at Mid Valley City and in the surrounding area is critical in creating a captive shopper population irrespective of the day of the week. Mid Valley City's integrated design, with office, hotel, residential, entertainment and retail components, supports strong footfall and continued shopper traffic at both of the Subject Properties throughout the week as opposed to on weekends alone.

***Superior transportation infrastructure***

The Subject Properties also benefit from the superior transportation links of Mid Valley City, which is served by five major road systems (Jalan Syed Putra, Jalan Klang Lama, Federal Highway, Jalan Maarof and Jalan Bangsar), an LRT line and the Seremban / Rawang KTM Komuter railway line. The preponderance of several major roadways and multiple forms of public transportation allows easy access to the Subject Properties by shoppers from around the Klang Valley and there are also plans by the Government to further expand public transportation near the Subject Properties through the upcoming MRT 2 Circle Line, an orbital Mass Rapid Transport system line which will link areas such as Mid Valley City, Mont' Kiara, Sentul Timur, Ampang and MATRADE development. The completion of the Circle Line will further enhance access to the Subject Properties and drive shopper traffic going forward.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

The map below indicates the transportation networks that service Mid Valley City and the Subject Properties.



Source: Independent Property Market Report

Note: The proposed MRT 2 Line and KL Monorail Extension are not shown in this map as the actual alignment has not been announced.

In addition, the Subject Properties provide parking area for 10,220 cars (6,092 bays at Mid Valley Megamall and 4,128 bays at The Gardens Mall), which is one of the largest parking areas for existing master-planned developments of a similar scale of more than 50 acres of land in Kuala Lumpur as at the Latest Practicable Date, which allows easy access by car for visitors from the whole of the Klang Valley, thus helping to facilitate consistent shopper traffic. Over the next two years, there are also plans to increase the total parking capacity to approximately 12,000 car park bays including areas in the vicinity of the Subject Properties.

### **Unique opportunity to invest in complementary retail malls**

Mid Valley Megamall and The Gardens Mall are situated adjacent to each other and have a combined NLA of over 2.5 million sq ft, creating the largest inter-linked retail property site in Malaysia<sup>1</sup>. The Subject Properties are classified as megamalls and capture multiple target customer segments due to their size and diversified tenant mix.<sup>2</sup> Combined, the Subject Properties contain 663 retail outlets as of 31 May 2012. The Manager believes that the combined size of the Subject Properties is itself a draw to shoppers from around the Klang Valley.

The Subject Properties are established destination malls of Mid Valley City and target different market segments of shoppers:

- **Mid Valley Megamall** is positioned as a one-stop mall serving as a family, tourist and lifestyle destination for local and out-of-state residents; and
- **The Gardens Mall** is positioned as a premium fashion mall focused on the higher income, domestic, expatriate and international tourist customer segments. Luxury brands at The Gardens Mall include Louis Vuitton, Mulberry, Tods, BOSS Hugo Boss, and Versace Jeans.

The wide array of offerings at and complementary nature of the Subject Properties allows IGB REIT to benefit from domestic spending trends in both high-end and mass market retail segments, drawing upon growth in both target markets while reducing concentration risks associated with focusing solely on one customer segment.

### **Positioned to capitalise on positive macroeconomic and retail trends in Malaysia**

*The following information is extracted from the Independent Property Market Report in Appendix B "Independent Property Market Report" of this Prospectus.*

IGB REIT benefits from the positive macroeconomic trends in Malaysia. Malaysia recorded Real GDP growth of 5.1% in 2011 despite concerns surrounding the European debt crisis and various natural disasters in the Asia region; for 2012, GDP growth is expected to remain strong at 5.0%. Income levels are also on the rise; from 1999 to 2009, the mean gross monthly income in Malaysia grew by a compounded annual growth rate of 5.0%. Consumer sentiment has rebounded strongly

---

1 According to the Independent Property Market Consultant, the size of Mid Valley Megamall at NLA of 1.72 million sq ft is ranked the third largest mall in Malaysia after Berjaya Times Square (NLA: 2.1 million sq ft) and 1 Utama Shopping Centre (NLA: 1.98 million sq ft). In combination with The Gardens Mall at NLA 0.82 million sq ft, these two inter-linked complexes when combined create the largest inter-linked retail property site in Malaysia at this juncture. Please refer to Appendix B "Independent Property Market Report" of this Prospectus for further details.

2 According to the Independent Property Market Consultant, megamalls are malls with NLA exceeding 1,000,000 sq ft.

since the end of the global financial crisis, reaching an index level of 106.3 in 2011 after dipping to 71.4 in 2008. In addition, unemployment rates have remained low at only 3.1% in 2011, down from a high of 3.7% in 2009.

Various key drivers of the retail sector in Malaysia are also trending positively. Retail sales increased by 8.1% in 2011 compared to an earlier forecast of 6.0%. Also of note is the fact that retail sales growth rates have exceeded GDP growth rates in Malaysia in every year since 2004 with the trend expected to continue in 2012 as well.

#### **Diverse tenant base and resilient rental rates with high occupancy rates**

The Subject Properties have 663 tenants as of 31 May 2012, which the Manager believes is a sizeable and diversified portfolio. As at 31 May 2012, the top ten tenants by Occupied NLA at Mid Valley Megamall contributed 21.3% of Gross Rental Income (56.7% of Occupied NLA) and the top ten tenants by Occupied NLA at The Gardens Mall contributed 24.6% of Gross Rental Income (51.9% of Occupied NLA). Additionally, occupancy rates have remained high and consistent at the Subject Properties; occupancy rates were 100.0%, 99.9% and 100.0% at Mid Valley Megamall and 96.7%, 98.2% and 99.6% at The Gardens Mall as at 31 December 2009, 31 December 2010 and 31 December 2011, respectively. Rental rates have also increased steadily, with average Gross Rental Income on a per sq ft basis of RM9.22 per sq ft, RM9.69 per sq ft and RM10.21 per sq ft at Mid Valley Megamall and RM7.32 per sq ft, RM7.54 per sq ft and RM8.43 per sq ft at The Gardens Mall for FY2009, FY2010 and FY2011, respectively. For FY2011, expiring leases of the Subject Properties were renewed at a rate of 93.1% for Mid Valley Megamall and 88.9% for The Gardens Mall by NLA of expired tenancies, respectively.

The majority of the Subject Properties tenancies have base rent and percentage rent components. Base rents protect IGB REIT from the risk of declining tenant sales, while percentage rents allow IGB REIT to benefit from rising tenant sales. The Subject Properties also enjoy a stable income stream as tenancy agreements are generally fixed for a term of two or three years and lease expiries are staggered across an expiry profile.

#### **Platform for future growth**

IGB REIT provides Unitholders with growth opportunities both in terms of the Subject Properties as well as through the potential acquisition of additional retail properties, especially through the Sponsor, which has provided the Trustee with a ROFR to acquire its future retail properties and mixed-use developments with a retail component. The Manager may also explore the acquisition of properties developed by third parties in instances where the potential acquisition meets the investment criteria and investment objective of IGB REIT.

There is scope for enhancement of NLA and rental revenues at both of the Subject Properties, the most recent example of which is the repositioning program undertaken at The Gardens Mall in 2009. As part of this program, the tenant layout of the mall was reconfigured to better suit the needs of the tenant base as well as to drive shopper traffic in a more efficient manner. The Manager intends to explore other opportunities for enhancing NLA and rentals including continuing to reconfigure space as appropriate as well as on-going refurbishments at both of the Subject Properties.

### **Conservative capital structure providing financial flexibility**

Based on IGB REIT's Pro Forma Statement of Financial Position, IGB REIT's debt to asset ratio upon Listing will be approximately 25.8%, which is below the average of listed Malaysian REITs of approximately 29.2%<sup>1</sup> as at 31 December 2011, and significantly below the prescribed limit under the REIT Guidelines of 50.0% of the total asset value of a REIT. IGB REIT may consider pursuing further acquisitions as a means of growing its asset size.

### **Reputable Sponsor with mall development and operations track record and experienced management team**

The sponsor of IGB REIT is IGB, which has an established track record as a property developer in Malaysia, with over 40 years of property development experience. Listed on Bursa Securities, IGB has a market capitalisation of approximately RM3.6 billion, as of 31 December 2011. In its latest financial year ended 31 December 2011, IGB group generated revenue of approximately RM772 million, with a total asset base of approximately RM5.3 billion<sup>2</sup>.

The Sponsor has a track record of developing and operating retail malls as well as properties in other asset classes such as office properties, residential properties and hotels. In 2011, for the ninth consecutive year, IGB was among The Edge's Top Ten Property Developer Awards recipients. In addition, some of IGB's noteworthy residential projects include Seri Ampang Hilir Condominium, Garden Manor Sierramas, Hampshire Place Residences, Laman Sierramas West, Cendana and One Jelatek.

Since 1999, Mid Valley Megamall has received more than 18 awards and accolades, some of which include Merit for Innovative Shopping Outlets 2010/2011 by Tourism Malaysia, Best Promotions and Events (Central Business District) Category for the Malaysia Mega Sale Carnival Awards 2009 by Tourism Malaysia, Best Retail Development Award 2001 by FIABCI Malaysia, Best Shopping Complex Award 2000 by Tourism Malaysia and Gold Award in the Shopping Complex of the Year Category 1999 by Retail World Excellence Award.

The Manager and the property-level management teams for each of the Subject Properties consist of experienced retail real estate professionals, many of whom have been with IGB for several years and with the respective Subject Properties since their inception. As such, they maintain familiarity and in-depth knowledge of the Subject Properties, making them uniquely positioned to foster future growth.

For further details of the Sponsor, please refer to Section 7 "Background Information on the Sponsor" of this Prospectus.

---

1 Based on publicly available financial statements of the respective REITs as at 31 December 2011.

2 IGB group's total asset base of approximately RM5.3 billion as at 31 December 2011 (which is accounted for using the historical cost method) includes the historical cost (net of accumulated depreciation and impairment) of the Subject Properties of RM1.03 billion as at the same date.

**PRINCIPAL STATISTICS RELATING TO THE OFFERING**

<b>The Offering</b>	670,000,000 Offer Units offered for sale under the Institutional Offering and the Retail Offering.
<b>The Institutional Offering</b>	469,000,000 Offer Units offered for sale by the Offeror, subject to Clawback and Reallocation, by way of placement to:  (i) Malaysian institutional and selected investors; and  (ii) institutional and selected investors outside Malaysia and outside the United States in reliance upon Regulation S under the Securities Act,  at the Institutional Price.
<b>The Retail Offering</b>	201,000,000 Offer Units offered for sale by the Offeror, subject to Clawback and Reallocation, to the Malaysian Public via balloting and the Reserved Units.
<b>Reserved Units</b>	167,000,000 Offer Units under the Retail Offering reserved for subscription by:  (i) the eligible directors and employees of the Manager;  (ii) the eligible directors and employees of the Sponsor;  (iii) the eligible directors and employees of the Sponsor's eligible subsidiaries (excluding the Manager but including the Vendors); and  (iv) the eligible shareholders of the Sponsor,  at the Retail Price.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**Clawback and Reallocation**

- (i) Subject to paragraph (iii) below, the Offer Units may be clawed-back and reallocated to the Institutional Offering from the Retail Offering at the discretion of the Joint Global Coordinators and the Joint Managing Underwriters (in consultation with the Manager and the Offeror), in the event of an over-subscription in the Institutional Offering and a corresponding under-subscription in the Retail Offering.
- (ii) In the event of an over-subscription in the Retail Offering and an under-subscription in the Institutional Offering, up to 37,000,000 Offer Units (being the difference between 2.0% of IGB REIT's approved fund size of 71,000,000 Units and the balloted public portion of the Retail Offering of 34,000,000 Offer Units) will be clawed-back from the Institutional Offering and reallocated to the Retail Offering, while any additional reallocation in excess of 37,000,000 Offer Units would be at the discretion of the Joint Global Coordinators and the Joint Managing Underwriters (in consultation with the Manager and the Offeror).
- (iii) Subject to the preceding paragraphs and the Retail Underwriting Agreement, in the event any of the Reserved Units are not subscribed for in full, the Reserved Units not taken up<sup>1</sup> will first be made available to satisfy excess applications (if any) under the balloted public portion of the Retail Offering, with any excess thereafter to be made available to satisfy excess applications (if any) under the Institutional Offering.

The Clawback and Reallocation provision shall not apply in the event of an over-subscription in both the Retail Offering and the Institutional Offering.

---

<sup>1</sup> For the avoidance of doubt, this may include the 64,792,076 Offer Units (as described in Section 3.4.4 "Undertakings to Subscribe" of this Prospectus) for which irrevocable undertakings have been obtained from certain shareholders of the Sponsor and directors and employees of the Manager to subscribe to their respective entitlement under the Reserved Units allocation, in the unlikely event that these parties do not subscribe to such Reserved Units allocated to them in accordance with the irrevocable undertakings.

**Retail Price**

RM1.25 per Offer Unit, determined and agreed upon by the Manager, the Offeror, the Joint Principal Advisers, the Joint Global Coordinators and the Joint Managing Underwriters after taking into consideration the following factors:

- (i) the financial history and conditions of the Subject Properties;
- (ii) the pro forma NAV per Unit upon Listing of approximately RM0.996;
- (iii) the forecast distribution yields of IGB REIT;
- (iv) the future prospects of IGB REIT; and
- (v) the prevailing capital and property market conditions and sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date and will be equal to the lower of:

- (i) the Retail Price of RM1.25 per Offer Unit; and
- (ii) the Institutional Price.

Prospective retail investors should be aware that the Final Retail Price will not, in any event, be higher than the Retail Price.

**Institutional Price**

The price per Offer Unit payable by the investors pursuant to the Institutional Offering which will be determined by way of bookbuilding.

**Expected Gross Proceeds**

Based on a Retail Price of RM1.25 per Offer Unit, the Offering is expected to raise gross proceeds of RM837.5 million arising from the offer for sale of 670,000,000 Offer Units. The Offeror will receive all the proceeds from the Offering.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**



**Listing Expenses**

Listing expenses will be funded through internally generated funds of IGB REIT from rental income from the Subject Properties. The expenses will be fully settled within one month of the Listing.

<b>Estimated Listing expenses</b>		<b>(RM'000)</b>
Professional and advisory fees	:	9,500
Regulatory fees	:	800
Printing, marketing and advertising expenses	:	2,500
Financing expenses	:	7,000
Other related expenses	:	200
Total	:	<u>20,000</u>

The Offeror will receive all the proceeds from the Offering and will bear all costs relating to the Offering comprising the underwriting fees and commissions, placement commission and brokerage expenses estimated to be approximately RM27 million.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## **FINANCIAL HIGHLIGHTS**

### **IGB REIT's Pro Forma Statement of Financial Position**

*The following is an extract from Section 4.1 "Pro Forma Statement of Financial Position" of this Prospectus.*

*As at the date of its establishment, IGB REIT will not have any assets and liabilities. The following table represents the Pro Forma Statement of Financial Position of IGB REIT, prepared for illustrative purposes only, to show the effects of the Acquisitions based on the assumption that such events had been effected on the date of establishment of IGB REIT and are not represented as being necessarily indicative of IGB REIT's view of its future financial position. IGB REIT's Pro Forma Statement of Financial Position should be read in conjunction with Section 4.1 "Pro Forma Statement of Financial Position", Section 4.4 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Reporting Accountants' Letter on the Pro Forma Statement of Financial Position" in Appendix D and the related notes in this Prospectus.*

*IGB REIT's Pro Forma Statement of Financial Position has been prepared for illustrative purposes using the financial statements of KrisAssets group which is prepared in accordance with the Malaysian FRS, and in a manner consistent with the format of the financial statements, basis of preparation and the accounting policies to be adopted by IGB REIT as set out in Section 4.4.4 "Significant Accounting Policies" of this Prospectus.*

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**IGB REIT's Pro Forma Statement of Financial Position as at its date of establishment**

	<b>Unaudited (RM'000)</b>
<b>Non-current assets</b>	
Investment properties	4,600,000
Plant and equipment	12,559
	<u>4,612,559</u>
<b>Current assets</b>	
Unamortised incentives <sup>(1)</sup>	9,199
Cash and bank balances	50,160
	<u>59,359</u>
<b>Current liabilities</b>	
Syndicated Financing Facilities <sup>(2)</sup>	12,559
Tenant deposits	27,401
	<u>39,960</u>
Net current assets	19,399
	<u><b>4,631,958</b></u>
<b>Financed by:</b>	
Unitholders' capital <sup>(3)</sup>	4,237,000
Accumulated losses <sup>(4)</sup>	(850,000)
Unitholders' fund	<u>3,387,000</u>
<b>Non-current liabilities</b>	
Syndicated Financing Facilities <sup>(2)</sup>	1,193,000
Tenant deposits	51,958
	<u>1,244,958</u>
	<u><b>4,631,958</b></u>
NAV (RM'000)	3,387,000
Units in issue ('000)	3,400,000
NAV per Unit (RM)	0.996

**Notes:**

- (1) *The unamortised incentives represent the unamortised balance of fit-out incentives given to certain tenants in cash, which is recognised over the lease term on a straight-line basis, for securing the next renewal term with the respective tenants.*
- (2) *The portion of the Syndicated Financing Facilities to be drawdown upon the date of establishment of IGB REIT, totalling approximately RM1,213 million (net of estimated transaction costs of RM7 million), to part finance the Acquisitions.*

- (3) *Unitholders' funds of RM4,250 million, net of estimated expenses in relation to the issue of the Units of approximately RM13 million.*
- (4) *The difference between the fair value of the Consideration Units and the aggregate carrying amounts of assets and liabilities acquired as of the date of the business combination is included in equity – accumulated losses.*

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

### **Pro Forma Net Property Income**

*The following is an extract from Section 4.3 "Pro Forma Net Property Income" of this Prospectus.*

*The table presents the pro forma net property income of IGB REIT for the FY2009, FY2010, FY2011, and FPE2011 and FPE2012. The pro forma net property income should be read in conjunction with Section 4.3 "Pro Forma Net Property Income" and Section 4.4 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Prospectus.*

*The objective of the pro forma net property income of IGB REIT is to show what the results of operations might have been had IGB REIT existed at an earlier date. However, the pro forma net property income of IGB REIT is not necessarily indicative of the results of operation that would have been attained had IGB REIT actually existed earlier.*

*The pro forma net property income of IGB REIT for the FY2009, FY2010, FY2011, and the FPE2011 and FPE2012 has been prepared based on the Vendors' audited financial statements for the FY2009, FY2010, FY2011 and unaudited management financial statements for FPE2011 and FPE2012. Certain numbers have been re-presented or reclassified in this pro forma to conform with the basis of presentation of the pro forma net property income and may not be consistent with the basis of presentation in the audited financial statements of the Vendors. The pro forma net property income has been prepared in accordance with Malaysian FRS and in a manner consistent with the format and accounting policies to be adopted by IGB REIT.*

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

<b>RM'000</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FPE2011</b>	<b>FPE2012</b>
Gross Rental Income	252,070	266,681	285,839	70,727	73,864
Other income	74,753	79,336	89,565	20,749	22,243
<b>Total Revenue</b>	<b>326,823</b>	<b>346,017</b>	<b>375,404</b>	<b>91,476</b>	<b>96,107</b>
Utilities	(43,796)	(43,553)	(45,485)	(10,601)	(11,658)
Maintenance expenses	(19,414)	(17,439)	(20,264)	(4,404)	(4,698)
Other operating expenses	(61,450)	(67,044)	(59,247)	(13,307)	(13,010)
<b>Property Operating Expenses</b>	<b>(124,660)</b>	<b>(128,036)</b>	<b>(124,996)</b>	<b>(28,312)</b>	<b>(29,366)</b>
<b>NPI</b>	<b>202,163</b>	<b>217,981</b>	<b>250,408</b>	<b>63,164</b>	<b>66,741</b>

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

## **Profit Forecasts**

*The following is an extract from Section 4.5 "Profit Forecasts" of this Prospectus. Statements contained in Section 4.5 "Profit Forecasts" of this Prospectus that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in Section 4.5.3 "Bases and Assumptions" of this Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction by any of IGB REIT, the Manager, the Offeror, the Sponsor, the Trustee, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters, the Joint Underwriters or any other person that the underlying assumptions will materialise, or that these results will be achieved or are likely to be achieved. Please refer to the Section on "Forward-looking Statements" and Section 5 "Risk Factors" of this Prospectus for further details. Investors in the Units are cautioned not to place undue reliance on these forward-looking statements.*

***None of IGB REIT, the Manager, the Offeror, the Sponsor, the Trustee, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters or the Joint Underwriters guarantees the performance of IGB REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast yields stated in the following table are calculated based on the Retail Price of RM1.25.***

***Such yields will vary accordingly for investors who purchase Units at a price that differs from the Retail Price.***

***Investors are cautioned that rental yield on the Subject Properties to be held by IGB REIT is not equivalent to the yield of the Units. Current rental receipts and yields may not sustain. The values of the Subject Properties may rise as well as fall.***

The following table shows IGB REIT's Profit Forecasts for the Forecast Period 2012 and the Forecast Year 2013. The financial year end of IGB REIT is 31 December. The Forecast Period 2012 has been prepared assuming that the first financial year is the six-month period ending 31 December 2012, and assuming a date of establishment of IGB REIT of 1 July 2012. The Profit Forecasts may be different to the extent that the date of establishment of IGB REIT is other than 1 July 2012. The Profit Forecasts are based on the assumptions set out below and have been examined by the Reporting Accountants and should be read together with the "Reporting Accountants' Letter on the Profit Forecasts" set out in Appendix E, as well as the assumptions and the sensitivity analysis set out in Section 4.5.4 "Sensitivity Analysis" of this Prospectus.

