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KLCCP plans to acquire more assets despite property market glut

KUALA LUMPUR: KLCC Property Holdings Bhd (KLCCP) is looking to acquire assets that can provide the company with long-term growth.

KLCC group chief executive officer Datuk Hashim Wahir said there are opportunities despite the current property market glut.

"We have significant headroom for growth because our gearing is at 17%, which is below industry average," he said at a briefing after the company's AGM.

"We are looking for opportunities in assets that are both capital appreciation accretive and distribution accretive but we have not found one. It needs to be low risk, a long-term lease and a credible tenant," Hashim added.

KLCCP's property portfolio includes Suria KLCC, Mandarin Oriental Hotel, Kompleks Dayabumi and Menara Maxis.

Hashim said the company has no immediate plans for acquisitions, at least until the market improved.

"In terms of land, if we are already having difficulty developing the gross floor area that we have today. For Dayabumi, we have a gross lettable area of one million sq ft.

"We have enough reserve. It's just the market is challenging and we're holding it until the market improves."

On plans to convert the 120,000 sq ft of space that was previously occupied by retailer Parkson at its Suria KLCC mall, Hashim said the area would be developed

in two phases.

"More than 50 lots are going to be developed in two phases. The ground floor development is expected to be completed by year-end. The second phase, comprising level one and two, will be completed in 2020."

KLCCP recorded a lower net profit of RM724.91mil for the financial year ended Dec 31, 2018 compared with RM877.90mil a year ago. Revenue increased to RM1.41bil from RM1.37bil.