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KLCCP plans RM1b asset acquisition



KUALA LUMPUR: KLCC Property Holdings Bhd (KLCCP) is looking to acquire at least one new asset of up to RM1 billion this year, said its CEO Datuk Hashim Wahir (*pix*).

"The gearing for this company has reduced from 22% to 17%. That provides a sizeable debt headroom and there is capacity to fund acquisition of a single asset worth up to RM1 billion," he told reporters after its AGM yesterday.

"At the moment our gearing is only 17% so with that, we actually have headroom to borrow up to RM5 billion but of course, we won't do that. We can safely say we can raise RM1 billion. We also have got approval of shareholders for us to issue new shares up to 10% of the paid-up capital," he added.

Hashim said the issuance of new shares, which was approved by shareholders at the AGM yesterday, will raise slightly more than RM1 billion based on its current market capitalisation of RM11 billion. The new shares will only be issued once the group has identified the asset to be acquired.

"It (issuance of new shares) depends on when we find the right target for acquisition. We hope that we will do one acquisition this year," he said.

Hashim said it is scanning the market for assets that are yield and value accretive, with a focus on the Golden Triangle area including triple-A office buildings. However, it is unlikely to buy any hotels.

"Hotel is a challenging business and exposed to the vagaries of the market. We have Mandarin Oriental, which we are keeping as a strategic component in KLCC and we are going to redevelop City Point in Dayabumi Complex to a 60-storey tower which will comprise office, hotel and some retail," he said.

"We are finishing the refurbishment of the existing Menara Dayabumi in terms of upgrading the common areas, the lobbies, in order to improve the services to our existing tenants. Menara Dayabumi is now 100% occupied," he said.

He said it is currently at the planning and procurement stage of the 60-storey tower with a target to start work next year.

For the financial year ended Dec 31, 2013 (FY13), KLCCP posted net profit of RM1 billion and revenue of RM1.3 billion.

Meanwhile, KLCC Real Estate Investment Trust ended the year with net property income of RM376.6 million and revenue of RM393.5 million. Its property value stood at RM8.8 billion with an annualised distribution per unit of 19.34 sen.

"The KLCCP Stapled Group distributed 95% of its distributable income and that comes up to 28.9 sen for 2013. With this, the investors who have been investing in KLCCP stood to receive a net dividend yield of 4.95% for 2013," said Hashim.