	Forecast Period 2012 <sup>(1)</sup> (RM'000)	Forecast Year 2013 <sup>(2)</sup> (RM'000)
Gross Rental Income	154,712	321,026
Other Income	43,076	87,077
<b>Total Revenue</b>	<b>197,788</b>	<b>408,103</b>
Utilities Expenses	(23,425)	(48,256)
Maintenance Expenses	(10,436)	(21,498)
Quit Rent and Assessment	(5,277)	(10,554)
Other Operating Expenses	(26,305)	(51,203)
<b>Property Operating Expenses</b>	<b>(65,443)</b>	<b>(131,511)</b>
<b>Net Property Income</b>	<b>132,345</b>	<b>276,592</b>
Interest Income	1,494	4,284
<b>Net Investment Income</b>	<b>133,839</b>	<b>280,876</b>
Manager's management fees	(13,563)	(27,711)
Trustee's Fee	(140)	(280)
Other Trust Expenses	(1,000)	(2,000)
Borrowing Costs	(27,396)	(54,791)
<b>Profit before Taxation</b>	<b>91,740</b>	<b>196,094</b>
Taxation	-	-
<b>Profit after Taxation</b>	<b>91,740</b>	<b>196,094</b>
Add: Non cash items <sup>(3)</sup>	16,992	34,382
<b>Distributable Income</b>	<b>108,732</b>	<b>230,476</b>
Number of Units in issue (in million) <sup>(4)</sup>	3,411	3,433
Distribution rate	100.00%	100.00%
Distribution per Unit (sen) <sup>(5)(6)</sup>	6.38	6.71
Retail Price (RM/Unit)	1.25	1.25
<b>Distribution Yield on Retail Price<sup>(6)</sup></b>	<b>5.10%</b>	<b>5.37%</b>

**Notes:**

(1) The six-month period commencing from 1 July 2012 and ending on 31 December 2012.

(2) The 12-month period commencing from 1 January 2013 and ending on 31 December 2013.

(3) Non cash items comprise the Management Fee payable in Units, amortisation of fit out incentives, amortisation of capitalised borrowing costs and depreciation of plant and equipment.

(4) The increase in the number of Units in issue is a result of the assumed payment of 100.0% of the Management Fee for the relevant period in the form of Units, issued at an assumed issue price of RM1.25 per Unit.

(5) Assumes a date of establishment of IGB REIT of 1 July 2012.

(6) Distribution for the Forecast Period 2012 has been annualised.



## **RISK FACTORS**

Prospective investors should carefully consider certain risks connected with an investment in the Units, as set out in Section 5 "Risk Factors" of this Prospectus.

### **Risks Relating to the Subject Properties**

- (i) The Subject Properties have tenancy cycles in which a substantial number of the tenancies expire in certain years.
- (ii) The Subject Properties may face increasing competition from other retail properties as well as other retail channels.
- (iii) The loss of key tenants of the Subject Properties, a downturn in the businesses of the Subject Properties' key tenants or any breach by the key tenants of their obligations under their tenancy agreements may have a material adverse effect on the financial conditions and results of operations of IGB REIT.
- (iv) The Subject Properties may require significant capital expenditure beyond the Manager's current estimate and IGB REIT may not be able to secure funding.
- (v) Transportation infrastructure near the Subject Properties may be redirected, relocated, terminated, delayed or not completed.
- (vi) IGB REIT may be adversely affected by construction or development works around the vicinity of the Subject Properties, including the further development of Mid Valley City.
- (vii) Renovations, asset enhancement works and physical damage to the Subject Properties may disrupt the business and operations of the Subject Properties and collection of Gross Rental Income or otherwise resulting in an adverse impact on the financial condition of IGB REIT.
- (viii) The Subject Properties might be adversely affected if the Manager and the Property Manager do not provide adequate management and maintenance.
- (ix) IGB REIT may suffer material losses in excess of insurance proceeds or IGB REIT may not put in place or maintain adequate insurance in relation to the Subject Properties and its potential liabilities to third parties.
- (x) The due diligence on the Subject Properties may not have identified all material defects, breaches of laws and regulations and other deficiencies.
- (xi) The Appraised Values of the Subject Properties are based on various assumptions which may or may not materialise; the price at which IGB REIT is able to sell the Subject Properties in future may be lower than the acquisition value of the Subject Properties.
- (xii) IGB REIT is dependent on third parties for certain services.
- (xiii) Completion of the SPAs and transfer of certain contracts or licences may not occur.
- (xiv) Beneficial ownership of the Subject Properties is dependent on the validity of the State Authority's consent on the Completion Date of the SPAs and the Trustee may not be registered as the legal owner of the Subject Properties.

- (xv) The Subject Properties or any part of them may be acquired compulsorily.
- (xvi) Lack of control and rights to manage the common properties of Mid Valley City may lead to a decrease in income generated, which in turn, may have an adverse effect on IGB REIT's financial condition and results of operations.
- (xvii) IGB REIT has no control over the master title of the Subject Properties.

**Risks Relating to IGB REIT's Operations**

- (i) IGB REIT is exposed to economic and real estate market conditions (including uncertainties and instability in global market conditions and increased competition in the retail property market).
- (ii) The Total Revenue earned from, and the value of, the Subject Properties may be adversely affected by a number of factors.
- (iii) Operating risks inherent to the retail property industry and increases in operating and other expenses of the Subject Properties may have an adverse effect on IGB REIT's financial condition and results of operations.
- (iv) IGB REIT will rely on Mid Valley Megamall and The Gardens Mall for all of its NPI.
- (v) IGB REIT is subject to risks inherent in concentrating investments primarily in retail properties in a single country.
- (vi) The amount IGB REIT may borrow is limited, which may affect the operations and expansion of IGB REIT.
- (vii) Changes in consumer behaviour patterns in Malaysia may adversely affect IGB REIT.
- (viii) IGB REIT may face risks associated with debt financing and existing and future debt facilities and debt covenants may limit or affect IGB REIT's operations.
- (ix) The Manager may not be able to successfully implement its investment strategies, including asset enhancements, for IGB REIT.
- (x) IGB REIT may not meet the requirements to enjoy tax exemptions under Section 61A of the Income Tax Act by virtue of (among other things) tax adjustments which could affect the requirement of 90.0% distribution of taxable income or changes in tax laws.
- (xi) IGB REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations.
- (xii) The removal of the Manager may have an adverse effect on IGB REIT's financial condition and results of operations.
- (xiii) IGB REIT may be adversely affected by the illiquidity of real estate investments and the lack of alternative uses and may be exposed to a higher level of risk compared to other types of unit trusts that have a more diverse range of investments.
- (xiv) Possible change of investment strategies may adversely affect Unitholders' investments in IGB REIT.

- (xv) IGB REIT is subject to third-party litigation risk by shoppers, contractors and tenants of the Subject Properties which may result in significant liabilities and damage to IGB REIT's reputation.
- (xvi) IGB REIT may engage in interest rate hedging transactions in compliance with the REIT Guidelines, which can limit gains and increase costs.
- (xvii) While the Subject Properties are located in Malaysia, IGB REIT's future acquisitions may be located outside Malaysia, which would expose IGB REIT to risks in other countries.
- (xviii) Potential conflicts of interest among IGB REIT, the Manager and the Sponsor or its subsidiaries may result in corporate actions and business decisions that are not in the Unitholders' best interests.
- (xix) IGB REIT and the Manager are newly established entities without an established operating history.
- (xx) IGB REIT may incur unanticipated costs and liabilities, in connection with environmental laws and regulations.
- (xxi) Occurrence of any acts of God, war and terrorist attacks may adversely and materially affect the business and operations of the Subject Properties.
- (xxii) The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere may adversely impact the business, financial condition and results of operations of IGB REIT.
- (xxiii) IGB REIT and the Manager are reliant on the Vendors for the use of, among others, the "Mid Valley" and "The Gardens" brand names.

**Risks Relating to an Investment in the Units**

- (i) The actual performance of IGB REIT and the Subject Properties could differ materially from the forward-looking statements in this Prospectus.
- (ii) The sale of a substantial number of Units by the Sponsor and/or any of its transferees of the Units (following the lapse of the lock-up arrangements) could adversely affect the price of the Units.
- (iii) IGB REIT's Pro Forma Statement of Financial Position and Pro Forma Net Property Income included herein may not reflect actual financial position and results.
- (iv) IGB REIT may not be able to make distributions to Unitholders or the level of distributions may fall.
- (v) The NAV per Unit may be diluted if further issues are priced below the then current NAV per Unit.
- (vi) Unitholders who do not or are not able to participate in future equity financing by IGB REIT will experience a dilution of their interest in IGB REIT.
- (vii) The price of the Units may decline after the Listing.
- (viii) Cyclical market and economic conditions may affect the price and demand for the Units.

- (ix) The laws, regulations and accounting standards in Malaysia may change, including the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs.
- (x) The Malaysian Ringgit may be subject to exchange controls.
- (xi) Foreign investment in Malaysian assets may be subject to further controls.
- (xii) Unitholders may be unable to recover claims brought against the Manager as the Manager is not an entity with significant assets.
- (xiii) The Manager is not obliged to redeem the Units.
- (xiv) The REIT market in Malaysia is relatively undeveloped compared to the REIT markets in Australia, Hong Kong and Singapore and the Units have never been publicly traded; the listing of the Units on the Main Market may not result in an active or liquid market for the Units.
- (xv) Failure in the Listing may result in refund of monies without interest.
- (xvi) There is no assurance that the Units will remain listed on Bursa Securities and/or not be suspended from trading.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## FEES AND CHARGES

There are fees and charges involved and investors are advised to consider them before investing in IGB REIT.

The following is a summary of the amount of certain fees and charges payable by the Unitholders in connection with the purchase, sale and holding of their investments in IGB REIT or trading of the Units on Bursa Securities (so long as the Units are listed):

	Payable by the Unitholders directly	Amount payable
(a)	Bursa Securities clearing fee	0.03% of the transaction value, subject to a maximum of RM1,000 per transaction
(b)	Brokerage	A percentage of the transaction value prescribed by or negotiated with the ADAs, subject to a minimum of RM40 per transaction save for (i) online routed retail transactions, (ii) transactions executed in less than a board lot and (iii) transactions paid with cash upfront, for which the minimum brokerage fees are fully negotiable
(c)	Stamp duty	Transfer of units of a unit trust is exempted from stamp duty under Item 32 Exemption Paragraph (c), First Schedule of the Stamp Act, 1949

The above rates may be subject to changes by the relevant parties. Further information on the charges you may incur from the trading of Units on Bursa Securities may be found on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

The following is a summary of certain fees and charges payable by IGB REIT in connection with the establishment and on-going management and operation of IGB REIT:

	Payable by IGB REIT	Amount payable
(a)	Management Fee ( <i>Payable to the Manager</i> )	<p>The Manager may elect to receive the Management Fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine). The Manager is entitled under the Deed to the following management fees (exclusive of service tax, if any):</p> <p><b>(i) Base Fee</b></p> <p>Up to 1.0% per annum of the Total Asset Value of IGB REIT (excluding cash and bank balances which</p>

Payable by IGB REIT	Amount payable
	<p>are held in non-interest bearing accounts)<sup>1</sup>.</p> <p>For the purposes of calculating the Base Fee only, where IGB REIT holds its investments through one or more SPVs, the Total Asset Value shall include the value of all the assets of the relevant SPV, pro-rated, if applicable, to the proportion of IGB REIT's interest in the relevant SPV.</p> <p>The Manager intends to charge a Base Fee of 0.3% for the Forecast Period 2012 and the Forecast Year 2013.</p> <p><b>(ii) Performance Fee</b></p> <p>5.0% per annum of IGB REIT's NPI in the relevant financial year.</p> <p><b>(iii) Acquisition Fee</b></p> <p>1.0% of the transaction value (being the total purchase consideration) of any Real Estate and Real Estate-Related Assets directly or indirectly acquired from time to time by the Trustee or one or more SPVs on behalf of IGB REIT pro-rated, if applicable, to the proportion of IGB REIT's interest.</p> <p>In the case of acquisition of SPVs or holding entities which holds Real Estate, 1.0% of the underlying value (as determined by an independent valuer appointed by the Trustee) of any Real Estate (which are directly or indirectly held through one or more SPVs of IGB REIT) pro-rated, if applicable, to the proportion of IGB REIT's interest.</p> <p>Any payment to third party agents or brokers in connection with the acquisition of any Real Estate or Real Estate-Related Assets for IGB REIT shall not be paid by the Manager out of the acquisition fee received or to be received by the Manager (but shall be borne by IGB REIT).</p> <p>For the avoidance of doubt, no Acquisition Fee is payable with respect to acquisition of the Subject Properties in connection with the Listing but Acquisition Fee is payable with respect to all other</p>

<sup>1</sup> For the avoidance of doubt, the Base Fee is applicable to cash and bank balances in interest bearing accounts. Pursuant to the REIT Guidelines, not more than 25.0% of IGB REIT's Total Asset Value may be invested in Non-Real Estate-Related Assets and/or cash, deposits and money market instruments. For further details of the investment limits of IGB REIT, please refer to Section 1.3.4 "Authorised Investments and Investment Limits" of this Prospectus.

Payable by IGB REIT	Amount payable
	<p>transactions (which includes related party and non-related party transactions), including acquisitions from the Sponsor.</p> <p><b>(iv) Divestment Fee</b></p> <p>0.5% of the transaction value (being the total sale consideration) of any Real Estate and Real Estate-Related Assets directly or indirectly sold or divested from time to time by the Trustee or one or more SPVs on behalf of IGB REIT pro-rated, if applicable, to the proportion of IGB REIT's interest.</p> <p>In the case of divestment of SPVs or holding entities which holds Real Estate, 0.5% of the underlying value (as determined by an independent valuer appointed by the Trustee) of any Real Estate (which are directly or indirectly held through one or more SPVs of IGB REIT) pro-rated, if applicable, to the proportion of IGB REIT's interest.</p> <p>Any payment to third party agents or brokers in connection with the sale or divestment of any Real Estate and Real Estate-Related Assets for IGB REIT shall not be paid by the Manager out of the divestment fee received or to be received by the Manager (but shall be borne by IGB REIT).</p> <p>For the avoidance of doubt, the Divestment Fee is payable with respect to all transactions (which includes related party and non-related party transactions), including divestments to the Sponsor, as well as for compulsory acquisitions.</p> <p>Based on the Profit Forecast, the Management Fee estimated for the Forecast Period 2012 and Forecast Year 2013 amounts to RM13.6 million and RM27.7 million respectively, which were computed based on a base fee of 0.3% per annum of the Total Asset Value of IGB REIT (excluding cash and bank balances which are held in non-interest bearing accounts) and a performance fee of 5.0% per annum of the NPI of the Subject Properties for both the Forecast Period 2012 and the Forecast Year 2013.</p>

Payable by IGB REIT	Amount Payable
	For the Forecast Period 2012 and the Forecast Year 2013, the Manager intends to receive up to 100% of its Management Fee in the form of Units. For the purposes of the Profit Forecasts, it is assumed that 100% of the Management Fee will be paid in Units for both the Forecast Period 2012 and the Forecast Year 2013.
(b) Trustee's fee <i>(Payable to the Trustee)</i>	Up to 0.03% per annum of the NAV of IGB REIT.
(c) Property management fee <i>(Payable to the Property Manager)</i>	<p>The Property Manager is entitled to receive RM20,000 per month for the Subject Properties.</p> <p>In addition, the Property Manager is also entitled to full reimbursement of costs and expenses incurred in the operation, maintenance, management and marketing of the Subject Properties, including fees and reimbursements for similar permissible expenses payable to its services provider(s).</p>
(d) Other REIT expenses	<p>These include:</p> <ul style="list-style-type: none"> <li>• auditor's fee;</li> <li>• valuation fee;</li> <li>• professional fees;</li> <li>• reporting fees;</li> <li>• borrowing costs;</li> <li>• annual listing fee;</li> <li>• tax consultant's fees;</li> <li>• printing, posting and general expenses that are directly related to and necessary for the administration of IGB REIT; and</li> <li>• all other expenses related to IGB REIT as provided for in the Deed.</li> </ul>

For the avoidance of doubt, any rebates and soft commissions shall be paid in accordance with the REIT Guidelines. For further details of the fees and charges, please refer to Section 3.12 "Brokerage, Commissions and Other Fees and Charges", Section 6.6 "Management Fees", Section 8.5 "Trustee's Fee" and Section 9.5 "Property Management Fee" of this Prospectus.



# 1. DETAILED INFORMATION ON IGB REIT

## 1.1 OVERVIEW OF IGB REIT

### Investment Policy

The principal investment policy of IGB REIT is to invest, directly and indirectly, in a diversified portfolio of income producing Real Estate used primarily for retail purposes in Malaysia and overseas as well as Real Estate-Related Assets.

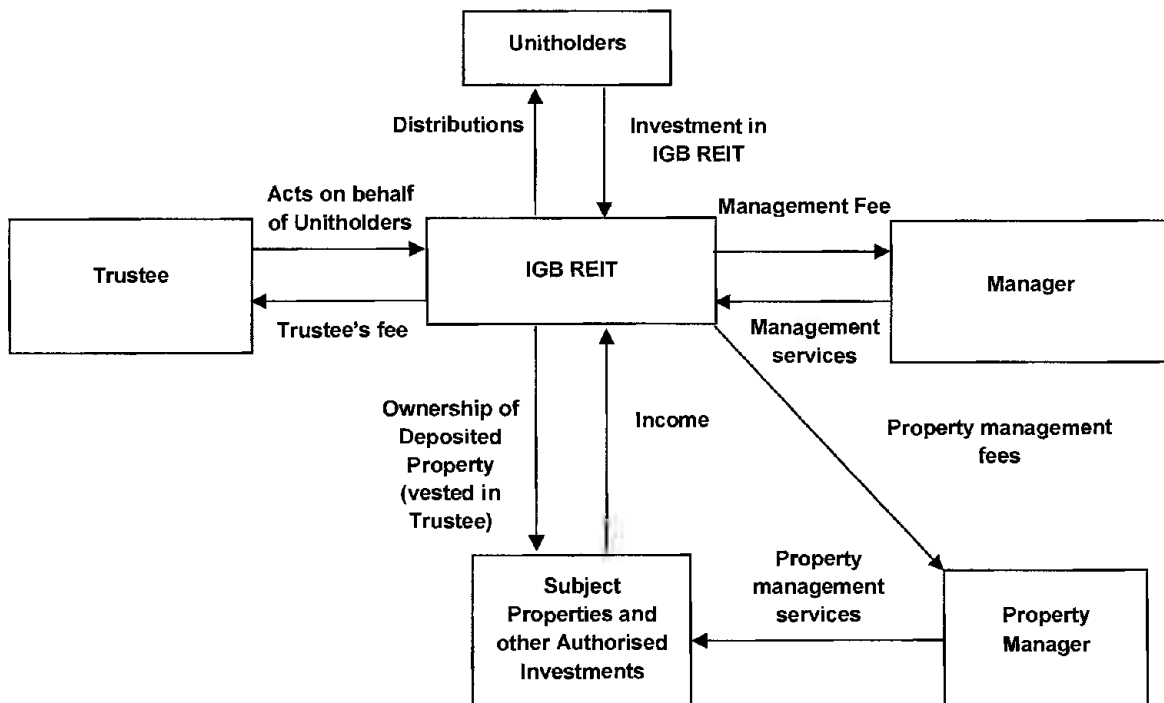
Real Estate used primarily for retail purposes will include retail properties and mixed-use developments with a retail component.

