



S'pore real estate trust buys 27% of Hektar REIT

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PETALING JAYA: Singapore Exchange-listed real estate investment trust Frasers Centrepoint Trust (FCT) has acquired a 27% stake in Hektar REIT for RM104mil.

FCT, launched in July 2006, is a pure-play retail REIT under Frasers Centrepoint Asset Management Ltd (FCAM), a real estate asset and fund management division of Frasers Centrepoint Ltd (FCL).

Currently, FCT has three suburban malls with a combined value of RM2.1bil as at September 2006. The trust has expertise in financial, prop-

erty fund management and real estate asset management services.

Datuk Jaafar Abdul Hamid, chairman and CEO of Hektar REIT manager Hektar Asset Management Sdn Bhd (HAM), said FCL had also agreed to acquire a 40% stake in HAM for an undisclosed amount.

He said in a statement the transaction was the first step in a strategic partnership between FCL and the Hektar group.

Jaafar said FCL was a "well-capitalised first-class partner" that would greatly enhance Hektar REIT's ability to grow in the longer term.

"We can accelerate acquisition strategies through their financial

support, collaborate on joint-venture opportunities and leverage on the synergies of our respective domain knowledge, experiences and retail relationships," he noted.

FCAM chief executive officer Christopher Tang said Hektar REIT represented an excellent platform for investing in retail properties in Malaysia.

"The REIT has a portfolio of well-located, good quality suburban and regional shopping malls," he said.

He added that Hektar REIT was aggressively seeking growth opportunities through acquisitions of existing malls and potential greenfield projects via its 86-acre land bank.

A Singapore-based analyst said FCT had purchased the 27% stake at a premium of 3 sen above Hektar REIT's yesterday's closing price of RM1.18 sen per share.

"FCT's purchase of a substantial stake in Hektar REIT reflects the company's belief that the assets are worth the value," he said.

He added that there might be synergistic gains from the relationship, given that FCT and Hektar REIT were both pure-play retail REITs.

FCL is the real estate arm of Fraser & Neave Ltd, a leading pan-Asian consumer group with shareholders' fund of over RM6.8bil and assets worth RM20bil.