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Azizan: Valuation only when firm seeks listing on KLSE

KLCC (Holdings) Bhd will commission a valuation of the Petronas Twin Towers when the company seeks a listing on the Kuala Lumpur Stock Exchange in the future, chairman Tan Sri Azizan Zainul Abidin said yesterday.

"We haven't valued the towers yet," he said in response to questions on the the current value of the world's tallest building which stands at 452 metres.

Azizan, who is also Petronas chairman, said the 88-storey towers were developed at a cost of RM1.8 billion which according to him, was considered cheap by many parties.

Petronas owns 75 per cent of the Petronas Twin Towers.

"A lot of people said it was cheap and we believed it. (The) Americans couldn't believe that we could build the towers at a reasonable cost."

The Twin Towers replaced the 440-metre high Sears Tower in Chicago in the US as the tallest building in the world.

"The cost was around US\$100 (RM380) per square feet when the development began in the early 1990s," Azizan said at a media familiarisation tour of the towers in conjunction with their official opening by Prime Minister Datuk Seri Dr Mahathir Mohamad on Aug 31.

The Petronas Twin Towers is part of the Kuala Lumpur City Centre development on a 41.2ha site formely used as a racing turf owned by the Selangor Turf Club.

The KLCC project is developed and managed by KLCC Holdings' wholly-owned subsidiary Kuala Lumpur City Centre Bhd.

Of the 41.2ha, about 22.6ha have been set aside for development of a public park and other amenities, including a 6,000-capacity mosque.

KLCC Holdings is about 50 per cent-owned by Petronas. The remaining 50 per cent stake is collectively held by Mai Holdings Sdn Bhd, Pacific State Investment Ltd and Selangor Turf Club.

KLCC Holdings had spent RM4 billion on the first phase of the KLCC project.

Besides the cost of Petronas Twin Towers, the RM4 billion also included the development of Suria KLCC which offers 92,888.88sq metres of retail space, a 50-storey Maxis Tower, Mandarin Oriental Hotel and other infrastructure.

Elaborating on the Twin Towers, Azizan said Tower One was fully occupied by the national oil corporation and its subsidiaries. The second tower was 46 per cent occupied, mostly by multinational corporations and Petronas' associated companies.

"We are not in a hurry to lease out the second tower because we are looking at certain parties...The (remaining) space is available for MNCs intending to relocate their regional offices to Malaysia," he said.

On whether KLCC Holdings would include residential units in the next development of the KLCC project, Azizan said: "It's something we are looking at for the future".

He added: "(The residential development) is not something we would very aggressively like to embark upon. If the economic conditions improve, we will proceed."

Asked on the pace of the next development, he said it depended on demand and the market situation. Half of the project's total developmental area of 1,672,000sq metres has yet to be developed.

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