

New Straits Times, Friday, 18 April 2014

KLCCP eyes Golden Triangle assets with RM1b 'war chest'

KUALA LUMPUR: KLCC Property Holdings Bhd (KLCCP) will be able to raise RM1 billion from the issuance of new shares to buy assets within the Golden Triangle as soon as it has identified a good fit, said group chief executive officer Datuk Hashim Wahir.

"Shareholders have approved the issuance of new shares amounting to 10 per cent of total shares. Once we exercise it, we should be able to raise RM1 billion for asset acquisition. We are looking at buildings that are value accretive within the Golden Triangle," he said after the company's shareholders' meeting, here, yesterday.

The Golden Triangle covers the north of Jalan Pudu, south of Jalan Ampang and west of Jalan Imbi and Jalan Tun Razak. It also embraces the shopping area of Bukit Bintang, the office towers of Jalan Raja Chulan, the five-star hotel strip of Jalan Sultan Ismail, the party street of Jalan P. Ramlee and the Kuala Lumpur City Centre.

KLCCP has a small plot of land in front of Mandarin Oriental Hotel called Lot D1.

Hashim said his team is talking to several potential tenants before they initiate a mixed development on the land.

"We are not a speculative developer. We will only initiate development after we have secured an anchor tenant. We prefer reputable multi-national corporations."

On asset enhancement, Hashim said his team is redeveloping the 32-year-old Menara Dayabumi.

It has started upgrading works at the common area and building a new connection to the Pasar Seni light rail transit station.

Phase Three, which is slated for mid-2015, will see demolition of the current City Point shopping centre to make room for a 60-storey office tower with 120,000 sq ft of retail space and a 500-room hotel.

Last week, KLCC Real Estate Investment Trust (REIT) received regulatory approval to sell up to RM3 billion of Islamic bonds.

With property assets in excess of RM15 billion, the KLCC REIT is Malaysia's largest in both market capitalisation at RM11.5 billion and assets at RM16.3 billion.

KLCC REIT is "stapled" to shares of KLCCP and "houses" three assets, namely Petronas Twin Towers, Menara 3 Petronas and Menara ExxonMobil.

On the growth strategy for KLCC REIT, Hashim said Menara Dayabumi and Lot D1 will eventually be injected into the REIT under the stapled mechanism when these assets become fully developed.



KLCC Property Holdings Bhd group chief executive officer Datuk Hashim Wahir (centre) with chief financial officer Annuar Marzuki Abdul Aziz (right) and company secretary Abd Aziz Bin Abd Kadir at the company's shareholders' meeting in Kuala Lumpur yesterday. Pic by Surianie Mohd Hanif.