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KLCCP Stapled Group CEO says Petronas lease extension will further reinforce stability



KUALA LUMPUR (Nov 20): KLCCP Stapled Group chief executive officer (CEO) Datuk Hashim Wahir said today that the lease extension for Petronas Twin Towers and Menara 3 Petronas here by lessee Petroliam Nasional Bhd (Petronas) will further reinforce KLCCP Stapled Group's stability, thus strengthening the property group's position in the market and boosting its efforts to deliver value to its stakeholders in the long term.

Hashim said this in a statement today in conjunction with KLCCP Stapled Group's announcement yesterday that KLCCP Stapled Group had secured the extension of the existing triple net lease agreements with Petronas for its office leases at the Petronas Twin Towers and Menara 3 Petronas.

KLCCP Stapled Group's statement said: "On Nov 18, 2020, Petronas exercised its options to extend the leases for Petronas Twin Towers and Menara 3 Petronas for a further term of 15 years from Oct 1, 2027 to Sept 30, 2042 and Dec 15, 2026 to Dec 14, 2041 respectively. The rental amount will be determined prior to the commencement of the extended leases.

"This extension is a commitment of our lessee, reflecting the requirement of their office spaces in the future. Petronas is the master lessee for both the Petronas Twin Towers and Menara 3 Petronas, occupying a collective office space of over four million square feet," the statement said. "Comprising KLCC Property Holdings Bhd and KLCC REIT, KLCCP Stapled Group represents a diversified office-focused REIT comprising five Grade-A offices which include the nation's iconic landmark, the Petronas Twin Towers, a premier retail mall and a luxury hotel. Strategically located in the heart of Kuala Lumpur City Centre, the 40 ha (100-acre) KLCC Development embodies Malaysia's strength and growth and is the nucleus of the city," KLCCP Stapled Group's website said.

During Bursa Malaysia's 12:30pm break today, KLCCP Stapled Group's share price settled down nine sen or 1.13% at RM7.84 for a market value of about RM14.32 billion. The stock saw 23,300 shares traded.

(Source: <https://www.theedgemarkets.com/article/klccp-stapled-group-ceo-says-petronas-lease-extension-will-further-reinforce-stability>)