

Big plans for Hektar REIT

Manager to make it key trust in retail sector

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PETALING JAYA: Hektar REIT, the first pure-play retail mall trust in Malaysia, aims to be a key long-term player in the local retail property sector.

Hektar Asset Management Sdn Bhd chief executive officer Datuk Jaafar Abdul Hamid said the prospects for retail in Malaysia were enormous.

“Even with the one million sq ft worth over RM500mil under Hektar REIT’s management in Subang Parade, Selangor, and Mahkota Parade, Malacca, we don’t control more than 1% of the entire retail space in Malaysia,” he told *StarBiz* yesterday.

Hektar Asset is the manager of Hektar REIT. It has been entrusted to identify and acquire shopping malls to be injected into the REIT.

Jaafar said the acquisition of retail properties in strategic locations, which are injected into the trust, was the fastest way for the REIT to grow. Currently, there are about 200 shopping malls nationwide.

“Our pipeline for acquisitions and development is significant and we will continue to execute our business plan quietly and surely.

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DATUK JAAFAR ABDUL HAMID

We plan to inject another property into the REIT by year-end,” Jaafar said.

Hektar REIT has declared a dividend of 2.4 sen per share for its first quarter ended March 31. It pledged to make four dividend payouts amounting to at least 9.6 sen per share for its financial year ending Dec 31, 2007.

Book closing is on May 9 and unitholders can expect to receive their first quarterly dividend on May 17.

Hektar REIT’s gross revenue for its first quarter 2007 stood at RM23.58mil and net property income at RM14.86mil.

Net income was at RM11.24mil, which translate into earnings per unit of 3.51 sen, or 18.6% higher than the earnings forecast published in its prospectus.