### Investment Objective

The Manager's key objective is to provide Unitholders with regular and stable distributions, sustainable long term Unit price and Distributable Income and capital growth, while maintaining an appropriate capital structure.

## 1.2 STRUCTURE OF IGB REIT

The following diagram illustrates the structure of IGB REIT as well as key relationships among IGB REIT, the Manager, the Trustee, the Property Manager and the Unitholders.



### 1.3 STRATEGIES

The Manager intends to increase the income and consequently, the value of the Subject Properties, through the following strategies:

- (i) **Active asset management strategy** – The Manager will seek to optimise the rental rates, occupancy rates and NLA of the Subject Properties in order to improve the returns from IGB REIT's property portfolio;
- (ii) **Acquisition growth strategy** – The Manager will source for and acquire properties that fit within IGB REIT's investment strategy to enhance returns to Unitholders and capitalise on opportunities for future income and NAV growth. In doing so, IGB REIT expects to benefit from a ROFR from the Sponsor to acquire the Sponsor's future retail properties and mixed-use developments with a retail component and will also pursue acquisitions from third parties that, in each case, fit with the investment criteria and investment objective of IGB REIT; and
- (iii) **Capital and risk management strategy** – The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions, will seek to manage refinancing risk and, where appropriate, will also seek to manage interest rate risk by utilising interest rate hedging strategies in compliance with the REIT Guidelines.

#### 1.3.1 Active Asset Management Strategy

The Manager will seek organic growth at the Subject Properties by working closely with the Property Manager to maximise rental rates, occupancy rates and NLA. In order to enhance rental rates while maintaining high occupancy rates, the Manager, working closely with the Property Manager, will actively manage the tenant mix of the Subject Properties, seek to maintain high levels of tenant satisfaction and will mitigate risks relating to new tenancies and tenancy renewals. In order to enhance NLA, the Manager will explore opportunities to add lettable area to the Subject Properties as appropriate.

The Manager, by working closely with the Property Manager, will seek to do the following:

##### ***Ensure continued high shopper traffic***

The Manager intends to ensure a continued high level of shopper traffic at the Subject Properties. The Manager believes that continued shopper traffic will help drive demand for lettable area from existing and potential new tenants, thus resulting in higher rental rates and continued high occupancy rates. The Manager, working closely with the Property Manager, aims to do so via:

- (i) continuing to seek out promotional partnerships as a further incentive in attracting both domestic and international shoppers to the Subject Properties. This may include partnerships with major banks, such as credit card promotions, and with high end fashion brands, such as product promotion events;
- (ii) advertising both domestically and abroad in order to further develop Mid Valley City and the Subject Properties as a key shopping destination for residents of the Klang Valley and, to an extent, tourists as well;

- (iii) improving exterior signage, lighting, restroom facilities and other physical aspects of the Subject Properties in order to continually enhance their overall aesthetics; and
- (iv) improving surrounding infrastructure attached to the Subject Properties and amenities in order to ease shopper access and provide greater shopper satisfaction.

***Continue to improve rental rates while maintaining high occupancy rates<sup>1</sup>***

The Manager intends to continue to improve rental rates while maintaining high occupancy rates<sup>1</sup> by working closely with the Property Manager through:

- (i) actively engaging in the early negotiation of expiring leases as well as pre-leasing activities as appropriate;
- (ii) identifying tenancies that are about to expire with the goal of realising positive rental reversion;
- (iii) engaging in continuous improvement of the tenant and zoning mix in order to drive shopper traffic;
- (iv) increasing the overall marketability and profile of the Subject Properties;
- (v) actively marketing current and impending vacancies to manage void periods;
- (vi) actively monitoring rental arrears to manage defaults by tenants and other aspects of tenant performance; and
- (vii) searching for new tenants from sectors currently under-represented in the Subject Properties to achieve an optimal tenant mix.

***Deliver quality services to tenants and maintain strong tenant relationships***

The Manager, working closely with the Property Manager, intends to continue providing the quality services currently enjoyed by tenants through:

- (i) providing quality asset management services in order to maintain high retention rates<sup>2</sup>;
- (ii) proactively engaging with and facilitating relocation or expansion of tenants according to their operational requirements;
- (iii) reviewing facility management services on an on-going basis to ensure service standards are met;
- (iv) improving responsiveness to tenants' feedback and enquiries; and

---

1 The occupancy rates of the Subject Properties for the past three financial years are above 96% as set out in Section 2.2.4 "Occupancy Profile" of this Prospectus.

2 The Subject Properties have been enjoying high renewal rates of expired tenancies for the past three financial years, the details of which are set out in Section 2.6.6 "Tenancy Expiry Profile of Mid Valley Megamall" and Section 2.7.6 "Tenancy Expiry Profile of The Gardens Mall" of this Prospectus.

- (v) providing additional value-added services for tenants, such as organising more creative advertising and promotional activities to attract shoppers.

***Improve operational efficiency and reducing operating costs***

The Manager believes that opportunities still exist to introduce new initiatives aimed at improving operational efficiency and reducing operating costs without compromising the quality of services provided to tenants and shoppers alike, so as to further increase NPI. Such initiatives include:

- (i) actively reviewing the Subject Properties' overall energy needs, consumption patterns and the operational efficiency of equipment; and
- (ii) working closely with the Property Manager to manage and reduce property operating expenses without sacrificing the quality of services provided to tenants and shoppers.

***Increase NLA via asset enhancement initiatives***

The Manager's plans for asset enhancement, in close collaboration with the Property Manager, include:

- (i) reconfiguring/redeveloping unproductive space to improve leasing potential where there is a demand for such space by existing or new tenants; and
- (ii) converting selected areas not currently rented out into useable rental space.

In addition, the Manager intends to undertake asset enhancement initiatives in a manner which minimises the disruption of shopper traffic at the Subject Properties.

**1.3.2 Acquisition Growth Strategy**

The Manager, on behalf of IGB REIT, will seek to acquire assets in Malaysia and overseas that fit within IGB REIT's investment strategy to enhance the returns to Unitholders and improve opportunities for future income and capital growth.

The Manager expects IGB REIT to benefit from the ROFR from the Sponsor, which will allow the Trustee a ROFR to acquire the Sponsor's future retail properties and mixed-use developments with a retail component. The Sponsor has multiple office and hotel properties in Malaysia as well as in markets abroad and will continue to develop residential, retail, office and hotel properties in Malaysia and globally in the future. For further details of the Sponsor, please refer to Section 7 "Background Information on the Sponsor" of this Prospectus.

In addition, the Manager will also explore acquisition opportunities with third parties if such opportunities fit with the investment criteria and investment objective of IGB REIT, including investing on a joint venture basis as appropriate.

The Manager believes that IGB REIT has the following characteristics that will enable it to pursue acquisition opportunities:

### ***Investment criteria***

In evaluating acquisition opportunities for IGB REIT, the Manager will consider the following investment criteria for properties under consideration in Malaysia and overseas, which will be primarily retail-related properties (primary retail-related properties will include retail properties and mixed-use developments with a retail component):

- (i) Location – Properties which are located in close proximity to, and have convenient access to, major expressways, roads and established retail areas.
- (ii) Tenant composition – Properties which have (i) diverse sector mix and (ii) established and reputable tenants.
- (iii) Tenancy expiry profile – Properties with tenancy terms that will balance and diversify the tenancy expiry profile of the portfolio of IGB REIT.
- (iv) Building specification – Properties with quality specifications similar to those of the Subject Properties. For further details on the specifications of the Subject Properties, please refer to Section 2.6 “Mid Valley Megamall” and Section 2.7 “The Gardens Mall” of this Prospectus. These specifications will depend on the type of property and may change over time due to market developments and tenant demands.
- (v) Asset enhancement potential – Properties for which there is potential to add value by increasing occupancy or increasing lettable area, through selective capital expenditure and/or other asset enhancement initiatives.

The Manager will focus on acquisitions that are immediately yield accretive. However, the Manager will also consider opportunities that are not immediately yield accretive that will still add value for Unitholders over the long term on the basis of the above factors.

### **1.3.3 Capital and Risk Management Strategy**

The Manager aims to optimise IGB REIT’s capital structure, using a combination of debt and equity financing as appropriate to fund future acquisitions and capital expenditures. The Manager intends to maintain financial flexibility in order to be able to pursue attractive acquisition opportunities, which are in line with IGB REIT’s investment criteria (as set out in Section 1.3.2 “Acquisition Growth Strategy” of this Prospectus), as they arise. For example, as at the Listing Date, IGB REIT is expected to have debt of approximately RM1,206 million (net of estimated transaction costs of RM7 million) with an aggregate leverage of approximately 25.8% on a debt-to-assets basis. (Please refer to Section 3.10 “REIT Financing” of this Prospectus for further details.)

The Manager's on-going capital management strategy involves adopting and maintaining an appropriate gearing level and adopting an active interest rate management strategy to manage the risks associated with refinancing and changes in interest rates. The Manager intends to implement this strategy by (i) diversifying sources of debt funding to the extent appropriate, (ii) maintaining a reasonable level of debt service capability, (iii) securing favourable terms of funding, (iv) managing its financial obligations and (v) where appropriate, managing the exposures arising from adverse market interest rates, such as through fixed rate borrowings, to optimise the cost of capital.

#### **1.3.4 Authorised Investments and Investment Limits**

The list of Authorised Investments of IGB REIT is as follows:

- (i) Real Estate;
- (ii) SPVs;
- (iii) Real Estate-Related Assets;
- (iv) Non-Real Estate-Related Assets;
- (v) cash, deposits and money market instruments; and
- (vi) any other investment not specified in (i) to (v) above but specified as a permissible investment in the REIT Guidelines or as otherwise permitted by the SC.

The investments of IGB REIT are subject to the following investment limits imposed by the REIT Guidelines:

- (i) at least 50.0% of IGB REIT's Total Asset Value must be invested in Real Estate Assets at all times; and
- (ii) not more than 25.0% of IGB REIT's Total Asset Value may be invested in Non-Real Estate-Related Assets and/or cash, deposits and money market instruments,

provided that investments in both Real Estate-Related Assets and Non-Real Estate-Related Assets are limited as follows:

- (i) the value of IGB REIT's investments in securities issued by any single issuer must not exceed 5.0% of IGB REIT's Total Asset Value;
- (ii) the value of IGB REIT's investments in securities issued by any group of companies must not exceed 10.0% of IGB REIT's Total Asset Value; and
- (iii) IGB REIT's investment in any class of securities must not exceed 10.0% of the securities issued by any single issuer; or

such other limits and investments as may be permitted by the SC or the REIT Guidelines.

#### **1.4 INVESTORS' PROFILE**

IGB REIT may appeal to an investor with long-term investment objectives who seeks regular income distribution and long term<sup>1</sup> capital appreciation, and who understands the risks related to the real estate industry and REITs.

#### **1.5 PERFORMANCE BENCHMARK**

The following performance indicators can be considered in reviewing the performance of IGB REIT:

**(i) Distribution Yield**

The ratio of the distribution paid to Unitholders from IGB REIT's Distributable Income to the market price of the Units.

**(ii) NAV**

NAV represents the Total Asset Value after subtracting all of IGB REIT's liabilities and obligations.

**(iii) Total Return**

The change in market price of the Units over a period of time plus any distributions received during the relevant period.

**(iv) MER**

The ratio of expenses incurred in operating IGB REIT to the NAV of IGB REIT.

The performance indicators will be used to benchmark IGB REIT against its peers as well as against its own historical performance, where applicable.

#### **1.6 DISTRIBUTION POLICY**

The Deed provides that the Manager shall, with the approval of the Trustee, for each distribution period, distribute all (or such other percentage as determined by the Manager at its absolute discretion) of IGB REIT's Distributable Income. It is the intention of the Manager to distribute up to 100.0% of IGB REIT's Distributable Income for the period from the date of establishment of IGB REIT to 31 December 2014 and thereafter at least 90.0% of IGB REIT's Distributable Income on a half-yearly basis (or such other intervals as the Manager may determine at its absolute discretion). The actual proportion of Distributable Income to be distributed to Unitholders beyond 31 December 2014, which shall be at the absolute discretion of the Manager, may be greater than 90.0% of its Distributable Income to the extent that the Manager believes it is appropriate, having regard to IGB REIT's funding requirements, other capital management considerations and the availability of funds. Distributions, when made, will be in Ringgit Malaysia. The first distribution, which will be in respect of the period from the date of establishment of IGB REIT to 31 December

---

<sup>1</sup> Long-term in this context refers to a period of five years or more.

2012, will be paid by the Manager within two months from the end of the financial period ending 31 December 2012.

Half-yearly basis refers to each consecutive six-month period commencing on and ending on the following dates (all dates inclusive) in each FY during the continuance of IGB REIT or such other interval as the Manager may determine in accordance with the Deed:

- (i) 1 January to 30 June; and
- (ii) 1 July to 31 December,

except that the first half-year of IGB REIT shall commence on the date the Deed is registered with the SC and end on 31 December 2012 and the last half-year of IGB REIT shall end on the date IGB REIT ceases to operate.

## **1.7 VALUATION POLICY**

Independent professional valuation will be obtained at least once every three years in accordance with the REIT Guidelines or such other shorter interval as the Manager deems necessary and these valuations will be conducted on the bases and methods which are in accordance with the Asset Valuation Guidelines. The Independent Property Valuer was engaged to carry out valuation for the Subject Properties as at 10 April 2012. The Manager has yet to decide on the exact date for the next valuation for the Subject Properties, but in any event, such valuation will be carried out within three years from 10 April 2012, in accordance with IGB REIT's valuation policy. Please refer to the Valuation Certificate set out in Appendix A "Valuation Certificates" of this Prospectus, which is to be read together with the full valuation reports for the Subject Properties. Copies of the full valuation reports will be available for inspection at the registered office of the Manager for a period of 12 months from the date of this Prospectus.

## **1.8 BORROWING LIMITATIONS AND GEARING POLICY**

IGB REIT may borrow up to 50.0% of the Total Asset Value of IGB REIT at the time the borrowing is incurred (or such other limit permitted by the REIT Guidelines from time to time). However, IGB REIT's total borrowings may exceed this limit with the prior approval of the Unitholders.

Upon Listing, based on the IGB REIT's Pro Forma Statement of Financial Position, IGB REIT will have total indebtedness of approximately RM1,206 million (net of estimated transaction costs of RM7 million) representing approximately 25.8% of its estimated Total Asset Value.



## 1.9 INTELLECTUAL PROPERTY

IGB REIT does not own any registered intellectual property rights. The Trustee and the Manager have been granted an exclusive licence to use the registered trademark "Mid Valley Megamall" and a non-exclusive licence to use, among others, the registered trademarks "Mid Valley" and "The Gardens" by MVC and MVCG. Pursuant to the Trademark Licensing Agreements dated 26 July 2012 between the Trustee, the Manager, and MVC and MVCG respectively, MVC and MVCG have the option to require the Trustee and/or the Manager to remove the registered trademarks "Mid Valley Megamall", "The Gardens" and such other registered trademarks as set out in the licence agreements from any of the Subject Properties upon the occurrence of any of the following events:

- (i) the Manager ceasing to be a subsidiary of IGB;
- (ii) the Manager ceasing to be the management company of IGB REIT; or
- (iii) the Sponsor ceasing to hold an interest of more than 50.0% of the total issued Units.

<b>THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK</b>
--

## 2. BUSINESS AND SUBJECT PROPERTIES

Unless otherwise specified, all information relating to the Subject Properties in the Prospectus are as at 31 May 2012.

### 2.1 ACQUISITIONS BY IGB REIT

On 26 July 2012, the Trustee on behalf of IGB REIT entered into the SPAs with the Vendors, among others, for the acquisition of the Subject Properties and the Related Assets for a total purchase consideration of approximately RM4,613 million to be satisfied by:

- (i) issuance of 3,400,000,000 Consideration Units; and
- (ii) Cash Consideration of approximately RM1,213 million raised through the funds received from the drawdown of a portion of the Syndicated Financing Facilities.

Subject	Valuation (RM'000)	Purchase Consideration (RM'000)	To be satisfied by	
			Consideration Units ('000) <sup>(3)</sup>	Cash Consideration (RM'000) <sup>(4)</sup>
Mid Valley Megamall	3,440,000 <sup>(1)</sup>	3,440,000	2,730,000	710,000
Mid Valley Megamall Related Assets	1,582 <sup>(2)</sup>	1,582	-	1,582
The Gardens Mall	1,160,000 <sup>(1)</sup>	1,160,000	670,000	490,000
The Gardens Mall Related Assets	10,977 <sup>(2)</sup>	10,977	-	10,977
<b>Total</b>	<b>4,612,559</b>	<b>4,612,559</b>	<b>3,400,000</b>	<b>1,212,559</b>

#### Notes:

- (1) The market value of the Subject Properties as appraised by the Independent Property Valuer as at 10 April 2012.
- (2) The net book value of the Related Assets, based on the latest audited financial statements of the Vendors for the FY2011.
- (3) The RM equivalent of the number of Consideration Units to be issued at the issue price of RM1.00 per Unit.
- (4) Cash Consideration to be raised through the drawdown of a portion of the Syndicated Financing Facilities.

The total purchase consideration for the acquisition of the Subject Properties of RM4,600 million was arrived at based on the independent valuation of the Subject Properties of RM4,600 million as at 10 April 2012.

IGB REIT will be acquiring the Related Assets in order to ensure the continuity of

operations of the Subject Properties. The purchase consideration payable for the Related Assets of RM12,559,000 is based on the audited net book value of the Related Assets as at 31 December 2011.

## 2.2 OVERVIEW OF THE SUBJECT PROPERTIES

IGB REIT's initial property portfolio will consist of the following major retail malls in Malaysia:

- (i) Mid Valley Megamall, a five level retail mall with one mezzanine level, two levels of basement car park and four levels of elevated car park, completed in 1999 and which is part of a mixed development comprising three office towers and two hotels (of which only Mid Valley Megamall will be acquired by the Trustee on behalf of IGB REIT). Mid Valley Megamall houses a convention centre measuring approximately 66,395 sq ft in area and has a total NLA of 1,718,951 sq ft as at 31 May 2012; and
- (ii) The Gardens Mall, an eight level retail mall together with four levels of basement car park and four levels of elevated car park, completed in 2007 and which is part of a mixed development comprising two office towers, a block of residential suites and a five-star hotel (of which only The Gardens Mall will be acquired by the Trustee on behalf of IGB REIT). The Gardens Mall has a total NLA of 817,053 sq ft as at 31 May 2012.

The Subject Properties have a combined NLA of over 2.5 million sq ft and are part of Mid Valley City, which is to the west of Kuala Lumpur City Centre and is one of the largest<sup>1</sup> mixed-use developments in Malaysia spanning a 50 acre site combining retail, leisure, dining, entertainment, beauty and well-being, hospitality, commercial offices and an exhibition centre. Mid Valley City is served by five regional road systems, one KL LRT line and KTM Komuter railway lines and is within close proximity to the upmarket Bangsar commercial and residential areas and the established Damansara Heights, Seputeh and Petaling Jaya residential areas. The Subject Properties are located in close proximity to three hotels with 1,683 hotel rooms and serviced residences, as well as seven commercial office buildings with over 2.6 million sq ft of NLA within Mid Valley City itself. Some of the key office tenants near the Subject Properties in Mid Valley City include BHP Billiton Shared Services Malaysia Sdn Bhd, Cagamas Bhd, Danone Dumex (M) Sdn Bhd, Accenture Solutions Sdn Bhd, RAM Holdings Bhd, Steelcase Office Solutions Sdn Bhd and Tricor Services Sdn Bhd. There are also several new mixed-use development projects in the vicinity of the Subject Properties, such as Bangsar South, which is located in Kampung Kerinchi, and KL Eco City, which is sited directly opposite Mid Valley City to the east.

