

# KLCCP open to asset injection



**From left: KLCCP chairman Harry K. Menon, directors Datuk Leong Ah Hin, Datuk Halipah Esa and P. Krishnasamy, and Hashim during KLCCP Stapled Group's listing ceremony in Kuala Lumpur yesterday.**

**KUALA LUMPUR (May 10, 2013):** KLCC Property Holdings Bhd (KLCCP) is open to the idea of injecting more assets under its stable such as Dayabumi Complex into its new stapled real estate investment trust (REIT) structure under KLCC Stapled Group, said its CEO Hashim Wahir.

"We are open to talk on asset injection into the REIT ... but there are a lot of other opportunities (out there) that we can look at for growth such as increasing the current tenancy (of existing properties) which is organic growth, redevelopment potential such as that of Dayabumi Complex and we also have first right of refusal to acquire properties from KLCC Holdings Bhd," he told reporters after KLCC Stapled Group's listing ceremony here yesterday.

"There is sufficient supply (of properties) for us," said Hashim, adding that assets like Dayabumi Complex and future developments such as Lot D1 would be injected into the REIT after they have achieved stable performance.

He also said the redevelopment of Dayabumi Complex will take four years to complete. It plans to reposition the retail component of the property by adding office space and possibly a hotel.

As for its Lot D1 parcel of land located opposite the Mandarin Oriental Hotel in KLCC, Hashim said the group is still talking with several multinational companies to become anchor tenants in the mixed development, of which 80% will be dedicated to office units and the balance retail space.

"We aim to secure an anchor tenant this year and hope to start planning on the development next year," he added.

Yesterday, KLCC Stapled Group, the country's first-ever Islamic stapled REIT structure, opened at a 20 sen premium from KLCCP's last closing price of RM7.25 prior to the suspension of its shares on April 23, 2013.

It ended the day at RM7.68, above its initial public offering (IPO) price of 43 sen or 5.93%, with 3.04 million shares traded.

KLCCP shareholders will now own shares and units in KLCCP and KLCC REIT respectively, which are quoted and traded as one security known as the KLCC Stapled Group.

The restructuring exercise has allowed the Petronas Twin Towers, Menara 3 Petronas and Menara ExxonMobil to be housed under KLCC REIT, with remaining assets such as Suria KLCC, Dayabumi Complex and Mandarin Oriental Hotel remaining in KLCCP.

Hashim said stapled securities are not new in the region, but it is a first in Malaysia and investors welcome it.

The group has property assets in excess of RM15 billion, making it more than three times as large as the next listed REIT vehicle.

"We are pleased that this exercise has been viewed favourably by the market as evidenced by the increase in KLCCP share price from RM3.86 on June 27, 2012 to RM7.25 prior to the trading suspension and implementation of the restructuring exercise.

"This reinforces the value proposition of the restructuring and is consistent with our long-term objective of maximising shareholder value," said Hashim.