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KLCC Stapled eyes 2 assets from parent

KLCC Stapled group, which comprises KLCC Property Holdings Bhd (KLCCP) AND KLCC Real Estate Investment Trust (KLCC REIT), is keen to buy to multi-billion ringgit assets from parent KLCC Holdings SdnBhd in the next three to five years.

The two properties are mixed development projects code-named Lot 185 and Lot 91 with space areas of 4.5 million sqft and 1.5 million sqft, respectively.

“We are not only eyeing the projects, but also have the first right of refusal on the properties as well as any other development projects owned by KLCC Holdings.

“We believe this is all working in our favour (to obtain properties in choice locations). Therefore, it is natural that we exercise our first right of refusal.

“However we have to consider our partner and we will have to prove that we can give appreciating total returns to our shareholders,” said KLCC Stapled Group chief executive officer (CEO) Datuk Hashim Wahir after its annual general meeting, here, yesterday.

Hashim, who is also director and group CEO of KLCC Holdings, said the company was looking at a more than 20 percent yield for its developments.

“Our distribution yield is at 5.01 per cent and when we build our own properties, we have to look at yields of 20 per cent or more. Our offices are usually premium Grade A while our retail spaces are yield accretive.”

KLCC Holdings, which are full held by Petroliam NasionalBerhad (PETRONAS), owns 64.67 per cent of KLCC Stapled. The rest of its stake is held by Petronas.

KLCC REIT, which a market capitalisation of RM12.2 billion, has properties valued at RM8.9 billion. The Lot 185 project is 50:50 joint venture with Qatari Diar REIT, which is slated to have 56 and 77-storey office towers, and a 700-room Fairmont Raffles Hotels International.

Hashim said the billion-ringgit development was expected to be completed by 2020.