
Hektar REIT Receives SC Approval to List on Main Board

Kuala Lumpur, October 12, 2006 – Hektar Group has confirmed that the Securities Commission (SC) has granted approval for the Group to float its properties – Subang Parade in Selangor and Mahkota Parade in Melaka into a Real Estate Investment Trust (REIT).

The REIT to be known as Hektar REIT is expected to be listed on the Main Board of Bursa Malaysia Securities Berhad by year-end.

Hektar REIT has a combined property value of RM523 million and a total net lettable area (NLA) of 957,025 square feet as at May 2006.

“We acquired Subang Parade for RM223 million in August 2003 while Mahkota Parade was purchased at RM146 million in April 2004,” said Hektar Group’s Chairman, Dato’ Jaafar Abdul Hamid.

“We have planned and implemented a variety of asset enhancements in both centres, ranging from a brand new food court in Mahkota Parade to the complete internal refurbishment of Subang Parade. We have received tremendous positive feedback and are pleased with the results,” he added.

The Hektar Group has designed and implemented a holistic shopping centre management system encompassing activities governing the full life cycle of shopping centres, from active leasing to asset enhancement and performance monitoring. The focus is on the end-consumer and the business model is aligned with the tenants’ interests.

“We benchmark the centres against international best practices in shopping centre management,” he pointed out.

Jaafar said creating the tenant mix and maintaining a high occupancy rate is just not enough for shopping centres of the twenty-first century. Asset management companies in Malaysia must

have practical value-creation strategies to appeal to consumers and retailers to maintain a shopping centre's long-term profitability.

According to Jaafar, the Hektar REIT will provide a starting base to expand the portfolio of Hektar Group. The Group will retain a majority stake in the REIT after listing. "We continue to see untapped value in our shopping centres and will manage them for long term appreciation," he stressed. "We believe in the significant potential of retail development in Malaysia."

Currently, Hektar Group comprises Hektar Premier Sdn Bhd and Hektar Black Sdn Bhd, which fully owns and manages Subang Parade and Mahkota Parade respectively. Both entities will inject their properties into the REIT.

Separately, a third company, Hektar Klasik Sdn Bhd, fully owns a land bank in Nusajaya, Johor, which is to be developed into a new lifestyle shopping centre with a planned NLA of one million square feet.

On the company's future plans, Jaafar said his vision is to build a shopping centre management franchise in Malaysia in the near future.

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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