



Datuk Jaafar
Abdul Hamid

Hektar-REIT gets SC green light for listing

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KUALA LUMPUR: Hektar Group has received Securities Commission (SC) approval to float its properties, Subang Parade in Selangor and Mahkota Parade in Malacca via a real estate investment trust (REIT).

The REIT, to be known as Hektar-REIT, is due to be listed on Bursa Malaysia's main board by year-end, chairman Datuk Jaafar Abdul Hamid said in a statement yesterday.

Hektar REIT has a combined property value of RM523mil and a total net lettable area (NLA) of 957,025 sq ft as at May 2006.

Jaafar Abdul Hamid said Subang Parade was acquired for RM223mil in August 2003 while Mahkota Parade was purchased at RM146mil in April 2004.

"We believe the properties are ready to be injected into a REIT," he said, adding that the group planned to implement 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.

Jaafar also said the group had received positive feedback from potential investors on Hektar-REIT.

The group, he said, planned to design and implement 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 will be on end-consumers and the business model will be aligned to the tenants' interests," said Jaafar, adding that the group would benchmark its centres against the best practices of world-class shopping centres in terms of management. Malaysian asset management companies must have practical value-creation strategies to appeal to consumers and retailers in order to maintain a shopping centre's long-term profitability," he said.

Jaafar said the listing of Hektar-REIT would provide a strong starting base for the group to expand its portfolio, while retaining a majority stake in the REIT post-listing.

"We see untapped value in our shopping centres and will manage them for long-term appreciation," he said.

Hektar Group has three subsidiaries - Hektar Premier Sdn Bhd, Hektar Black Sdn Bhd and Hektar Klasik Sdn Bhd.

Hektar Premier fully owns and manages Subang Parade, while Hektar Black fully owns and manages Mahkota Parade.

Hektar Klasik, which fully owns a land bank in Nusajaya, Johor aims to develop a new lifestyle shopping centre soon with a planned NLA of one million sq ft.

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