

HD Week in Review

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WC 949 words

PD 17 February 2014

SN The Edge Singapore

SC EDGESI

LA English

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Keppel FELS, a subsidiary of Keppel Corp held through Keppel Offshore and Marine, has won contracts to build three high-specification KFELS **B** Class jackup rigs valued at US\$650 **million** (\$823.93 million) in total. The contracts were awarded by a new customer, Fecon International Corp. Fecon is a new player in the offshore **oil** and gas industry and is targeting the growing offshore drilling markets of Africa, the Middle East and Southeast Asia. The KFELS **B** Class rigs can operate in water depths of up to 400ft and drill to 30,000ft. Based on Fecon's requirements, the three jackup rigs will each have a full 15,000 psi BOP system, 75ft cantilever outreach and accommodation for 150. The rigs are scheduled to be delivered progressively within 2H2016.

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UE E&C's wholly-owned subsidiary, Greatearth Construction, has won the main contract to build a 19-storey block with a basement for the Lee Kong Chian School of Medicine at the Nanyang Technological University on Mandalay Road, and a seven-storey block for the School of Medicine on Nanyang Drive. The total contract sum for the two blocks is \$243.5 **million**. With this contract, UE E&C's order book stood at about \$750 **million** as at Feb 13.

ARA Trust Management (Suntec), the manager of Suntec REIT, announced on Feb 13 that construction at 177 Pacific Highway in Australia had commenced. The A\$413.19 **million** (\$469 **million**), 31-storey A-grade **commercial** building is set to be completed in early 2016. Once completed, it will be North Sydney's first new **commercial** tower in six years. 177 Pacific Highway is located at the junction of Pacific Highway and Berry Street, in North Sydney's CBD, and will have an estimated net lettable area of 423,915 sq ft. It is 100% pre-committed, with the Leighton **Group** taking a head lease of 76% of the total net lettable area. The building will be Leighton **Group**'s new global hub and will house its New South Wales workforce of 2,500 people and its purpose built headquarters.

Chatteris Developments, a joint-venture **company** between Heeton Holdings and Ryobi Kiso Holdings, has acquired Woodley Hotels (Kensington) for \$48 **million**. Woodley Hotels (Kensington) owns 100-room Enterprise **Hotel**, located in the borough of Kensington, London. According to a joint statement, the **acquisition** is part of Heeton's plan to strengthen its hospitality portfolio, and the JV **company** plans to refurbish the **hotel** to accommodate up to 120 rooms. Enterprise **Hotel** is a short walk to Earl's Court Exhibition Centre and the museums at South Kensington. The **acquisition** will be funded through internal resources and bank borrowings.

Structural steel specialist TTJ Holdings has won \$40 **million** worth of new contracts, including the subcontract to provide structural steel work to DUO, the mixed-use development at Rochor Road, which was awarded by the main contractor Obayashi Corp. With these new contracts, the **group**'s order book currently stands at \$166 **million**, with deliveries stretching to 2016.

Interra Resources announced on Feb 13 that its jointly-controlled entity, Goldpetrol Joint Operating Co, has commenced drilling in the Yenangyaung **oil** field in Myanmar. Interra has a 60% interest in the Improved Petroleum Recovery Contract of the Yenangyaung field and owns 60% of Goldpetrol, the operator of the field. The current well YNG3266, which will be drilled to a targeted depth of 4,200ft, is located south of three previous wells, which were completed in the past eight months as **oil** producers. The results of the drilling and completion of YNG3266 are expected to be available in the next six weeks. Interra's share of the cost of drilling is expected to be funded from existing internal funds.

Koh Brothers has won a construction contract worth \$98 million to build a Housing Development Board Built-To-Order project in Yishun. The project, Vine Grove @ Yishun, was launched in HDB's July 2013 sales exercise and will yield 696 homes. The scope of work under the contract includes the construction, completion and maintenance of five 13-storey blocks and a seven-storey block, as well as a seven-storey garage or carpark, children's playground and fitness stations, a neighbourhood park and other associated works. The project is expected to start in March 2014 and will last for 31 months.

CapitaMalls Asia announced results that largely met expectations. Operating profit after tax and minority interest (Patmi) rose 40.1% in FY2013 to \$246.3 million, while total Patmi, which is made up of operating Patmi, portfolio gains and revaluation, rose 9.9% to \$600 million. CEO Lim Beng Chee says operating Patmi for this year should increase 20% y-o-y. CMA is also likely to book in \$90 million from the sale of Westgate Tower, which is scheduled for completion in 4Q2014. The company announced it will pay out at least 20% of its operating Patmi in dividends. It will pay a final dividend of 1.75 cents per share, taking total dividends to 3.3 cents, giving a yield of 2%. Net tangible asset per share rose 10% to \$1.84. The e-commerce threat is driving CMA to reinvent the shopping mall concept in China as a place for the community to gather. CapitaMall Tianfu in Chengdu, which will open in 4Q2014, will have anchor tenants taking up 30% to 40% of the mall. They include an indoor-outdoor restaurant concept with a rooftop garden on the sixth and seventh floors, a skating rink, a cinema operated by the Palace brand and a supermarket. — Compiled by Gwyneth Yeo

CO kepel : Keppel Corporation Limited

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AN Document EDGESI0020140219ea2h00002