
First Retail Specialist Hektar REIT to Proceed with IPO Plans

Kuala Lumpur, October 18, 2006 – Hektar Asset Management Sdn Bhd (“Hektar Asset Management”), the manager of Hektar Real Estate Investment Trust (“Hektar REIT”), today announced that it has entered into an underwriting agreement for the retail portion with Aseambankers Malaysia Berhad and AmMerchant Bank Berhad for its upcoming initial public offering (“IPO”).

The Lead Advisor, Lead Manager, Managing Underwriter, Joint-Bookrunner and Co-Financial Advisor is Aseambankers Malaysia Bhd while AmMerchant Bank Berhad is the Co-Financial Adviser, Joint Bookrunner and Underwriter for the IPO. KPMG Corporate Advisory Sdn Bhd is the Financial Advisor for the IPO.

“The proposed listing exercise involves an offering of 159,500,000 new units in Hektar REIT, which has been approved by the relevant authorities including the Securities Commission (SC) and Bursa Securities”, Director of Aseambankers Malaysia Berhad, Dato’ Mohammed Hussein said.

“The retail, eligible directors, employees and business associates portion comprises 16,000,000 units at an issue price of RM1.05 per unit, while the institutional portion of 143,500,000 units will involve a book-building process,” he added. “We are honored to add a prestigious entity such as Hektar REIT to our list of clients. We are confident that this REIT will savor the moment of its listing on the Main Board, from which point more doors of opportunities will open.”

“We are the first pure-play retail REIT in Malaysia, meaning that we are focused as retail specialists,” Hektar Group’s Chairman, Dato’ Jaafar Abdul Hamid commented, “We see Hektar REIT as a foundation for creating a retail management franchise in Malaysia.”

The Hektar Group through its related companies, acquired Subang Parade and Mahkota Parade since 2003 and 2004 respectively and has conducted extensive refurbishment exercises in both centres. The multi-phase refurbishment exercise along with the tweaking of

the tenant mix has increased shopper traffic and appeal. Both properties will be injected into Hektar REIT.

“We have a vision to provide world-class shopping centres to Malaysian consumers through the implementation of international best practices”, commented Jaafar, “Hektar REIT has set itself clear business goals, vision and strategies and is led by an experienced and skilled asset management team.”

“We have built an organization and a best practices framework to create value in shopping centres,” he said, “This IPO will serve as a platform for us to build a retail portfolio in Malaysia.”

Hektar REIT is expected to issue its prospectus for the public offering in the coming weeks and is raising approximately RM176 million for part funding of the acquisitions, listing expenses and working capital when it lists on the Main Board of Bursa Malaysia Securities Berhad by year end.

IMPORTANT NOTICE

This document may contain forward-looking statements that involve risk and uncertainties. Actual future results may vary materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events. The past performance of Hektar REIT is not indicative of the future performance of Hektar REIT.

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