

29 OCT 1996

KL LINEARCITY PLANS TO TAP FUNDS THROUGH IPO

KUALA LUMPUR, Oct 29 (Bernama) -- KL LinearCity Sdn Bhd, developer of the KL LinearCity project, plans to tap funds through an initial public offer (IPO) to part-finance the multi-billion ringgit project.

But, its managing director David Chew stopped short of saying whether KL LinearCity Sdn Bhd would be the company to be listed.

"We are still in the process of firming things up... once in place, we will inform you," he said.

The company today signed a development agreement with the government which entrusted it with 216.5 acres (86.6 hectares) of land along a 12-km stretch of the Klang river under a 99-year lease for a consideration of RM611 million.

The KL LinearCity project, stretching from Jalan Tun Razak to Kampung Pasir in Jalan Klang Lama, would have mixed on-river development, river bank development and landed development that were expected to cost between RM5 billion and RM10 billion, spanning 20-25 years.

KL LinearCity chairman Datuk Kamarudin Jaffar said the company would follow the guidelines and provisions of the IPO for privatised infrastructure projects.

The company would immediately undertake the IPO should it meet the criteria, he told a press conference after the signing ceremony.

In the meantime, the project would draw on shareholders' funds and bank borrowings.

To a question, Chew said KL LinearCity was discussing with several interested parties to participate in the project in joint ventures. "The more interest we have the faster we can implement it," he added.

Apart from integrated property development, the KL LinearCity project would have the world's largest and longest urban commercial and tourism centre, called GigaWorld, stretching 1.8 km.

"We will of course like to be involved in running GigaWorld... along the way when there is need for professional management in given areas we will offer our assistance," he said.

Details of Gigaworld and other mixed development were still being worked out, he added.

Despite many new development projects coming up nearby, Chew was optimistic of demand for LinearCity as the project would complement other mammoth infrastructure projects like the Kuala Lumpur International Airport in Sepang.

Other components of the project included a 16-km long elevated monorail system called People-mover Rapid Transit (PRT), a 99-year river cleaning and flood mitigation programme, resettlement of 1,000 riverine squatters and a 12-km landscaped linear park.

Chew said the river cleaning programme was expected to begin early next year with civil works to be undertaken by local contractors.

With the PRT system approval expected to be obtained much sooner than that for the KL LinearCity mixed development, Chew hoped the work on PRT could commenced before the end of the year.

Expected to be operational by the year 2,000, the RM2.2 billion PRT would source its power from Tenaga Nasional Bhd. Chew said discussions between Tenaga Nasional and the developer KL PRT Sdn Bhd were underway.

KL PRT was today awarded a 30-year concession to develop, construct, manage, operate and maintain the PRT system under an agreement with the

government, also signed today.

Datuk Kamarudin and Chew are also chairman and managing director of KL PRT, respectively. KL LinearCity, 51 percent Bumiputera-owns, holds 63 percent of KL PRT.

Besides Kamarudin and Chew, other majority shareholders of KL LinearCity included tycoon Tan Sri Vincent Tan and businessman Datuk Wan Adli Datuk Wan Ibrahim.

The two agreements signed today were witnessed by Prime Minister Datuk Seri Dr. Mahathir Mohamad.

Signatories for the KL LinearCity land agreement included Finance Ministry secretary-general Tan Sri Clifford Herbert who signed on behalf of Syarikat Tanah dan Harta Sdn Bhd, Agriculture Ministry deputy secretary-general (1) Datuk Zolkipli Abdul, Kuala Lumpur Datuk Bandar Tan Sri Kamaruzzaman Sharif, Kamarudin and Chew.

For the PRT concession agreement, the government was represented by Transport Ministry secretary-general Datuk Othman Mohd Rijal, Kamarudin and Chew.

-- BERNAMA

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