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IJM Corp to build RM500m office tower in TRX

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BY WONG EE LIN

KUALA LUMPUR: IJM Corp Bhd is developing a RM500 million office tower in the Tun Razak Exchange (TRX) here.

This follows a share sale and purchase agreement signed yesterday, which sees IJM Corp acquiring Fairview Valley Sdn Bhd, a subsidiary of TRX City Sdn Bhd that is building a 27-storey purpose-built office building in the TRX. TRX City, wholly-owned by the finance ministry, is the master developer of the upcoming international financial district.

IJM Corp's construction division, IJM Construction Sdn Bhd, is currently undertaking the construction of the office tower, including the substructure and superstructure works. The works are expected to be completed by December 2018.

The investment cost of RM500 million includes the cost of land for the building, which will be paid over a two-year period.

In a joint statement yesterday, IJM Corp and TRX said the Grade A, Leadership in Energy and Environmental Design Gold-certified office building, built on a 1.18-acre

Deal marks significant milestone for the group to invest in and develop a quality investment property, in line with its strategy to grow its recurring income asset portfolio.

(0.48ha) land with a gross floor area of about 560,000 sq ft, will be Prudential Assurance Malaysia Bhd's new Malaysian headquarters.

"It will house all of Prudential's life insurance and asset management businesses under one roof," they added, noting the building is purpose-built to support Prudential's wide-ranging businesses' requirements.

Prudential, together with its four related companies, have agreed to a lease for a term of 15 years. Currently, it has secured tenants for 84% of its net lettable area.

Fairview Valley, as an approved developer under TRX developer incentives, is entitled to a 70% tax exemption on income from the sale or rental of properties in the TRX for five assessment years.

IJM Corp chief executive officer and managing director Datuk Soam Heng Choon said the latest deal marks a significant milestone for the group to invest in and develop a quality investment property, in line with its strategy to grow its recurring income asset portfolio.

To date, TRX said it has signed global property and infrastructure group Lendlease to jointly develop the Lifestyle Quarter; HSBC Malaysia, Prudential Malaysia and Affin Bank Bhd for office towers; Indonesia's leading property developer Mulia International to develop the Signature Tower plot; Lembaga Tabung Haji and WCT Bhd for residential plots; and global leader in water management Veolia Water Technologies as the water treatment and recycling concessionaire.

IJM Corp shares closed unchanged at RM3.07 yesterday, with a market capitalisation of RM11.18 billion.