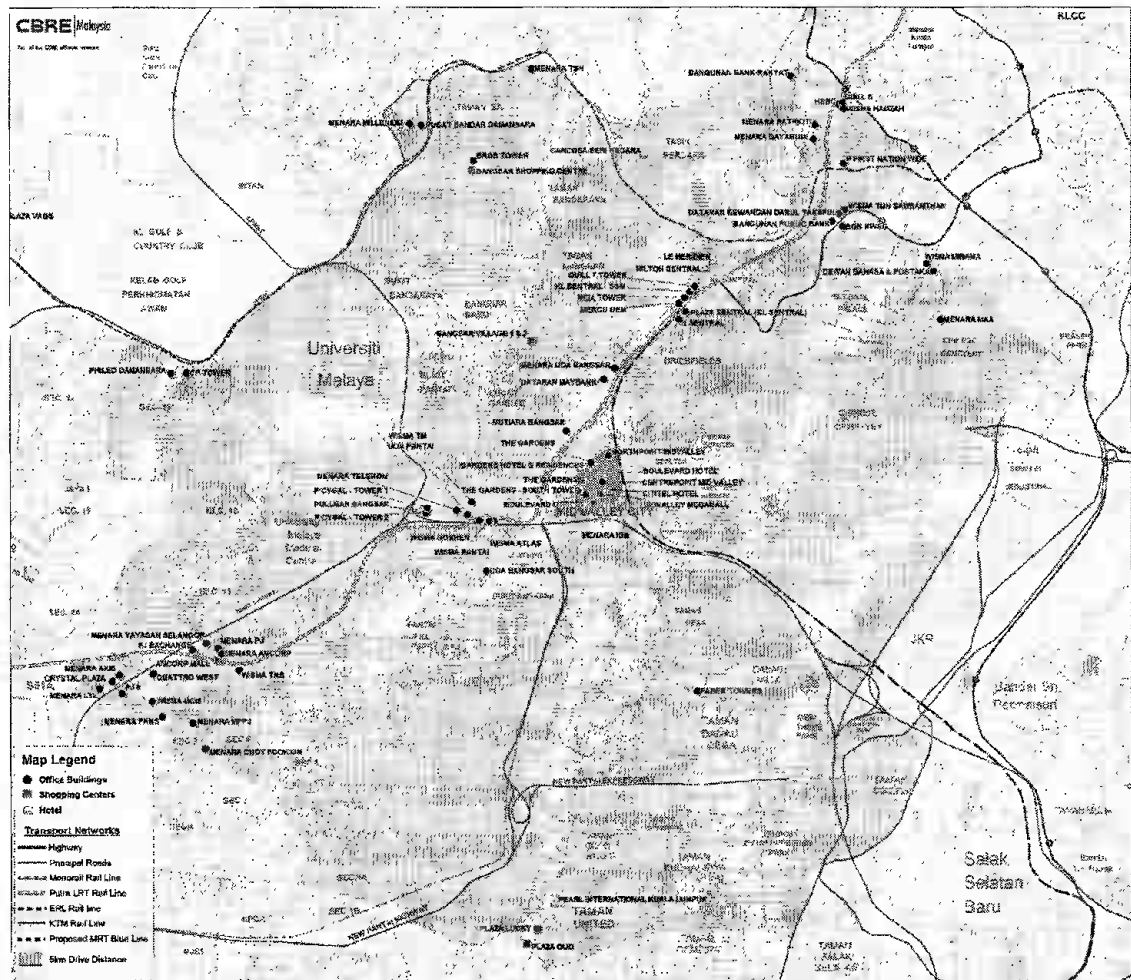
---

<sup>1</sup> According to the Independent Property Market Consultant, Mid Valley City's total built-up area excluding car parks is estimated at 12 million sq ft. This puts it amongst one of the largest mixed developments in Malaysia. Comparable developments would be in the likes of (i) KL Sentral – 72 acres of land area, built-up area of approximately 21 million sq ft, (ii) KLCC – 100 acres of land area, built-up area of approximately 21 million sq ft, (iii) KL Eco City – 25 acres of land area, built-up area of approximately 8 million sq ft. For further details on Mid Valley City, please refer to Appendix B "Independent Property Market Report" of this Prospectus.

The Subject Properties are accessible through a network of major roads and are also accessible through various modes of public transport. In addition to public buses and taxi services, Mid Valley Megamall is directly connected to the Mid Valley KTM Komuter train station and is within close proximity to Abdullah Hukum KL LRT station. The Gardens Mall is in turn directly connected to Mid Valley Megamall via a roofed bridge and an underground tunnel. According to the Independent Market Research Consultant, there is a proposed linkage from Mid Valley City to the Abdullah Hukum KL LRT station via the upcoming KL Eco City.

Further, the draft Greater Kuala Lumpur / Klang Valley Land Public Transport Masterplan released by the Land Public Transport Commission includes plans for an upcoming MRT 2 Circle Line, an orbital line of the Mass Rapid Transit system that will link areas such as Mid Valley City, Mont' Kiara, Sentul Timur, Ampang and the MATRADE development. This railway system is targeted to be completed by 2020.

The location of the Subject Properties is illustrated by the map below.



Source: Independent Property Market Report

Details of the Subject Properties are set out in the table below.

	Subject Properties	
	Mid Valley Megamall	The Gardens Mall
Land area of master title (sq ft)	1,047,532	421,773
Tenure	Leasehold interest of 99 years expiring on 6 June 2103	Leasehold interest of 99 years expiring on 6 June 2013
Master title information	PN 37075, Lot 80 Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	PN 37073, Lot 79 Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Encumbrances/ material limitations in master title <sup>(1)</sup>	<ul style="list-style-type: none"> <li>Land charge registered in favour of Malaysian Trustees Berhad (Company No. 21666-V) vide presentation no. 24812/2004 on 10 November 2004</li> <li>Land charge registered in favour of Malaysian Trustees Berhad (Company No. 21666-V) vide presentation no. 32452/2006 on 27 December 2006</li> <li>Private caveat lodged by the Trustee on behalf of IGB REIT vide presentation no. 12689/2012 on 26 July 2012</li> </ul>	<ul style="list-style-type: none"> <li>Private caveat lodged by MVCG vide presentation no. 5949/2005 on 17 May 2005</li> <li>Private caveat lodged by Public Bank Berhad (Company Number 6463-H) vide presentation no. 8085/2008 on 26 May 2008</li> <li>Private caveat lodged by MVCG vide presentation no. 4067/2012 on 16 March 2012</li> <li>Private caveat lodged by the Trustee on behalf of IGB REIT vide presentation no. 12690/2012 on 26 July 2012</li> </ul>
Restrictions in interest in master title	This land shall not be transferred, leased, secured or charged except with the consent of the Federal Territory Land Executive Committee Secretariat ( <i>Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</i> ) <sup>(2)</sup>	This land shall not be transferred, leased, secured or charged except with the consent of the Federal Territory Land Executive Committee Secretariat ( <i>Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</i> ) <sup>(3)</sup>
Express conditions in master title	This land shall be used for commercial building only ( <i>Tanah ini hendaklah hanya untuk bangunan perdagangan sahaja</i> )	This land shall be used for commercial building only ( <i>Tanah ini hendaklah hanya untuk bangunan perdagangan sahaja</i> )
Type	Retail	Retail

	Subject Properties	
	Mid Valley Megamall	The Gardens Mall
Appraised Value as at 10 April 2012 (RM'000)	3,440,000	1,160,000
Purchase consideration (RM'000)	3,440,000	1,160,000
Subject Properties weighting (by Appraised Value) (%)	74.8	25.2
NLA as at 31 May 2012 (sq ft)	1,718,951	817,053
GFA as at 31 May 2012 (sq ft)	6,107,103	3,379,510
Number of tenancies as at 31 May 2012	454	209
Occupancy Rate as at 31 May 2012 (%)	99.8	99.7
Number of car park bays as at 31 May 2012	6,092	4,128

**Notes:**

- (1) Save for the private caveat lodged on 26 July 2012 and a trust caveat to be lodged prior to the closing of the Retail Offering by the Trustee on behalf of IGB REIT, all the relevant documents for the discharge and withdrawal of the encumbrances/material limitations in the aforesaid master titles over the Subject Properties will be presented at the relevant land registry within one month from the date of drawdown of the Syndicated Financing Facilities and the repayment of the existing indebtedness of KrisAssets group and MVCG for Mid Valley Megamall and The Gardens Mall, respectively.
- (2) MVC has on 15 August 2012, obtained the State Authority's consent for the transfer of Mid Valley Megamall in favour of the Trustee. Please refer to Section 5.1.14 "Beneficial ownership of the Subject Properties is dependent on the validity of the State Authority's consent on the Completion Date of the SPAs and the Trustee may not be registered as the legal owner of the Subject Properties" of this Prospectus for further details.
- (3) MVCD has on 16 March 2012, obtained the State Authority's consent for the transfer of The Gardens Mall in favour of MVCG, and MVCG has in turn on 15 August 2012, obtained the State Authority's consent for the transfer of The Gardens Mall in favour of the Trustee. Please refer to Section 5.1.14 "Beneficial ownership of the Subject Properties is dependent on the validity of the State Authority's consent on the Completion Date of the SPAs and the Trustee may not be registered as the legal owner of the Subject Properties" of this Prospectus for further details.

### **Mid Valley Megamall**

Mid Valley Megamall forms part of an integrated commercial development known as Mid Valley City Phase 1. Mid Valley Megamall is developed by MVC. Mid Valley City Phase 1 is erected on two pieces of land. The master land on which Mid Valley Megamall is erected on is currently registered in the name of MVC.

Upon amalgamation of both pieces of land, MVC will proceed to make the application for the subdivision of the amalgamated land and issuance of a separate strata title to Mid Valley Megamall and other components within Mid Valley City Phase 1.

Pending the issuance of the strata titles to Mid Valley Megamall and pursuant to the Building and Common Property (Maintenance and Management) Act 2007, a JMB was formed to manage the common properties comprised in Mid Valley City Phase 1.

The Manager will make immediate announcement to Bursa Securities upon receipt of the strata titles to Mid Valley Megamall. Pending such receipt, the Manager will make announcements to Bursa Securities on a periodic basis on the status of the application of the strata titles to Mid Valley Megamall.

### **The Gardens Mall**

The Gardens Mall forms part of an integrated commercial development known as Mid Valley City Phase 2 which is constructed on a single master land. The Gardens Mall is developed by MVCG. The master land on which The Gardens Mall is erected on is currently registered in the name of MVCD.

As at the Latest Practicable Date, the strata titles to The Gardens Mall have not been issued. The Kuala Lumpur City Hall (*Dewan Bandaraya Kuala Lumpur*) has vide its letter dated 12 August 2010 notified that no JMB is required to be established for Mid Valley City Phase 2 as the development only consists of four purchasers and does not meet the requirement set out in the Building and Common Property (Maintenance and Management) Act 2007. Pending the issuance of strata titles for developments in Mid Valley City Phase 2, MVCD has sole control and is responsible for the management and maintenance of the common properties in Mid Valley City Phase 2.

The Manager will make immediate announcement to Bursa Securities upon receipt of the strata titles to The Gardens Mall. Pending such receipt, the Manager will make announcements to Bursa Securities on a periodic basis on the status of the application of the strata titles to The Gardens Mall.

### 2.2.1 Total Revenue, Gross Rental Income and NPI

The Total Revenue, Gross Rental Income and NPI of the Subject Properties for the FY2011 are set out below.

Subject Properties	Total Revenue	Gross Rental Income	NPI
	(RM'000)		
Mid Valley Megamall	260,530	200,192	182,257
The Gardens Mall	114,874	85,647	68,151
<b>Total</b>	<b>375,404</b>	<b>285,839</b>	<b>250,408</b>

### 2.2.2 Trade Sector Analysis

IGB REIT's portfolio is well-diversified and relies on various trade sectors for rental income. As at 31 May 2012, based on Occupied NLA, fashion apparel is the largest contributor to Gross Rental Income at 29.0% of the total portfolio and food and beverages is the second largest contributor to Gross Rental Income at 18.1% of the total portfolio.

The table below provides the trade sector breakdown of the tenancies in the Subject Properties as at 31 May 2012.

Trade sector	Percentage of Occupied NLA (%)	Percentage of Gross Rental Income (%)
Fashion Apparel	13.8	29.0
Food and Beverages	12.9	18.1
Departmental Store / Supermarket	39.1	14.8
Entertainment and Leisure	14.6	11.3
Sundry and Services	4.5	8.4
Beauty, Health and Wellness	4.9	5.9
Timepieces and Jewellery	1.4	5.0
Home and Gifts	4.0	3.5
Fashion Luxury	0.9	2.2
Exhibition Centre	2.6	0.9
Discounters	1.3	0.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>



### 2.2.3 Tenancy Expiry Profile

The Subject Properties' tenants typically have two-year or three-year lease terms. The portfolio tenancy expiry profile remained well spread out as at 31 May 2012, with 19.0% and 38.7% of the tenancies by Gross Rental Income due for renewal in FY2012 and FY2013 respectively.

The table below provides the tenancy expiry profile of the Subject Properties as of 31 May 2012.

Period	Number of tenancies expiring	Percentage of Occupied NLA expiring (%)	Percentage of Gross Rental Income expiring (%)
FY2012	177	16.2	19.0
FY2013	299	35.5	38.7
FY2014	150	34.6	31.0
FY2015 and thereafter	37	13.7	11.3
<b>Total</b>	<b>663</b>	<b>100.0</b>	<b>100.0</b>

### 2.2.4 Occupancy Profile

The occupancy rates of the Subject Properties for the past three years are set out in the table below.

Subject Properties	As at			
	31 May 2012 (%)	31 December 2011 (%)	31 December 2010 (%)	31 December 2009 (%)
Mid Valley Megamall	99.8	100.0	99.9	100.0
The Gardens Mall	99.7	99.6	98.2	96.7

## 2.2.5 Top Ten Tenants

IGB REIT's Gross Rental Income is well distributed within its portfolio of 663 tenants as at 31 May 2012. The key tenants of the Subject Properties include some of Malaysia's well-known retailers, such as AEON, Carrefour, Metrojaya and Isetan. As at 31 May 2012, no single tenant contributed more than 6.0% of Gross Rental Income. The top ten tenants of the Subject Properties contributed an aggregate of approximately 18.5% to Gross Rental Income of the Subject Properties and occupy an aggregate of 47.3% of Occupied NLA of the Subject Properties as at 31 May 2012.

Tenant	Trade sector	Percentage of Occupied NLA (%)
AEON	Departmental Store / Supermarket	12.0
Carrefour	Departmental Store / Supermarket	8.3
Metrojaya	Departmental Store / Supermarket	7.9
Isetan	Departmental Store / Supermarket	5.8
Robinsons	Departmental Store / Supermarket	4.2
Mid Valley Exhibition Centre	Exhibition Centre	2.6
Golden Screen Cinema	Entertainment and Leisure	2.5
Celebrity Fitness	Beauty, Health and Wellness	1.6
GSC Signature	Entertainment and Leisure	1.2
Cosmic Bowl	Entertainment and Leisure	1.2
<b>Sub-Total</b>		<b>47.3</b>
<b>Others</b>		<b>52.7</b>
<b>Total</b>		<b>100.0</b>

### 2.3 COMPETITIVE STRENGTHS AND INVESTMENT HIGHLIGHTS

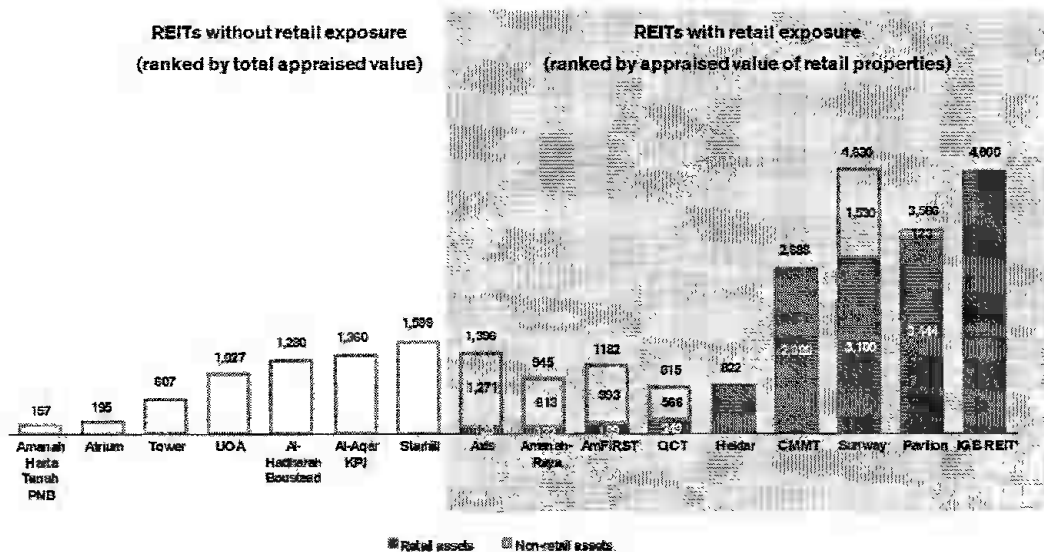
The Manager believes that an investment in IGB REIT offers the following investment attractions to Unitholders:

#### One of Malaysia's largest REITs by assets and market capitalisation offering the largest retail exposure

According to the Independent Property Valuer, the Appraised Value of the Subject Properties is RM4,600 million as at 10 April 2012, making IGB REIT one of the largest Malaysia listed REITs by Appraised Value upon Listing. In addition, IGB REIT will have the largest retail property portfolio of the listed Malaysian REITs. Upon Listing, IGB REIT is expected to have a market capitalisation of RM4,250 million based on the Retail Price of RM1.25 per Unit, which may qualify IGB REIT for inclusion in certain equity indices such as, among others, the European Public Real Estate Association REIT Index.

The Manager believes that IGB REIT's size will further enhance visibility with Malaysian and international investors. IGB REIT's large asset base will allow it to raise capital in larger amounts to fund future acquisitions, thus placing it in a better competitive position to capitalise on future investment opportunities.

The chart below ranks Malaysian REITs according to appraised value and also indicates the level of retail property sector exposure where applicable.



Source: According to the latest publicly available financial statements and in RM millions.

\* Based on the Appraised Value of RM4,600 million as at 10 April 2012.

### **Subject Properties strategically located in Mid Valley City**

IGB REIT offers investors exposure to an initial portfolio of high quality<sup>1</sup> and well-located retail assets. The Subject Properties, comprising Mid Valley Megamall and The Gardens Mall, are part of Mid Valley City, one of the largest<sup>2</sup> mixed-use developments in Malaysia spanning a 50 acre site combining retail, leisure, dining, entertainment, beauty and well-being, hospitality, commercial offices and an exhibition centre.

#### ***Large and diverse catchment area***

According to the Independent Property Market Consultant the full catchment area of the Subject Properties extends across the whole of the Klang Valley, encompassing over six million people as at the end of 2010. Mid Valley City's strategic location nearby central Kuala Lumpur and its proximity to various suburbs of Kuala Lumpur ensures that the Subject Properties remain a preferred destination for all residents of the Klang Valley. The Subject Properties are also located in proximity to the upmarket Bangsar commercial and residential areas and the established Damansara Heights, Seputeh and Petaling Jaya residential areas, providing for an immediate catchment area which comprises some of the more affluent suburbs in the Klang Valley. Moreover, there are also several upcoming mixed-use development projects in the vicinity of the Subject Properties, such as Bangsar South, which is located in Kampung Kerinchi, and KL Eco City, which is situated directly to the east of Mid Valley City. The Manager believes that these future developments will not serve as competition for the Subject Properties but will instead draw even more shopper traffic to the Mid Valley City area.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

- 
- 1 The quality of the Subject Properties can be seen from the large aggregate NLA of more than 2.5 million sq ft, large and diversified tenant portfolio of 663 tenants, high occupancy rates of more than 96% for the past three financial years, high renewal rates of expired tenancies of approximately 90% for the past two financial years and rising rental rates. Mid Valley Megamall has also received more than 18 awards and accolades since 1999.
  - 2 According to the Independent Property Market Consultant, Mid Valley City's total built-up area excluding car parks is estimated at 12 million sq ft. This puts it amongst one of the largest mixed developments in Malaysia. Comparable developments would be in the likes of (i) KL Sentral – 72 acres of land area, built-up area of approximately 21 million sq ft, (ii) KLCC – 100 acres of land area, built-up area of approximately 21 million sq ft, (iii) KL Eco City – 25 acres of land area, built-up area of approximately 8 million sq ft. For further details on Mid Valley City, please refer to Appendix B "Independent Property Market Report" of this Prospectus.

