

Corporate governance index for M'sian REITs

PETALING JAYA: Quill Capita Trust, Amanahraya REIT and Axis REIT were the top scorers in a corporate governance index for Malaysian Real Estate Investment Trusts (M-REITs).

The M-REITs index was recently developed by Asia Pacific Real Estate Association (APREA), after a similar index was created for the Singapore

REIT industry in 2008.

It was adapted to Malaysian conditions by Universiti Teknologi MARA head of the centre for real estate research Ting Kien Hwa, and oversaw by an APREA committee.

The index, which is part of an ongoing APREA project on the corporate governance of listed Asian

real estate vehicles, is based on a scorecard of quantitative and qualitative measures.

Scores are given based on publicly available information, such as annual reports, to avoid any subjectivity involved in the index calculations.

The rating criteria taken into account in assessing a REIT are board

matters, audit committee, anti-take-over provisions, executive and director compensation, progressive practices, ownership, REIT organisation, the trustee, fees, related-party transactions and gearing.

The index is also being developed by APREA for REITs in Japan and Hong Kong.

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