### ***Synergies from integration with Mid Valley City***

The Subject Properties will benefit significantly from synergies through the integrated master plan of Mid Valley City, which is home to three four- and five-star hotels with 1,683 hotel rooms and serviced residences with average occupancy rates of at least 75% as at the Latest Practicable Date. In addition, there are seven commercial office buildings spanning over 2.6 million sq ft of NLA in Mid Valley City. Some of the key office tenants in Mid Valley City include BHP Billiton Shared Services Malaysia Sdn Bhd, Cagamas Bhd, Danone Dumex (M) Sdn Bhd, Accenture Solutions Sdn Bhd, RAM Holdings Bhd, Steelcase Office Solutions Sdn Bhd and Tricor Services Sdn Bhd. In addition, Mid Valley City has been designated as a Multimedia Super Corridor Malaysia Cyber Center commercial precinct and this status has helped to attract tenants in the technology sector, bringing more office workers to the area. The presence of such notable tenants will also serve to further enhance Mid Valley City as a preferred destination for quality corporate tenants.

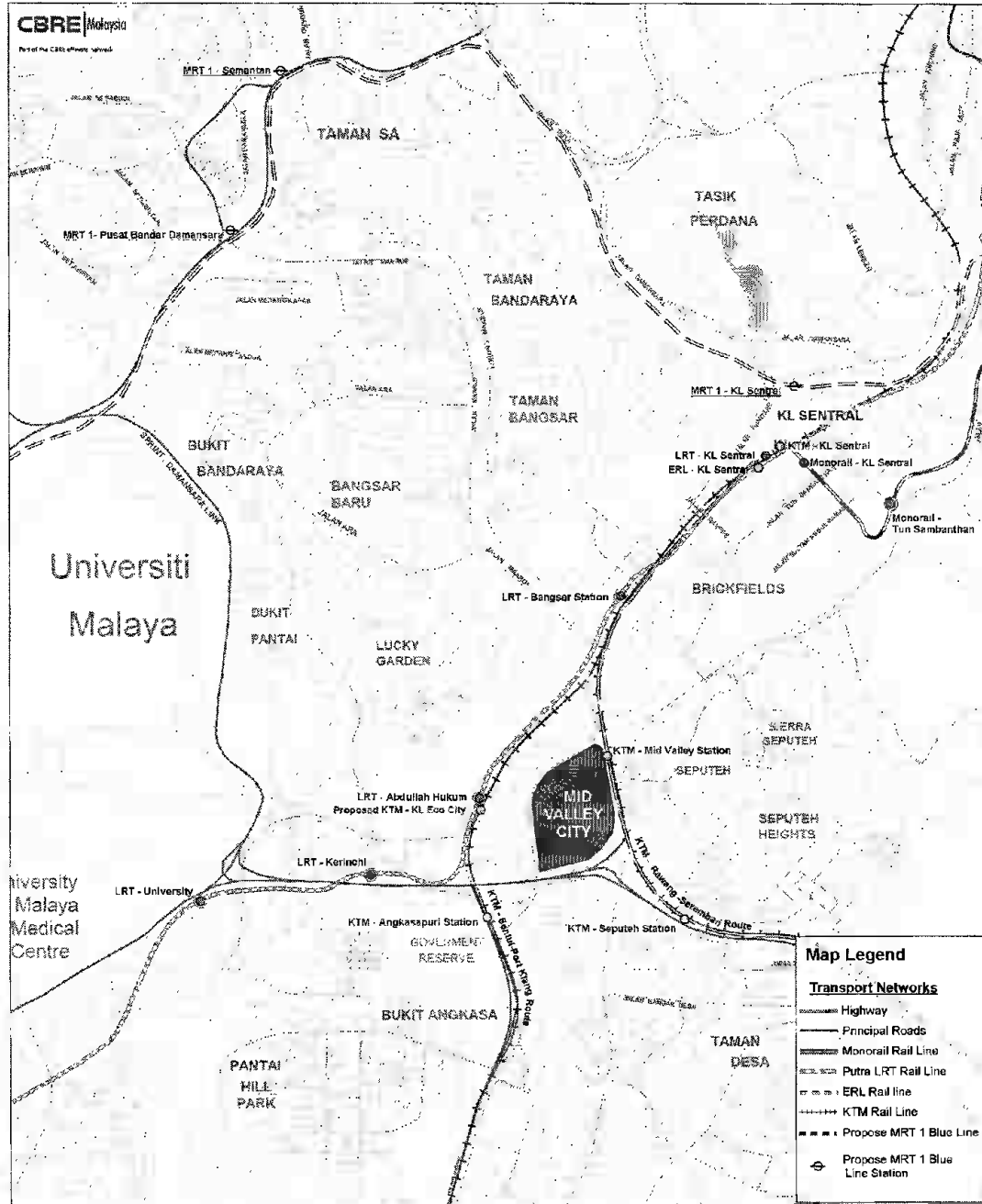
The proximity of a host of hotels, office and mixed-use properties at Mid Valley City and in the surrounding area is critical in creating a captive shopper population irrespective of the day of the week. Mid Valley City's integrated design, with office, hotel, residential, entertainment and retail components, supports strong footfall and continued shopper traffic at both of the Subject Properties throughout the week as opposed to on weekends alone.

### ***Superior transportation infrastructure***

The Subject Properties also benefit from the superior transportation links of Mid Valley City, which is served by five major road systems (Jalan Syed Putra, Jalan Klang Lama, Federal Highway, Jalan Maarof and Jalan Bangsar), an LRT line and the Seremban / Rawang KTM Komuter railway line. The preponderance of several major roadways and multiple forms of public transportation allows easy access to the Subject Properties by shoppers from around the Klang Valley and there are also plans by the Government to further expand public transportation near the Subject Properties through the upcoming MRT 2 Circle Line, an orbital Mass Rapid Transport system line which will link areas such as Mid Valley City, Mont' Kiara, Sentul Timur, Ampang and MATRADE development. The completion of the Circle Line will further enhance access to the Subject Properties and drive shopper traffic going forward.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

The map below indicates the transportation networks that service Mid Valley City and the Subject Properties.



**Source:** Independent Property Market Report

**Note:** The proposed MRT 2 Line and KL Monorail Extension are not shown in this map as the actual alignment has not been announced.

In addition, the Subject Properties provide parking area for 10,220 cars (6,092 bays at Mid Valley Megamall and 4,128 bays at The Gardens Mall), which is one of the largest parking areas for existing master-planned developments of a similar scale of more than 50 acres of land in Kuala Lumpur as at the Latest Practicable Date, which allows easy access by car for visitors from the whole of the Klang Valley, thus helping to facilitate consistent shopper traffic. Over the next two years, there are also plans to increase the total parking capacity to approximately 12,000 car park bays including areas in the vicinity of the Subject Properties.

### **Unique opportunity to invest in complementary retail malls**

Mid Valley Megamall and The Gardens Mall are situated adjacent to each other and have a combined NLA of over 2.5 million sq ft, creating the largest inter-linked retail property site in Malaysia<sup>1</sup>. The Subject Properties are classified as megamalls and capture multiple target customer segments due to their size and diversified tenant mix.<sup>2</sup> Collectively, the Subject Properties contain 663 retail outlets as of 31 May 2012. The Manager believes that the combined size of the Subject Properties is itself a draw to shoppers from around the Klang Valley.

The Subject Properties are established destination malls of Mid Valley City and target different market segments of shoppers:

- **Mid Valley Megamall** is positioned as a one-stop mall serving as a family, tourist and lifestyle destination for local and out-of-state residents; and
- **The Gardens Mall** is positioned as a premium fashion mall focused on the higher income, domestic, expatriate and international tourist customer segments. Luxury brands at The Gardens Mall include Louis Vuitton, Mulberry, Tods, BOSS Hugo Boss, and Versace Jeans.

The wide array of offerings at and complementary nature of the Subject Properties allows IGB REIT to benefit from domestic spending trends in both high-end and mass market retail segments, drawing upon growth in both target markets while reducing concentration risks associated with focusing solely on one customer segment.

### **Positioned to capitalise on positive macroeconomic and retail trends in Malaysia**

*The following information is extracted from the Independent Property Market Report in Appendix B "Independent Property Market Report" of this Prospectus.*

IGB REIT benefits from the positive macroeconomic trends in Malaysia. Malaysia recorded Real GDP growth of 5.1% in 2011 despite concerns surrounding the European debt crisis and various natural disasters in the Asia region; for 2012, GDP growth is expected to

---

1 According to the Independent Property Market Consultant, the size of Mid Valley Megamall at NLA of 1.72 million sq ft is ranked the third largest mall in Malaysia after Berjaya Times Square (NLA: 2.1 million sq ft) and 1 Utama Shopping Centre (NLA: 1.98 million sq ft). In combination with The Gardens Mall at NLA 0.82 million sq ft, these two inter-linked complexes when combined create the largest inter-linked retail property site in Malaysia at this juncture. Please refer to Appendix B "Independent Property Market Report" of this Prospectus for further details.

2 According to the Independent Property Market Consultant, megamalls are malls with NLA exceeding 1,000,000 sq ft.

remain strong at 5.0%. Income levels are also on the rise; from 1999 to 2009, the mean gross monthly income in Malaysia grew by a compounded annual growth rate of 5.0%. Consumer sentiment has rebounded strongly since the end of the global financial crisis, reaching an index level of 106.3 in 2011 after dipping to 71.4 in 2008. In addition, unemployment rates have remained low at only 3.1% in 2011, down from a high of 3.7% in 2009.

Various key drivers of the retail sector in Malaysia are also trending positively. Retail sales increased by 8.1% in 2011 compared to an earlier forecast of 6.0%. Also of note is the fact that retail sales growth rates have exceeded GDP growth rates in Malaysia in every year since 2004 with the trend expected to continue in 2012 as well.

### **Diverse tenant base and resilient rental rates with high occupancy rates**

The Subject Properties have 663 tenants as of 31 May 2012, which the Manager believes is a sizeable and diversified portfolio. As at 31 May 2012, the top ten tenants by Occupied NLA at Mid Valley Megamall contributed 21.3% of Gross Rental Income (56.7% of Occupied NLA) and the top ten tenants by Occupied NLA at The Gardens Mall contributed 24.6% of Gross Rental Income (51.9% of Occupied NLA). Additionally, occupancy rates have remained high and consistent at the Subject Properties; occupancy rates were 100.0%, 99.9% and 100.0% at Mid Valley Megamall and 96.7%, 98.2% and 99.6% at The Gardens Mall as at 31 December 2009, 31 December 2010 and 31 December 2011, respectively. Rental rates have also increased steadily, with average Gross Rental Income on a per sq ft basis of RM9.22 per sq ft, RM9.69 per sq ft and RM10.21 per sq ft at Mid Valley Megamall and RM7.32 per sq ft, RM7.54 per sq ft and RM8.43 per sq ft at The Gardens Mall for FY2009, FY2010 and FY2011, respectively. For FY2011, expiring leases of the Subject Properties were renewed at a rate of 93.1% for Mid Valley Megamall and 88.9% for The Gardens Mall by NLA of expired tenancies, respectively.

The majority of the Subject Properties tenancies have base rent and percentage rent components. Base rents protect IGB REIT from the risk of declining tenant sales, while percentage rents allow IGB REIT to benefit from rising tenant sales. The Subject Properties also enjoy a stable income stream as tenancy agreements are generally fixed for a term of two or three years and lease expiries are staggered across an expiry profile.

### **Platform for future growth**

IGB REIT provides Unitholders with growth opportunities both in terms of the Subject Properties as well as through the potential acquisition of additional retail properties, especially through the Sponsor, which has provided the Trustee with a ROFR to acquire its future retail properties and mixed-use developments with a retail component. The Manager may also explore the acquisition of properties developed by third parties in instances where the potential acquisition meets the investment criteria and investment objective of IGB REIT.

There is scope for enhancement of NLA and rental revenues at both of the Subject Properties, the most recent example of which is the repositioning program undertaken at The Gardens Mall in 2009. As part of this program, the tenant layout of the mall was reconfigured to better suit the needs of the tenant base as well as to drive shopper traffic



in a more efficient manner. The Manager intends to explore other opportunities for enhancing NLA and rentals including continuing to reconfigure space as appropriate as well as on-going refurbishments at both of the Subject Properties.

#### **Conservative capital structure providing financial flexibility**

Based on IGB REIT's Pro Forma Statement of Financial Position, IGB REIT's debt to asset ratio upon Listing will be approximately 25.8%, which is below the average of listed Malaysian REITs of approximately 29.2%<sup>1</sup> as at 31 December 2011, and significantly below the prescribed limit under the REIT Guidelines of 50.0% of the total asset value of a REIT. IGB REIT may consider pursuing further acquisitions as a means of growing its asset size.

#### **Reputable Sponsor with mall development and operations track record and experienced management team**

The sponsor of IGB REIT is IGB, which has an established track record as a property developer in Malaysia, with over 40 years of property development experience. Listed on Bursa Securities, IGB has a market capitalisation of approximately RM3.6 billion, as of 31 December 2011. In its latest financial year ended 31 December 2011, IGB group generated revenue of approximately RM772 million, with a total asset base of approximately RM5.3 billion<sup>2</sup>.

The Sponsor has a track record of developing and operating retail malls as well as properties in other asset classes such as office properties, residential properties and hotels. In 2011, for the ninth consecutive year, IGB was among The Edge's Top Ten Property Developer Awards recipients. In addition, some of IGB's noteworthy residential projects include Seri Ampang Hilir Condominium, Garden Manor Sierramas, Hampshire Place Residences, Laman Sierramas West, Cendana and One Jelatek.

Since 1999, Mid Valley Megamall has received more than 18 awards and accolades, some of which include Merit for Innovative Shopping Outlets 2010/2011 by Tourism Malaysia, Best Promotions and Events (Central Business District) Category for the Malaysia Mega Sale Carnival Awards 2009 by Tourism Malaysia, Best Retail Development Award 2001 by FIABCI Malaysia, Best Shopping Complex Award 2000 by Tourism Malaysia and Gold Award in the Shopping Complex of the Year Category 1999 by Retail World Excellence Award.

The Manager and the property-level management teams for each of the Subject Properties consist of experienced retail real estate professionals, many of whom have been with IGB for several years and with the respective Subject Properties since their inception. As such, they maintain familiarity and in-depth knowledge of the Subject Properties, making them uniquely positioned to foster future growth.

---

1 Based on publicly available financial statements of the respective REITs as at 31 December 2011.

2 IGB group's total asset base of approximately RM5.3 billion as at 31 December 2011 (which is accounted for using the historical cost method) includes the historical cost (net of accumulated depreciation and impairment) of the Subject Properties of RM1.03 billion as at the same date.

## 2.4 INDEPENDENT PROPERTY MARKET REPORT

The Manager has engaged the Independent Property Market Consultant to prepare an independent property market report which describes the real estate markets in which IGB REIT operates and the outlook for those markets. Please refer to Appendix B "Independent Property Market Report" of this Prospectus for further details.

## 2.5 VALUATION POLICIES

Independent professional valuation will be obtained at least once every three years in accordance with the REIT Guidelines or such other shorter interval as the Manager deems necessary. All valuations will be conducted on the bases and methods which are in accordance with the Asset Valuation Guidelines. The Manager has engaged the Independent Property Valuer to carry out valuation for the Subject Properties.

The table below sets out the date of last valuation undertaken for each of the Subject Properties:

Subject Properties	Independent Property Valuers	Date of Valuation	Appraised Value (RM'000)	Book Value <sup>(1)</sup> (RM'000)	Fair Value Gain (RM'000)
Mid Valley Megamall	Henry Butcher	10 April 2012	3,440,000	2,360,000	1,080,000
The Gardens Mall	Henry Butcher	10 April 2012	1,160,000	930,000	230,000

**Note:**

(1) Based on the latest audited consolidated financial statements of KrisAssets group as at 31 December 2011.

Please refer to the Valuation Certificates set out in Appendix A "Valuation Certificates" of this Prospectus, which is to be read together with the full valuation reports for the Subject Properties. Copies of the full valuation reports will be made available for inspection at the registered office of the Manager at Level 32, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, for a period of 12 months from the date of this Prospectus.

## **2.6 MID VALLEY MEGAMALL**

### **2.6.1 Vendor**

MVC, a wholly-owned subsidiary of KrisAssets.

### **2.6.2 Address**

Mid Valley Megamall, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

### **2.6.3 Description**

Mid Valley Megamall is a five level retail mall with one mezzanine floor, two levels of basement car park and four levels of elevated car park. It has 454 tenants (as at 31 May 2012). It has three anchor tenants, being Metrojaya, AEON and Carrefour, with other tenants including Harvey Norman and MPH. It also houses an 18-screen cineplex and a bowling alley. There is also an approximately 66,395 sq ft convention centre within the mall.

Since 1999, Mid Valley Megamall has received more than 18 awards and accolades and some of the key awards include:

- Finalist for Retail Merchant of the Year in the MasterCard Hall of Fame Awards 2011;
- Merit for Innovative Shopping Outlets 2010/2011 by Tourism Malaysia
- Best Promotions and Events (Central Business District) Category for Christmas 2009 in the Malaysia Year End Sale Awards 2009 by Tourism Malaysia;
- Best Promotions and Events (Central Business District) Category for the Malaysia Mega Sale Carnival Awards 2009 by Tourism Malaysia;
- MAXI Gold Award 2009 in Visual Merchandising category for the Hari Raya 2008 Promotion by International Council of Shopping Centres;
- Best Retail Development Award 2001 by FIABCI Malaysia;
- Best Shopping Complex Award 2000 by Tourism Malaysia; and
- Gold Award in the Shopping Complex of the Year Category 1999 by Retail World Excellence Award.

The table below sets out a summary of selected information on Mid Valley Megamall.

<b>Existing use</b>	Shopping Centre
<b>Age of Subject Property as at 31 May 2012</b>	Approximately 13 years
<b>GFA as at 31 May 2012 (sq ft)</b>	6,107,103
<b>NLA as at 31 May 2012 (sq ft)</b>	1,718,951
<b>Number of car park bays as at 31 May 2012</b>	6,092
<b>Total Revenue (RM'000)</b>	FY2009: 231,686 FY2010: 243,110 FY2011: 260,530
<b>NPI (RM'000)</b>	FY2009: 159,257 FY2010: 171,618 FY2011: 182,257
<b>Appraised Value as at 10 April 2012 (RM'000)</b>	3,440,000
<b>Purchase consideration (RM'000)</b>	3,440,000
<b>Number of tenancies as at 31 May 2012</b>	454

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

The table below sets out a summary of selected information of the master title in relation to Mid Valley Megamall:

<b>Land area of master title (sq ft)</b>	1,047,532
<b>Tenure</b>	Leasehold interest of 99 years expiring on 6 June 2103
<b>Master title information</b>	PN 37075, Lot 80 Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
<b>Encumbrances/material limitations in master title<sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>• Land charge registered in favour of Malaysian Trustees Berhad (Company No. 21666-V) vide presentation no. 24812/2004 on 10 November 2004</li> <li>• Land charge registered in favour of Malaysian Trustees Berhad (Company No. 21666-V) vide presentation no. 32452/2006 on 27 December 2006</li> <li>• Private caveat lodged by the Trustee on behalf of IGB REIT vide presentation no. 12689/2012 on 26 July 2012</li> </ul>
<b>Restrictions in interest in master title</b>	This land shall not be transferred, leased, secured or charged except with the consent of the Federal Territory Land Executive Committee Secretariat ( <i>Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</i> ) <sup>(2)</sup>
<b>Express conditions in master title</b>	This land shall be used for commercial building only ( <i>Tanah ini hendaklah hanya untuk bangunan perdagangan sahaja</i> )

**Notes:**

- (1) Save for the private caveat lodged on 26 July 2012 and a trust caveat to be lodged prior to the closing of the Retail Offering by the Trustee on behalf of IGB REIT, all the relevant documents for the discharge and withdrawal of the encumbrances/material limitations in the aforesaid master title over Mid Valley Megamall will be presented at the relevant land registry within one month from the date of drawdown of the Syndicated Financing Facilities and the repayment of the existing indebtedness of KrisAssets group.
- (2) MVC has on 15 August 2012 obtained the State Authority's consent for the transfer of Mid Valley Megamall in favour of the Trustee. Please refer to Section 5.1.14 "Beneficial ownership of the Subject Properties is dependent on the validity of the State Authority's consent on the Completion Date of the SPAs and the Trustee may not be registered as the legal owner of the Subject Properties" of this Prospectus for further details.

## 2.6.4 Tenant Profile of Mid Valley Megamall

### (i) Top Ten Tenants of Mid Valley Megamall

The top ten tenants by contribution to Occupied NLA (disclosed based on their respective trade names) of Mid Valley Megamall as at 31 May 2012 are set out below. The top ten tenants contributed an aggregate of 21.3% to Gross Rental Income and occupy an aggregate of 56.7% of Occupied NLA of Mid Valley Megamall as at 31 May 2012.

Tenants by trade name	Trade sector	Percentage of Occupied NLA (%)
AEON	Departmental Store / Supermarket	17.6
Carrefour	Departmental Store / Supermarket	12.3
Metrojaya	Departmental Store / Supermarket	11.7
Mid Valley Exhibition Centre	Exhibition Centre	3.9
Golden Screen Cinema	Entertainment and Leisure	3.6
Celebrity Fitness	Beauty, Health and Wellness	2.3
Cosmic Bowl	Entertainment and Leisure	1.7
Forever 21	Fashion Apparel	1.3
Why Pay More / Studio R and Puma	Sports Equipment and Apparel	1.2
Ace Hardware	Home and Gifts	1.1
<b>Sub-Total</b>		<b>56.7</b>
<b>Others</b>		<b>43.3</b>
<b>Total</b>		<b>100.0</b>

(ii) **Trade Sector Analysis of Mid Valley Megamall**

The table below provides a breakdown of the different trade sectors represented in Mid Valley Megamall as at 31 May 2012.

<b>Trade sector</b>	<b>Percentage of Occupied NLA (%)</b>	<b>Percentage of Gross Rental Income (%)</b>
Fashion Apparel	14.0	31.1
Food and Beverage	11.6	17.8
Departmental Store / Supermarket	41.6	14.9
Entertainment and Leisure	14.0	11.2
Sundry and Services	5.2	9.1
Beauty, Health & Wellness	4.3	6.4
Timepiece and Jewellery	1.2	4.7
Home and Gifts	2.4	2.2
Exhibition Centre	3.9	1.3
Discounters	1.8	1.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**2.6.5 Occupancy Rate and Average Rental Rates**

The table below sets out the Occupancy Rate and the average Gross Rental Income of Mid Valley Megamall.

<b>As at / Period</b>	<b>Occupancy Rate (%)</b>	<b>Average Gross Rental Income (RM per sq ft)</b>
31 May 2012 / Five-month period ended 31 May 2012	99.8	10.75
31 December 2011 / FY2011	100.0	10.21
31 December 2010 / FY2010	99.9	9.69
31 December 2009 / FY2009	100.0	9.22

## 2.6.6 Tenancy Expiry Profile of Mid Valley Megamall

The table below illustrates Mid Valley Megamall's expired tenancies and renewal rates of expired tenancies for the past three financial years.

Period	Number of tenancies expired	NLA of expired tenancies (sq ft)	Renewal rates by number of expired tenancies (%)	Renewal rates by NLA of expired tenancies (%)
FY2011	241	714,087	83.8	93.1
FY2010	172	725,976	82.6	92.8
FY2009	192	426,211	81.3	89.6

The table below illustrates the tenancy expiry profile of Mid Valley Megamall as at 31 May 2012.

Period	Number of tenancies expiring	Percentage of Occupied NLA expiring (%)	Percentage of Gross Rental Income expiring (%)
FY2012	108	16.5	17.8
FY2013	182	26.8	31.0
FY2014	128	36.6	35.5
FY2015 and thereafter	36	20.1	15.7
<b>Total</b>	<b>454</b>	<b>100.0</b>	<b>100.0</b>

## 2.6.7 Major Expansion and Renovation of Mid Valley Megamall

### (i) Completed by the Vendor

During the two years prior to the Latest Practicable Date, the Vendor has completed the following major asset enhancements:

- (a) upgrading of washrooms;
- (b) construction of a floor ramp and escalator connection from the first floor and the mezzanine floor to the first and second floors and to the link bridge with The Gardens Mall;
- (c) ceiling upgrading by raising the ceiling height of the second floor; and
- (d) reconfiguration of the south entrance of Mid Valley Megamall, which links Mid Valley Megamall to Menara IGB, an adjacent office tower, and the ground and first floor.



**(ii) Future Opportunities**

The Manager will continue to review the use of GFA and NLA at Mid Valley Megamall and where appropriate and feasible, convert such GFA and NLA into higher-yield lettable space. This includes reviewing the existing use of GFA to identify spaces that are not currently lettable but which can be converted into additional lettable space by, among others, reconfiguring the internal building layout. This will provide opportunities to create higher yielding space which previously did not yield any rental revenue.

In respect of existing NLA, the Manager may choose to break down large single lots into separate smaller lots upon expiry of the lease term and lease such smaller lots out to several tenants, each paying a higher rental per sq ft than the previous single tenant.

In addition, there will be continuous upgrading and refurbishment of the Subject Property as and when required.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## **2.7 THE GARDENS MALL**

### **2.7.1 Vendor**

MVCG, a wholly-owned subsidiary of KrisAssets.

### **2.7.2 Address**

The Gardens Mall, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

### **2.7.3 Description**

The Gardens Mall is an eight level retail mall together with four levels of basement car park and four levels of elevated car park. It has 209 tenants (as at 31 May 2012), with a wide range mid- to high-end and luxury brand retail boutiques offering a variety of products including fashion, entertainment, health and beauty, electronics and dining services. Some of its tenants include anchor department stores Robinsons from Singapore and Isetan from Japan, among numerous other international and local brands, spas and wellness clinics and a cineplex.

The Gardens Mall was designed by architect Eric Kuhne, the founder of an international research and design-consulting firm. The architecture of The Gardens Mall is designed to create a pleasant environment for shoppers and visitors through the use of local traditional arts and crafts and local flora and fauna. For example, the north, centre and south court of The Gardens Mall are designed with features of the raintree, hibiscus and bamboo, respectively.

<b>THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK</b>
--

The table below sets out a summary of selected information on The Gardens Mall.

<b>Existing use</b>	Shopping Centre
<b>Age of Subject Property as at 31 May 2012</b>	Approximately five years
<b>GFA as at 31 May 2012 (sq ft)</b>	3,379,510
<b>NLA as at 31 May 2012 (sq ft)</b>	817,053
<b>Number of car park bays as at 31 May 2012</b>	4,128
<b>Total Revenue (RM'000)</b>	FY2009: 95,137 FY2010: 102,907 FY2011: 114,874
<b>NPI (RM'000)</b>	FY2009: 42,906 FY2010: 46,363 FY2011: 68,151
<b>Appraised Value as at 10 April 2012 (RM'000)</b>	1,160,000
<b>Purchase consideration (RM'000)</b>	1,160,000
<b>Number of tenancies as at 31 May 2012</b>	209

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

The table below sets out a summary of selected information of the master title in relation to The Gardens Mall.

<b>Land area of master title (sq ft)</b>	421,773
<b>Tenure</b>	Leasehold interest of 99 years expiring on 6 June 2103
<b>Master title information</b>	PN 37073, Lot 79 Seksyen 95A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
<b>Encumbrances/material limitations in master title<sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>• Private caveat lodged by MVCG vide presentation no. 5949/2005 on 17 May 2005</li> <li>• Private caveat lodged by Public Bank Berhad (Company Number 6463-H) vide presentation no. 8085/2008 on 26 May 2008</li> <li>• Private caveat lodged by MVCG vide presentation no. 4067/2012 on 16 March 2012</li> <li>• Private caveat lodged by the Trustee on behalf of IGB REIT vide presentation no. 12690/2012 on 26 July 2012</li> </ul>
<b>Restrictions in interest in master title</b>	This land shall not be transferred, leased, secured or charged except with the consent of the Federal Territory Land Executive Committee Secretariat ( <i>Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</i> ) <sup>(2)</sup>
<b>Express conditions in master title</b>	This land shall be used for commercial building only ( <i>Tanah ini hendaklah hanya untuk bangunan perdagangan sahaja</i> )

**Notes:**

- (1) Save for the private caveat lodged on 26 July 2012 and a trust caveat to be lodged prior to the closing of the Retail Offering by the Trustee on behalf of IGB REIT, all the relevant documents for the discharge and withdrawal of the encumbrances/material limitations in the aforesaid master title over The Gardens Mall will be presented at the relevant land registry within one month from the date of drawdown of the Syndicated Financing Facilities and the repayment of the existing indebtedness of MVCG.
- (2) MVCD has on 16 March 2012, obtained the State Authority's consent for the transfer of The Gardens Mall in favour of MVCG and MVCG has in turn on 15 August 2012, obtained the State Authority's consent for the transfer of The Gardens Mall in favour of the Trustee. Please refer to Section 5.1.14 "Beneficial ownership of the Subject Properties is dependent on the validity of the State Authority's consent on the Completion Date of the SPAs and the Trustee may not be registered as the legal owner of the Subject Properties" of this Prospectus for further details.

## 2.7.4 Tenant Profile of The Gardens Mall

### (i) Top Ten Tenants of The Gardens Mall

The top ten tenants by contribution to Occupied NLA (disclosed based on their respective trade names) of The Gardens Mall as at 31 May 2012 are set out below. The top ten tenants contributed an aggregate of 24.6% to Gross Rental Income and occupy an aggregate of 51.9% of Occupied NLA of The Gardens Mall as at 31 May 2012.

Tenants by trade name	Trade sector	Percentage of Occupied NLA (%)
Isetan	Departmental Store / Supermarket	18.1
Robinsons Department Store	Departmental Store / Supermarket	13.0
GSC Signature	Entertainment and Leisure	3.8
X-Tra	Home and Gifts	2.9
mYoga	Beauty, Health and Wellness	2.9
Marketplace by Cold Storage	Departmental Store / Supermarket	2.8
Borders	Entertainment and Leisure	2.7
Red Box	Entertainment and Leisure	2.0
Marks & Spencer	Fashion Apparel	1.9
Hokkaido Ichiba	Food and Beverages	1.8
<b>Sub-Total</b>		<b>51.9</b>
<b>Others</b>		<b>48.1</b>
<b>Total</b>		<b>100.0</b>

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

(ii) **Trade Sector Analysis of The Gardens Mall**

The table below provides a breakdown of the different trade sectors represented in The Gardens Mall as at 31 May 2012.

Trade sector	Percentage of Occupied NLA (%)	Percentage of Gross Rental Income (%)
Fashion Apparel	13.3	23.5
Food and Beverage	15.5	18.8
Departmental Store / Supermarket	34.0	14.7
Entertainment and Leisure	16.0	11.7
Fashion (Luxury)	2.9	7.8
Sundry and Services	3.0	6.7
Home and Gifts	7.5	6.6
Timepieces and Jewellery	1.8	5.7
Beauty, Health and Wellness	6.0	4.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**2.7.5 Occupancy Rate and Average Rental Rates**

The table below sets out the Occupancy Rate and the average rental rates of The Gardens Mall.

As at / Period	Occupancy Rate (%)	Average Gross Rental Income (RM per sq ft)
31 May 2012 / Five-month period ended 31 May 2012	99.7	8.74
31 December 2011 / FY2011	99.6	8.43
31 December 2010 / FY2010	98.2	7.54
31 December 2009 / FY2009	96.7	7.32

### 2.7.6 Tenancy Expiry Profile of The Gardens Mall

The table below illustrates The Gardens Mall's expired tenancies and renewal rates of expired tenancies for the past three financial years.

Period	Number of tenancies expired	NLA of expired tenancies (sq ft)	Renewal rates by number of expired tenancies (%)	Renewal rates by NLA of expired tenancies (%)
FY2011	38	264,363	71.1	88.9
FY2010	151	498,215	78.2	89.1
FY2009 <sup>(1)</sup>	27	63,641	37.0	67.9

**Note:**

(1) The Gardens Mall was only completed in 2007 and tenancies are still stabilising.

The table below illustrates the tenancy expiry profile of The Gardens Mall as at 31 May 2012.

Period	Number of tenancies expiring	Percentage of Occupied NLA expiring (%)	Percentage of Gross Rental Income expiring (%)
FY2012	63	14.2	19.8
FY2013	119	54.2	57.5
FY2014	26	31.4	22.2
FY2015 and thereafter	1	0.2	0.5
<b>Total</b>	<b>209</b>	<b>100.0</b>	<b>100.0</b>

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

## **2.7.7 Major Expansion and Renovation of The Gardens Mall**

### **(i) Completed by the Vendor**

Since completion of The Gardens Mall, the Vendor has completed the following major asset enhancements:

- (a) upgrading works to the East Entrance porte-cochère;
- (b) upgrading works to the ground floor East walkway between The Gardens Mall and Mid Valley Megamall, including the installation of a water feature and flooring works;
- (c) rooftop landscaping enhancement; and
- (d) upgrading of washrooms.

### **(ii) Future Opportunities**

The Manager will continue to review the use of GFA and NLA at The Gardens Mall and where appropriate and feasible, convert such GFA and NLA into higher-yield lettable space. This includes reviewing the existing use of GFA to identify spaces that are not currently lettable but which can be converted into additional lettable space by, among others, reconfiguring the internal building layout. This will provide opportunities to create higher yielding space which previously did not yield any rental revenue.

In respect of existing NLA, the Manager may choose to break down large single lots into separate smaller lots upon expiry of the lease term and lease such smaller lots out to several tenants, each paying a higher rental per sq ft than the previous single tenant.

In addition, there will be continuous upgrading and refurbishment on the Subject Property as and when required.

<b>THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK</b>
--



## 2.8 TENANCY MANAGEMENT

The tenancy agreements for the Subject Properties include terms and conditions relating to the rent, service and promotion charges, term of the tenancy, the provision of a security deposit as well as renewal and termination of the tenancy. These terms and conditions are varied and negotiated on a case-by-case basis to accommodate the specific needs of tenants and the landlord.

Based on a typical retail tenancy of the Subject Properties, the monthly rent payable by the tenants would be the aggregate of:

- (i) base or percentage rent, whichever is higher; and
- (ii) service and promotional charges.

The percentage rent is typically calculated based on an agreed percentage of a tenant's monthly gross sales. The service charges and the promotional charges are payable by tenants based on a per sq ft basis as contribution towards a tenant's share of operating expenses of the Subject Properties and for marketing purposes.

Tenants are required to provide a security deposit of typically three months of monthly rental as security for due observance and performance by tenants of their tenancy agreements. Unless otherwise agreed by the landlord, all tenants are also required to provide utilities, fit-out, restoration and mailbox and access card deposits. Security deposits are held on an unsecured basis and do not bear interest on the tenant's behalf. Rent, service charges and promotional charges are payable on a monthly basis.

The tenancy agreements entered into are generally for two-year or three-year terms. The landlord may grant the tenant an option to renew the tenancy agreement upon expiry of the term. The tenant's right to exercise the option to renew is subject, among others, to the following:

- (i) the tenant shall make a written request to the landlord of its intention to renew the tenancy agreement no later than six calendar months before the expiration of the term of the tenancy;
- (ii) there shall not be any breaches or non-observance of the tenancy agreement;
- (iii) the tenant shall make payment of the increased security deposit, utilities deposit or any other deposits or charges; and
- (iv) execution of a new tenancy agreement between the landlord and the tenant based on terms and conditions to be agreed by the parties.

In the event the tenants terminate the tenancy agreements prior to the expiry dates, the landlord may re-enter upon the demised premises and may forfeit the deposits paid by the tenants and the tenants are further required to pay to the landlord liquidated and ascertained damages equivalent to the remainder of the monthly rent for the whole of the unexpired period of the term in addition to other damages and arrears that may be applicable for the breaches under the tenancy agreement.

## **2.9 INSURANCE**

The Subject Properties are currently insured under property and liability insurance policies, with coverage features and insured limits that are in line with industry practice in Malaysia. The coverage of these insurances policies includes property loss or damage caused by fire and special perils, consequential losses from fire and special perils, machine and equipment, all risks, plate glass, burglary and larceny, fidelity guarantee, employer's liability and public liability. There are no significant or unusual excess or deductible amounts required under these policies.

There are, however, certain risks that are not covered by such insurance policies, pursuant to typical exclusions such as war, acts of terrorism and radioactive or nuclear risks.

The insurance policies will be endorsed in favour of the Trustee on the Completion Date of the SPAs.

## **2.10 FIRE PROTECTION**

The fire protection system for each of the Subject Properties is manned on a 24-hour basis at a fire command centre with the central monitoring system linked to the Malaysia Fire and Rescue Department (*Jabatan Bomba dan Penyelamat Malaysia*). The Subject Properties have qualified fire safety personnel, who form part of an emergency response team and who ensure that all fire protection systems and equipment are in working order. Each of the Subject Properties is also equipped with a fire protection system which includes a fire detection system, fire suppression system and smoke management system. Both the Subject Properties also have fire sprinkler systems with water tanks and wet riser. Each of the Subject Properties has maintenance contractors for the fire protection systems.

## **2.11 RETAIL PROPERTY COMPETITION**

Out of the approximately 46.1 million sq ft retail space in Klang Valley, mass market malls contribute 92.3% of total supply as at 2011. Mid Valley Megamall and The Gardens Mall together contribute over 2.5 million sq ft, representing 5.4% of total retail space.

Based on the size and range of retail offerings, the Manager believes that the main competitors of the Subject Properties are Suria KLCC, Pavilion Kuala Lumpur Mall, Sunway Pyramid and 1 Utama Shopping Centre.

While these malls compete against each other in terms of their customer base and catchment, the Manager believes that the Subject Properties' location in Mid Valley City allows them to differentiate themselves from their competitors as the Subject Properties are not limited to the catchment areas within any one suburb, region or in the city as they benefit from both a city and a suburban catchment.

Please refer to Appendix B "Independent Property Market Report" of this Prospectus for further details.

## **2.12 CAPITAL EXPENDITURE**

There is a continuous upgrading, renovating and refurbishment programme in respect of both Subject Properties. Some of the examples under these programmes would include tenant and public area configuration, car park and traffic upgrading, washroom and lobby area upgrading, external façade upgrading, as well as entrance and exit upgrading. As the reconfiguration and upgrading are expensed off on an “as incurred” basis, there would not be any major capital expenditure during the Forecast Period 2012 and the Forecast Year 2013.

## **2.13 LEGAL PROCEEDINGS**

Neither the Subject Properties nor the Manager is currently involved in any material litigation nor, to the best of the Manager’s knowledge, is any material litigation currently contemplated or threatened against IGB REIT or the Manager.

<b>THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK</b>
--

### 3. PARTICULARS OF THE OFFERING

#### 3.1 INTRODUCTION

The SC granted its approval for the Offering on 18 July 2012. The approval of the SC shall not be taken to indicate that the SC recommends the Offering. **Investors should rely on their own evaluation to assess the merits and risks of the Offering and their investment in IGB REIT. In considering the investment, if investors are in any doubt as to the action to be taken, they should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

Bursa Securities' approval for the admission of all the Units to be issued to the Official List of the Main Market and for the listing of and quotation for all the said Units was obtained on 3 August 2012. All the Units will be admitted to the Official List of the Main Market and official quotation will commence after receipt of confirmation from Bursa Depository that all the Units have been credited into the respective CDS Account of the Vendors and/or their nominees (pursuant to the Acquisitions) and the successful applicants and the notices of allotment of the Units have been despatched to the said parties. Admission to the Official List of the Main Market shall not be taken as an indication of the merits of IGB REIT, the Units, or the Offering.

**Pursuant to Section 14(1) of the Central Depository Act, Bursa Securities will prescribe the Units as a prescribed security. Consequently, the Units will be deposited directly with Bursa Depository. Any dealings in the Units will be carried out in accordance with the Deed, the Central Depositories Act and the Rules of Bursa Depository. Unit certificates will not be issued to successful applicants.**

Pursuant to the Listing Requirements, at least 25.0% of the total number of Units in issue must be held by public unitholders upon completion of the Offering and at the point of Listing or such other minimum public spread as may be approved by Bursa Securities ("**Public Spread Requirement**"). The Manager expects to achieve a public unitholding spread of approximately 17.8% (excluding the expected unitholdings of the directors and substantial shareholders of the Manager, substantial Unitholders of IGB REIT, and their respective associates) at the point of Listing. Accordingly, the Manager has submitted an application to Bursa Securities for an extension to meet the Public Spread Requirement within one month from the Listing Date ("**Extension Application**"). IGB REIT is expected to meet the Public Spread Requirement upon the completion of the Distribution-in-Specie by KrisAssets to its entitled shareholders on a *pro rata* basis on an entitlement date to be determined, which is expected to be within one month from the Listing Date. Bursa Securities has, through its letter dated 3 August 2012, granted its approval for the Extension Application.

In the event IGB REIT does not meet the Public Spread Requirement upon the completion of the Distribution-in-Specie by KrisAssets, IGB REIT may be removed from the Official List of the Main Market.

Investors must have a CDS Account when applying for the Offer Units. In the case of an application by way of an Application Form, applicants should state their CDS Account number in the space provided in the Application Form. In the case of an application by way

of Electronic Application or Internet Application, only an individual who has a CDS Account can make an Electronic Application or Internet Application. For an application by way of Electronic Application, an applicant shall furnish his CDS Account number to the Participating Financial Institutions by keying in his CDS Account number if the instruction on the ATM screen at which he enters his Electronic Application requires him to do so. In the case of an application by way of Internet Application, only an applicant who has an existing account with access to the Internet financial services facilities with the Internet Participating Financial Institutions can make an Internet Application. The applicant shall furnish his CDS Account number to the Internet Participating Financial Institutions by keying in his CDS Account number into the online application form. A corporation or institution cannot apply for the Units by way of Electronic Application or Internet Application.

### 3.2 TOTAL FUND SIZE AND UNITS TO BE ISSUED

The table below sets out the details of the Units.

	Number of Units ('000)
Fund size approved by the SC	3,550,000
Consideration Units to be issued to the Vendors as part payment for the Acquisitions	3,400,000
Total issued Units upon Listing	3,400,000
Units approved by the SC to be issued as part payment of the Management Fee	150,000

There is only one class of units in IGB REIT. The Units to be issued, provided that full application monies are paid in full, will rank *pari passu* in all respects with each other and will be entitled to all distributions that may be declared subsequent to the Listing.

### 3.3 PURPOSE OF THE OFFERING

The purpose of the Offering is as follows:

- (i) to obtain a listing of and quotation for the Units on the Main Market to enhance liquidity as compared to the illiquid nature of the underlying Subject Properties;
- (ii) to gain access to capital markets in order to raise funds for future real estate acquisitions; and
- (iii) to provide investors an opportunity to invest in a REIT which provides stable distribution of income and potential capital appreciation on investment in the Units.

### 3.4 DETAILS OF THE OFFERING

#### 3.4.1 Retail Offering

Retail Offering at the Retail Price of RM1.25 per Offer Unit, payable in full upon application and subject to refund of the difference, in the event that the Final Retail Price is less than the Retail Price.

The Retail Offering of 201,000,000 Offer Units by the Offeror, representing approximately 5.9% of the total Units to be issued upon Listing, subject to Clawback and Reallocation, consists of the following:

- (i) Public offer of 34,000,000 Offer Units, representing 1.0% of the total Units to be issued upon Listing, for application by the Malaysian Public via balloting; and
- (ii) Reserved Units of 167,000,000 Offer Units, representing approximately 4.9% of the total Units to be issued upon Listing, reserved for application by the eligible directors and employees of the Manager, the eligible directors and employees of the Sponsor, the eligible directors and employees of the eligible subsidiaries of the Sponsor (excluding the Manager but including the Vendors) and the eligible shareholders of the Sponsor in the following manner:

(a) Eligible directors and employees of the Manager

7,950,000 Offer Units under the Retail Offering is reserved for application by six directors and seven employees of the Manager as at 30 June 2012 and who have not resigned as at 30 June 2012. The table below sets out the allocation of Units to the eligible directors of the Manager:

<b>Directors of the Manager</b>	<b>Number of Reserved Units allotted ('000)</b>
Robert Tan Chung Meng	1,500
Tan Boon Lee	750
Tan Lei Cheng	750
Daniel Yong Chen-I	750
Elizabeth Tan Hui Ning	750
Tan Yee Seng	750
<b>Total</b>	<b>5,250</b>

The criteria for allotment of Reserved Units to the directors of the Manager are based on, among others, their future contribution to the Manager, taking into consideration their expected roles and responsibilities. The criteria for allotment of Reserved Units to the eligible employees of the Manager are based on, among others, their job seniority and performance.

(b) Eligible directors and employees of the Sponsor

22,890,000 Offer Units under the Retail Offering is reserved for application by nine directors and 159 employees of the Sponsor as at 30 June 2012 and who has not resigned as at 30 June 2012. The criteria for allotment to the eligible directors and employees of the Sponsor are based on, among others, their length of service, job seniority and performance, where relevant.

(c) Eligible directors and employees of the eligible subsidiaries of the Sponsor (excluding the Manager but including the Vendors)

16,160,000 Offer Units under the Retail Offering is reserved for application by seven directors and 268 employees of the eligible subsidiaries of the Sponsor (excluding the Manager but including the Vendors) as at 30 June 2012 and who has not resigned as at 30 June 2012. The criteria for allotment to the eligible directors and employees of the eligible subsidiaries of the Sponsor (excluding the Manager but including the Vendors) are based on, among others, their length of service, job seniority and performance, where relevant, and their respective contribution to the Subject Properties.

(d) Eligible shareholders of the Sponsor

Up to 120,000,000 Offer Units under the Retail Offering is reserved for application by the eligible shareholders of the Sponsor on the basis of eight Offer Units for 100 ordinary shares of IGB held as at 5.00 p.m. on 17 August 2012, fractional entitlements to be disregarded. For the avoidance of doubt, each eligible shareholder of the Sponsor must hold a minimum of 100 ordinary shares of IGB in order to be entitled to subscribe for the Reserved Units. The difference (if any) between the actual allotment of Offer Units to the eligible shareholders of the Sponsor and the 120,000,000 Offer Units reserved hereunder shall be reallocated, subject to the Clawback and Reallocation provision, to satisfy excess applications (if any) under the balloted public portion of the Retail Offering, with any excess thereafter to be made available to satisfy excess applications (if any) under the Institutional Offering.

As an illustration, if a shareholder of the Sponsor has 50 ordinary shares of the Sponsor standing to his credit as at 5.00 p.m. on 17 August 2012, the shareholder of the Sponsor will not be eligible to apply for any Offer Units. If a shareholder of the Sponsor has 150 ordinary shares of the Sponsor standing to his credit as at 5.00 p.m. on 17 August 2012, the shareholder of the Sponsor will be eligible to apply for 12 Offer Units.

### 3.4.2 Institutional Offering

Institutional Offering to investors at the Institutional Price payable in full upon allocation and determined by way of bookbuilding.

The Institutional Offering of 469,000,000 Offer Units by the Offeror, representing approximately 13.8% of the total Units to be issued upon Listing subject to the Clawback and Reallocation, is available for application by Malaysian and foreign institutional investors and selected investors.

The Units have not been and will not be registered under the Securities Act and, accordingly, may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. The Offer Units are being offered and sold in offshore transactions as defined in and in reliance on Regulation S.

In summary, the Offer Units offered under the Offering (subject to Clawback and Reallocation provision) will be allocated in the following manner:

<b>Breakdown of the Offering:</b>	<b>No. of Offer Units (‘000)</b>	<b>% of total issued Units upon Listing</b>
<b>Retail Offering:</b>		
Malaysian Public via balloting	34,000	1.0
Reserved Units	167,000	4.9
Sub-Total	201,000	5.9
<b>Institutional Offering:</b>		
Malaysian and foreign institutional investors and selected investors	469,000	13.8
<b>Total</b>	<b>670,000</b>	<b>19.7</b>

### 3.4.3 Clawback and Reallocation

- (i) Subject to paragraph (iii) below, the Offer Units may be clawed-back and reallocated to the Institutional Offering from the Retail Offering at the discretion of the Joint Global Coordinators and the Joint Managing Underwriters (in consultation with the Manager and the Offeror), in the event of an over-subscription in the Institutional Offering and a corresponding under-subscription in the Retail Offering.
- (ii) In the event of an over-subscription in the Retail Offering and an under-subscription in the Institutional Offering, up to 37,000,000 Offer Units (being the difference between 2.0% of IGB REIT’s approved fund size of 71,000,000 Units and the balloted public portion of the Retail Offering of 34,000,000 Offer Units) will be clawed-back from the Institutional Offering and reallocated to the Retail Offering, while any additional reallocation in excess of 37,000,000 Offer Units



would be at the discretion of the Joint Global Coordinators and the Joint Managing Underwriters (in consultation with the Manager and the Offeror).

- (iii) Subject to the preceding paragraphs and the Retail Underwriting Agreement, in the event any of the Reserved Units are not subscribed for in full, the Reserved Units not taken up<sup>1</sup> will first be made available to satisfy excess applications (if any) under the balloted public portion of the Retail Offering, with any excess thereafter to be made available to satisfy excess applications (if any) under the Institutional Offering.

The Clawback and Reallocation provision shall not apply in the event of an over-subscription in both the Retail Offering and the Institutional Offering.

#### **3.4.4 Undertakings to Subscribe**

Certain shareholders of the Sponsor and directors and employees of the Manager, have given their respective irrevocable undertaking via letters of undertaking dated 2 August 2012, to subscribe, in aggregate, 64,792,076 Offer Units to which they are entitled under the Reserved Units tranche of the Retail Offering based on their respective shareholdings in the Sponsor and/or as eligible directors or employees of the Manager.

#### **3.4.5 Minimum Subscription**

There is no minimum subscription in terms of the proceeds to be raised from the Offering. However, the minimum subscription in terms of the number of Units to be subscribed will be such number of Units required to be held by public unitholders for IGB REIT to achieve a public unitholding spread of approximately 17.8% (excluding the expected unitholdings of the directors and substantial shareholders of the Manager, substantial Unitholders of IGB REIT, and their respective associates) at the point of Listing. IGB REIT is expected to meet the Public Spread Requirement upon the completion of the Distribution-in-Specie by KrisAssets to its entitled shareholders on a pro rata basis on an entitlement date to be determined, which is expected to be within one month from the Listing Date.

Furthermore, if the Offering is not completed and/or the Manager and the Offeror decides in its absolute discretion not to proceed with the Listing, monies paid in respect of any application for the Offer Units may be returned to the applicants without interest.

---

<sup>1</sup> For the avoidance of doubt, this may include the 64,792,076 Offer Units (as described in Section 3.4.4 "Undertakings to Subscribe" of this Prospectus) for which irrevocable undertakings have been obtained from certain shareholders of the Sponsor and directors and employees of the Manager to subscribe to their respective entitlement under the Reserved Units allocation, in the unlikely event that these parties do not subscribe to such Reserved Units allocated to them in accordance with the irrevocable undertakings.

### 3.5 THE OFFEROR

The Offeror is MVCG. MVCG was incorporated in Malaysia as a private limited company under the Act as IEH Corporation Sdn Bhd on 5 September 1989 and assumed its present name on 28 October 2004.

As at the Latest Practicable Date, MVCG has an authorised share capital of RM50,000,000 comprising 10,000,000 ordinary shares of RM1.00 each and 800,000,000 redeemable preference shares of RM0.05 each, of which 8,800,000 ordinary shares have been issued and fully paid-up.

The principal activity of MVCG is property investment. As at the Latest Practicable Date, MVCG is the owner and operator of The Gardens Mall.

MVCG is also the vendor of The Gardens Mall and The Gardens Mall Related Assets.

### 3.6 INDICATIVE TIMETABLE

An indicative timetable for the Offering is set out below:

Date and time <sup>(1)</sup>	Event
27 August 2012, 10.00 a.m.	: Opening date and time for the Retail Offering
28 August 2012	: Opening date of the Institutional Offering
4 September 2012, 5.00 p.m.	: Closing date and time for the Retail Offering
6 September 2012	: Closing date of the Institutional Offering
6 September 2012	: Price Determination Date
7 September 2012	: Balloting of applications for Offer Units pursuant to the Retail Offering for the Malaysian Public portion
20 September 2012	: Transfer of Offer Units to successful applicants
21 September 2012	: Listing of IGB REIT on the Main Market

**Note:**

(1) *The above timetable is indicative only and is subject to change. The Institutional Offering will open and close at the dates stated above or such other date(s) as the Manager, the Offeror and the Joint Global Coordinators may mutually decide in their absolute discretion. The application for the Offer Units offered under the Retail Offering will open and close at the dates stated above or such other date(s) as the Manager, the Offeror, the Joint Principal Advisers and the Joint Managing Underwriters may mutually decide in their absolute discretion.*

If either the Institutional Offering or the Retail Offering is extended, the Price Determination Date and dates for the balloting, transfer of Offer Units and Listing will be extended accordingly. Any extension of the abovementioned dates will be announced by way of advertisement in a widely circulated Bahasa Malaysia daily newspaper and English daily newspaper within Malaysia.

### 3.7 PRINCIPAL UNITHOLDERS OF IGB REIT AND THEIR UNITHOLDINGS

The total number of Units in issue immediately after completion of the Offering will be 3,400,000,000 Units.

The following table sets out the principal Unitholders of IGB REIT and their Unitholdings immediately upon completion of the Offering and the Distribution-In-Specie by KrisAssets, respectively:

Principal Unitholders	Units in issue after the Offering		Units in issue after the Distribution-In-Specie by KrisAssets	
	('000)	(%)	('000)	(%)
KrisAssets <sup>(1)</sup>	2,730,000	80.3	-	-
Sponsor <sup>(2)</sup>	-	-	1,733,668	51.0
Retail and Institutional investors	670,000	19.7	1,666,332	49.0
<b>Total</b>	<b>3,400,000</b>	<b>100.0</b>	<b>3,400,000</b>	<b>100.0</b>

**Notes:**

- (1) MVC will nominate KrisAssets to receive the 2,730,000,000 Consideration Units, representing 80.3% of the total Consideration Units.
- (2) The Sponsor's pro-rata entitlement to the Distribution Units pursuant to the Distribution-In-Specie by KrisAssets, which is assumed based on the Sponsor's pro forma shareholding in the enlarged share capital of KrisAssets assuming full conversion of the existing RM300.0 million nominal value seven-year redeemable convertible secured bonds issued by KrisAssets on 30 March 2011 and constituted by a trust deed dated 7 January 2011 between KrisAssets as the issuer and Pacific Trustees Berhad as the trustee acting for and on behalf of the holders of such bonds.

### 3.8 BASIS OF DETERMINING THE PRICE OF THE OFFER UNITS

#### 3.8.1 Retail Price

The Retail Price of RM1.25 per Offer Unit was determined and agreed upon by the Manager, the Offeror, the Joint Principal Advisers, the Joint Global Coordinators and the Joint Managing Underwriters after taking into consideration the following factors:

- (i) the financial history and condition of the Subject Properties;
- (ii) the pro forma NAV per Unit upon Listing of approximately RM0.996;
- (iii) the forecast distribution yields of IGB REIT;
- (iv) the future prospects of IGB REIT; and
- (v) the prevailing capital and property market conditions and sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date and will be equal to the lower of:

- (i) the Retail Price of RM1.25 per Offer Unit; and
- (ii) the Institutional Price.

Prospective retail investors should be aware that the Final Retail Price will not, in any event, be higher than the Retail Price.

The Final Retail Price and the Institutional Price are expected to be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment.

Applicants should also note that the market price of the Units upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the price of the Units.

### **3.8.2 Institutional Price**

The Institutional Price will be determined by way of bookbuilding wherein prospective investors will be invited to bid for portions of the Institutional Offering by specifying the number of Offer Units that they would be prepared to acquire and the price that they would be prepared to pay for the subscription. This bookbuilding process is expected to start on 28 August 2012 and will end on 6 September 2012 or such other dates as the Manager, the Offeror and the Joint Global Coordinators may decide at their absolute discretion. Upon completion of the bookbuilding process, the Institutional Price will be fixed via agreement between the Manager, the Offeror and the Joint Global Coordinators on the Price Determination Date.

### **3.8.3 Refund Mechanism**

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded without any interest thereon. The refund in the form of cheques will be despatched by ordinary mail to the address as stated in Bursa Depository's records for applications made via the Application Form, Electronic Application and Internet Application, of the successful applicants, within 10 Market Days from the final balloting date for the applications, at the successful applicants' own risk.

### **3.8.4 Expected Market Capitalisation**

Based on an Retail Price of RM1.25 per Offer Unit and the listing of 3,400,000,000 Units, the total market capitalisation of IGB REIT upon Listing is estimated to be approximately RM4,250 million.

### 3.9 LISTING SCHEME

In conjunction with, and as an integral part of the Listing, the Manager undertook the listing scheme, as follows:

#### 3.9.1 Acquisitions

On 26 July 2012, the Trustee on behalf of IGB REIT entered into the SPAs with the Vendors, among others, for the acquisition of the Subject Properties and the Related Assets for a total purchase consideration of approximately RM4,613 million:

Subject	Valuation (RM'000)	Purchase Consideration (RM'000)	To be satisfied by	
			Consideration Units ('000) <sup>(3)</sup>	Cash Consideration (RM'000) <sup>(4)</sup>
Mid Valley Megamall	3,440,000 <sup>(1)</sup>	3,440,000	2,730,000	710,000
Mid Valley Megamall Related Assets	1,582 <sup>(2)</sup>	1,582	-	1,582
The Gardens Mall	1,160,000 <sup>(1)</sup>	1,160,000	670,000	490,000
The Gardens Mall Related Assets	10,977 <sup>(2)</sup>	10,977	-	10,977
<b>Total</b>	<b>4,612,559</b>	<b>4,612,559</b>	<b>3,400,000</b>	<b>1,212,559</b>

**Notes:**

- (1) The market value of the Subject Properties as appraised by the Independent Property Valuer as at 10 April 2012.
- (2) The net book value of the Related Assets, based on the latest audited financial statements of the Vendors for the FY2011.
- (3) The RM equivalent of the number of Consideration Units to be issued at an issue price of RM1.00 per Unit.
- (4) Cash Consideration to be raised through the drawdown of a portion of the Syndicated Financing Facilities.

The total purchase consideration for the acquisition of the Subject Properties of RM4,600 million was arrived at based on the independent valuation of the Subject Properties of RM4,600 million as at 10 April 2012.

IGB REIT will be acquiring the Related Assets in order to ensure the continuity of operations of the Subject Properties. The purchase consideration payable for the Related Assets of RM12,559,000 is based on the audited net book value of the Related Assets as at 31 December 2011.

The total purchase consideration for the Acquisitions of approximately RM4,613 million will be satisfied through:

- (i) the issuance of 3,400,000,000 Consideration Units; and
- (ii) Cash Consideration of approximately RM1,213 million, which will be funded through the funds received from the drawdown of a portion of the Syndicated Financing Facilities.

IGB REIT will acquire the Subject Properties and the Related Assets in accordance with the terms of the SPAs. As at the date of this Prospectus, the Acquisitions are still pending completion. For further details of the SPAs, please refer to Section 14.3 "Salient Terms of the SPAs" of this Prospectus.

Note that if either SPA is not completed in accordance with the terms therein contained, there will be no Acquisitions by IGB REIT and the Listing will not proceed, and IGB REIT will be unwound. In the event Units have been allotted, the Unitholders who were allotted Units under the Offering will only receive their monies following the completion of the winding up of IGB REIT in accordance with the terms of the Deed.

### 3.10 REIT FINANCING

The Trustee, on behalf of IGB REIT, as borrower, has obtained from the Syndicated Lenders, the Syndicated Financing Facilities comprising the following:

- (a) FRTL – a fixed rate term loan facility of up to RM1,200 million; and
- (b) SBRC – a standby revolving credit facility of up to RM20 million.

Proceeds drawn from the FRTL shall be utilised by IGB REIT to part finance the Acquisitions and the proceeds drawn from the SBRC shall be utilised by IGB REIT to part finance the Acquisitions and to finance its capital expenditure requirements.

The FRTL has tenure of five years from the date of first drawdown with an option to extend the same for a further two years exercisable by the Trustee. For the first five years, the FRTL bears a fixed interest rate of 4.4% per annum. In the event the FRTL is extended, the interest rates for the sixth and the seventh year shall be stepped up to 5.0% per annum.

The SBRC has tenure of seven years from the date of fulfilment of all conditions precedent. The SBRC bears a floating interest rate of the aggregate effective costs of funds and a margin of 0.7% per annum.

The Syndicated Financing Facilities will be secured against, among others, the following:

- (i) a first party assignment by the Trustee of its rights, title, interests and benefits in Mid Valley Megamall and under the Mid Valley Megamall SPA and all other documents evidencing the Trustee's interest in Mid Valley Megamall. In the event the subdivision of master title is completed and a separate strata title is being issued for Mid Valley Megamall ("**Megamall Strata Title**"), a first party first legal charge shall be created by the Trustee on the Megamall Strata Title for the benefit of the Syndicated Lenders;
- (ii) an undertaking from the Trustee and the Manager:

- (a) to deposit all cash flows generated from Mid Valley Megamall into the revenue account; and
- (b) that it shall not declare or make any dividends or distributions out of the cashflow derived from Mid Valley Megamall to the Unitholders if an event of default has occurred under the terms of the Syndicated Financing Facilities, and is continuing and has not been waived;
- (iii) a first party legal assignment and charge by the Trustee over all rights, interests, title and benefits relating to the following designated accounts:
  - (a) the revenue account into which the Trustee shall credit, among others, all income and insurance proceeds derived from or in relation to Mid Valley Megamall;
  - (b) the operating account which is to capture funds transferred from the revenue account for the purpose of managing the operating expenditure of Mid Valley Megamall; and
  - (c) the debt service reserve account which is to capture funds transferred from the revenue account for purposes of meeting the debt service requirement;
- (iv) a first party legal assignment by the Trustee of all the proceeds under the tenancy/lease agreements in relation to Mid Valley Megamall;
- (v) a first party legal assignment over all of the Trustee's rights, interests, title and benefits under all the insurance policies in relation to Mid Valley Megamall and the security agent (acting for and on behalf of the Syndicated Lenders) being named as the loss payee and beneficiary of the insurance policies.

### **3.11 LISTING EXPENSES**

Based on a Retail Price of RM1.25 per Offer Unit, the Offering is expected to raise gross proceeds of RM837.5 million arising from the offer for sale of 670,000,000 Offer Units. The Offeror will receive all the proceeds from the Offering and will bear all costs relating to the Offering comprising the underwriting fees and commissions, placement commission and brokerage expenses estimated to be approximately RM27 million.

Listing expenses will be funded through internally generated funds of IGB REIT from rental income from the Subject Properties. The expenses will be fully settled within one month of the Listing. The breakdown of the estimated expenses in relation to the Listing is as follows:

Estimated Listing expenses	(RM'000)
Professional and advisory fees	9,500
Regulatory fees	800
Printing, marketing and advertising expenses	2,500
Financing expenses	7,000
Other related expenses	200
<b>Total</b>	<b>20,000</b>

### **3.12 BROKERAGE, COMMISSIONS AND OTHER FEES AND CHARGES**

#### **3.12.1 Brokerage**

The Offeror will bear brokerage relating to the Offer Units made available for application under the Retail Offering at the rate of 1.0% of the Retail Price in respect of successful applications which bear the stamp of CIMB, HLIB, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Bookrunners are entitled to charge brokerage to successful applicants under the Institutional Offering. For the avoidance of doubt, the brokerage commission under the Institutional Offering will not be payable by IGB REIT or the Offeror.

#### **3.12.2 Commissions**

Pursuant to the Retail Underwriting Agreement, the Offeror agrees to pay the Joint Underwriters, in aggregate, an underwriting commission of up to 2.0% of the amount equal to the Retail Price multiplied by the 136,207,924 Offer Units being underwritten under the Retail Offering (which excludes the 64,792,076 Offer Units of which certain shareholders of the Sponsor and directors and employees of the Manager have undertaken to subscribe as set out in Section 3.4.4 "Undertakings to Subscribe" of this Prospectus).

Pursuant to the Placement Agreement to be entered into by the relevant parties, the Offeror agrees to pay the Joint Bookrunners for the Institutional Offering, in aggregate, a placement commission of up to 3.0% of the amount equal to the gross proceeds raised under the Institutional Offering, being the number of Offer Units under the Institutional Offering at the Institutional Price.

#### **3.12.3 Fees and Charges Payable Directly by Unitholders**

The following is a summary of the amount of certain fees and charges payable by the Unitholders in connection with the purchase, sale and holding of their investments in IGB REIT or trading of the Units (so long as the Units are listed):



	Payable by the Unitholders directly	Amount payable
(a)	Bursa Securities clearing fee	0.03% of the transaction value, subject to a maximum of RM1,000 per transaction
(b)	Brokerage	A percentage of the transaction value prescribed by or negotiated with the ADAs, subject to a minimum of RM40 per transaction save for (i) online routed retail transactions, (ii) transactions executed in less than a board lot and (iii) transactions paid with cash upfront, for which the minimum brokerage fees are fully negotiable
(c)	Stamp duty	Transfer of units of a unit trust is exempted from stamp duty under Item 32 Exemption Paragraph (c), First Schedule of the Stamp Act, 1949

The above rates may be subject to changes by the relevant parties. Further information on the charges you may incur from the trading of Units on Bursa Securities may be found on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### 3.13 SALIENT TERMS OF THE RETAIL UNDERWRITING AGREEMENT

The Manager, the Sponsor and the Offeror have entered into the Retail Underwriting Agreement with the Joint Managing Underwriters and the Joint Underwriters for the Joint Underwriters to subscribe and/or procure the subscription for 136,207,924 Offer Units offered under the Retail Offering which are not taken up or duly applied for ("**Underwritten Units**"), (subject to the Clawback and Reallocation provision) and upon the terms and subject to the conditions contained in the Retail Underwriting Agreement. Pursuant to the terms of the Retail Underwriting Agreement, the Joint Underwriters' obligation to underwrite is several and not joint.

#### Conditions Precedent

The obligation of the Joint Underwriters to underwrite the Underwritten Units under the Retail Offering pursuant to the Retail Underwriting Agreement is conditional on various conditions, including, among others, the following:

- (i) the SPAs becoming unconditional in accordance with their respective terms (save and except for the issuance of the Final CP Confirmation (as defined in the respective SPAs) and such SPAs are in full force and effect and have not been terminated (and not amended or supplemented), and there shall not have occurred any breach or non-compliance by any of the parties thereto of their obligations and agreements under such SPAs;
- (ii) there not having occurred on or prior to the date of closing of the Retail Offering ("**Closing Date**") any breach of and/or failure to perform any of the undertakings by the Manager, the Offeror and/or the Sponsor contained in the Retail Underwriting Agreement;

- (iii) the approvals, or no objection of the State Authority in respect of the restriction-in-interest endorsed on the master titles over the Subject Properties for the transfer of the respective Subject Properties by the Vendors to the Trustee on behalf of IGB REIT as the purchaser pursuant to the SPAs have been obtained and remain in full force and effect up to the Closing Date;
- (iv) the execution of the Placement Agreement and the Placement Agreement not having been terminated or rescinded pursuant to the provisions thereof;
- (v) the letters of undertaking (as described in Section 3.4.4 "Undertakings to Subscribe" of this Prospectus) are executed prior to registration of the Prospectus and remain in full force and effect (and not amended or supplemented, save as agreed in writing by the Joint Managing Underwriters) and have been complied with and not breached; and
- (vi) all such persons who have undertaken to subscribe, have subscribed for their respective Offer Units as set out in their undertakings and such subscriptions have been accepted by the Manager and the Offeror and paid for.

If any of the conditions precedent described in the Retail Underwriting Agreement (inclusive of the above), to the extent not waived, are not satisfied within the agreed time as set out in the Retail Underwriting Agreement, the Joint Managing Underwriters shall be entitled to terminate the Retail Underwriting Agreement for and on behalf of the Joint Underwriters.

#### **Termination**

The Joint Managing Underwriters may, after consultation with the Manager, by written notice setting out the grounds for such termination to the Offeror, the Manager and the Sponsor given at any time before the Listing Date, terminate, cancel and withdraw the Joint Underwriters' respective underwriting commitments upon the occurrence of, among others, any of the following:

- (i) there is any breach by the Offeror, the Sponsor or the Manager of any of the representations, warranties or undertakings contained in the Retail Underwriting Agreement or which is contained in any certificate under or in connection with the Retail Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within seven days from receipt of the notice of such breach being given to the Offeror or the Sponsor or the Manager by the Joint Managing Underwriters or by the Closing Date, whichever is the earlier ;
- (ii) there is a failure on the part of the Offeror, the Sponsor or the Manager to perform any of its obligations (other than those in paragraph (i) above), contained in the Retail Underwriting Agreement; and
- (iii) there is withholding of information of a material nature from the Joint Underwriters which is required to be disclosed pursuant to the Retail Underwriting Agreement which, in the opinion of the Joint Managing Underwriters, would have a material adverse effect, or affect the success of the Offering, or the distribution or the sale of the Offer Units issued or to be issued under the Offering;

- (iv) the occurrence of any of the following events:
- (a) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and financing rates), political or economic conditions or exchange control or currency exchange rates affecting Malaysia which in the reasonable opinion of the Joint Managing Underwriters is likely to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market) on the value or price of the Offer Units or a material adverse effect on the Listing or the Offering;
  - (b) any new law or change in law, regulation, directive, policy or ruling in Malaysia, interpretation or application by the court/authorities (including those relating to taxation) which in the reasonable view of the Joint Managing Underwriters has or/ is likely to have a material adverse effect or the effect of making any obligations under the Retail Underwriting Agreement unenforceable or incapable of performance in accordance with its terms;
  - (c) acts of government, acts of God (including, without limitation, the occurrence of a tsunami and/or earthquakes), acts of terrorism, strikes, national disorder, declaration of a state of emergency, lock outs, fire, explosion, flooding, landslide, civil commotion, sabotage, acts of war, diseases or accidents which in the reasonable view of the Joint Managing Underwriters has or is likely to have the effect of making any material part of the Retail Underwriting Agreement incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Offering or pursuant to the underwriting of the Underwritten Units;
  - (d) any government requisition or occurrence of any other nature whatsoever which in the reasonable view of the Joint Managing Underwriters is likely to have a material adverse effect on the success of the Offering;
  - (e) any occurrence of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict which in the reasonable view of the Joint Managing Underwriters has or is likely to have a material adverse effect or the effect of making any obligations under the Retail Underwriting Agreement incapable of performance in accordance with its terms; or
  - (f) there shall have occurred a suspension, moratorium or material restriction of all trading in all securities generally on the Bursa Securities for three consecutive Market Days or more;
- (v) if the SC or any other relevant regulatory authority issues an order or ruling (or revoke any ruling previously made) pursuant to Malaysian laws which has the effect of preventing the Listing;

- (vi) the Placement Agreement or any of the SPAs, has been terminated or rescinded in accordance with the terms thereof; or
- (vii) there is a failure on the part of any of the persons who have undertaken to subscribe, to perform the obligations contained in the letters of undertaking (as described in Section 3.4.4 "Undertakings to Subscribe" of this Prospectus) or any of the letters of undertaking becomes void or unenforceable or performance of the obligations by any such persons becomes unlawful, impossible or unenforceable for whatever reason.

### **3.14 LOCK-UP ARRANGEMENTS**

#### **Manager**

Subject to the exceptions described below, the Manager has agreed with each of the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters that it will not without the prior written consent of each of the Joint Global Coordinators, for the Lock-up Period:

- (i) directly or indirectly, offer, sell, contract to sell, assign, issue, grant any option to purchase, grant security over, encumber, pledge, mortgage, charge, lend, create, subscribe for, hypothecate, transfer or otherwise dispose or agree to dispose of any legal or beneficial interest (including by the creation of or an agreement to create or selling or granting or agreeing to sell or grant any option or contract to purchase or any warrant or right to purchase) any Lock-up Units or any securities convertible into or exercisable or exchangeable for such Lock-up Units or which carry rights to subscribe for or purchase such Lock-up Units or contracting to do so whether directly or indirectly conditionally or unconditionally and whether any such transaction is to be settled by delivery of such Lock-up Units or such other securities in case or otherwise;
- (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of or incidents of ownership of any Lock-up Units (or any securities convertible into or exchangeable or exercisable for or repayable with any such Lock-up Units or which carry rights to subscribe for or purchase any such Lock-up Units) whether such swap, hedge or transaction is to be settled by delivery of Units or other securities, in cash or otherwise;
- (iii) deposit any Lock-up Units or securities convertible into or exchangeable for or which carry rights to subscribe or purchase such Lock-up Units in any depository receipt facility whether any such transaction described above is to be settled by delivery of such Lock-up Units or such other securities, in cash or otherwise;
- (iv) enter into a transaction which is designed or which may reasonably be expected to result in any of the above or publicly announce any intention to do any of the above; or

- (v) sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by it which is directly, or through another company or other entity indirectly, the beneficial owner of Lock-up Units.

The restrictions described in the preceding paragraph do not apply to (a) the Units to be offered under the Offering, (b) the Consideration Units, (c) the Units issued to the Manager in payment of any Management Fee pursuant to the Deed, and (d) the transfer, sale or disposal of Lock-up Units to a custodian, trustee, wholly-owned subsidiary or nominee ("**Permitted Transferee**") of the Manager provided that the Manager procures that the Permitted Transferee of the Manager executes and delivers to the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters a written undertaking to the effect that the Permitted Transferee of the Manager recognises and will comply with the restrictions set forth in the lock-up deed to remain in effect for the remainder of the Lock-up Period and if at any time prior to the expiration of such restrictions on transfer, any Permitted Transferee of the Manager that is a wholly-owned subsidiary will cease to be a wholly-owned subsidiary of the Manager, such wholly-owned subsidiary shall, before such cessation, transfer any Lock-up Units held by it to the Manager or another Permitted Transferee of the Manager which has delivered a written undertaking to the effect that it recognises and will comply with the restrictions set forth in the lock-up deed to remain in effect for the remainder of the Lock-up Period.

### **Sponsor**

Subject to the exceptions described below, the Sponsor has agreed with each of the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters that it will not without the prior written consent of each of the Joint Global Coordinators, for the Lock-up Period:

- (i) directly or indirectly, offer, sell, contract to sell, assign, issue, grant any option to purchase, grant security over, encumber, pledge, mortgage, charge, lend, create, subscribe for, hypothecate, transfer or otherwise dispose or agree to dispose of any legal or beneficial interest (including by the creation of or an agreement to create or selling or granting or agreeing to sell or grant any option or contract to purchase or any warrant or right to purchase) any Lock-up Units or any securities convertible into or exercisable or exchangeable for such Lock-up Units or which carry rights to subscribe for or purchase such Lock-up Units or contracting to do so whether directly or indirectly conditionally or unconditionally and whether any such transaction is to be settled by delivery of such Lock-up Units or such other securities in case or otherwise;
- (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of or incidents of ownership of any Lock-up Units (or any securities convertible into or exchangeable or exercisable for or repayable with any such Lock-up Units or which carry rights to subscribe for or purchase any such Lock-up Units) whether such swap, hedge or transaction is to be settled by delivery of such Lock-up Units or other securities, in cash or otherwise;

- (iii) deposit any Lock-up Units or securities convertible into or exchangeable for or which carry rights to subscribe or purchase such Lock-up Units in any depository receipt facility whether any such transaction described above is to be settled by delivery of such Lock-up Units or such other securities, in cash or otherwise;
- (iv) enter into a transaction which is designed or which may reasonably be expected to result in any of the above or publicly announce any intention to do any of the above; or
- (v) sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by it which is directly, or through another company or other entity indirectly, the beneficial owner of Lock-up Units.

The restrictions described in the preceding paragraph do not apply to the transfer, sale or disposal of the Lock-up Units to a Permitted Transferee of the Sponsor provided that the Sponsor procures that the Permitted Transferee of the Sponsor executes and delivers to the Joint Global Coordinators, Joint Bookrunners and Joint Underwriters a written undertaking to the effect that the Permitted Transferee of the Sponsor recognises and will comply with the foregoing restrictions set forth in the lock-up deed to remain in effect for the remainder of the Lock-up Period and if at any time prior to the expiration of such restrictions on transfer, any Permitted Transferee of the Sponsor that is a wholly-owned subsidiary will cease to be a wholly-owned subsidiary of the Sponsor, such wholly-owned subsidiary shall, before such cessation, transfer any Lock-up Units held by it to the Sponsor or another Permitted Transferee of the Sponsor which has delivered a written undertaking to the effect that it recognises and will comply with the restrictions set forth in the lock-up deed to remain in effect for the remainder of the Lock-up Period.

### **3.15 TRADING ON THE MAIN MARKET AND SETTLEMENT IN THE SECONDARY MARKET**

Upon listing and quotation on the Main Market, the Units will be traded on the Main Market and transferred by book-entry settlement through CDS, which will be effected in accordance with the Rules of Depository, as amended from time to time, and the provisions of the Central Depositories Act. Bursa Depository operates the CDS.

Unitholders are required under the Rules of Depository to maintain CDS Accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as Unitholders in respect of the number of Units credited to their respective securities accounts.

Transfer of Units under the book-entry settlement will be reflected by the seller's CDS Account being debited with the number of Units sold and the buyer's CDS Account being credited with the number of Units acquired. No transfer stamp duty is currently payable for the Units that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Dealings in units of REITs listed on the Main Market are normally transacted in “board lots” of 100 units. Investors who desire to deal in less than 100 units of a listed REIT occasionally experience delays in effecting such transaction.

It is expected that the Offer Units offered in the Offering will commence trading on the Main Market approximately 10 Market Days after the close of the Institutional Offering. Subscribers of the Units will not be able to sell or otherwise deal in the Units prior to the commencement of trading on the Main Market. Please refer to Section 5.3.15 “Risk Factors – Risks Relating to an Investment in the Units – Failure in the Listing may result in refund of monies without interest” of this Prospectus for further details.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

#### **4. FINANCIAL INFORMATION**

##### **4.1 PRO FORMA STATEMENT OF FINANCIAL POSITION**

*As at the date of its establishment, IGB REIT will not have any assets and liabilities. The following table presents the Pro Forma Statement of Financial Position of IGB REIT, prepared for illustrative purposes only, to show the effects of the Acquisitions based on the assumption that such events had been effected on the date of establishment of IGB REIT and are not represented as being necessarily indicative of IGB REIT's view of its future financial position. IGB REIT's Pro Forma Statement of Financial Position should be read in conjunction with the "Reporting Accountants' Letter on the Pro Forma Statement of Financial Position" in Appendix D and the related notes in this Prospectus.*

*IGB REIT's Pro Forma Statement of Financial Position has been prepared for illustrative purposes using the financial statements of KrisAssets group which is prepared in accordance with the Malaysian FRS, and in a manner consistent with the format of the financial statements, basis of preparation and the accounting policies to be adopted by IGB REIT as set out in Section 4.4.4 "Significant Accounting Policies" of this Prospectus.*

<b>THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK</b>
--