

# TA Global on buying hunt

Chan Tien Hin

TA Global, set to become Malaysia's fifth-biggest listed property group, plans to double the number of hotels it owns in five years, adding to a portfolio that includes Sydney's Radisson Plaza and the Westin Melbourne.

It wanted to build at least two hotels in Kuala Lumpur and make acquisitions in overseas markets from London to Canada, said Alicia Tiah, the managing director and co-founder of its parent company, Malaysian brokerage TA Enterprise.

"Definitely we want more. We want to develop our own chain. I want to buy hotels in gateway cities like London," Ms Tiah said.

"But some are not cheap, some too big, some too small; it takes time to get the right fit. I want people to show me what they have."

TA Enterprise, whose shares have more than doubled this year, has folded all its property assets into TA Global, which will be listed on the Kuala Lumpur stock exchange on November 23 to tap a resurgent stockmarket. The FTSE Bursa Malaysia KLCI Index has gained 44 per cent this year.

TA Global, which currently owns four hotels, is being spun



'We want more' . . . TA Global's Westin Melbourne hotel. Photo: JAMES DAVIES

off into a separate listing to realise its value and help it expand.

The group spent about 756 million ringgit (\$244 million) from December to August to buy the Westin Melbourne hotel, the Swissotel Merchant Court hotel in Singapore and the Coast Whistler Hotel in Canada, taking advantage of

depressed prices during the global recession. The acquisitions will triple hotel revenue at TA Global next year, Ms Tiah said, without giving the current figure.

"A lot of hotels were going for below their replacement costs," she said. "We managed to get great assets at a time when things were so gloomy."

TA Global would have a market value of 2.4 billion ringgit when it listed and would be ranked as Malaysia's fifth-largest property group, HwangDBS Vickers Research said in a September 29 report.

"The timing is quite good to list," she said. "We have accumulated great assets."

TA Global had lined up more than 6 billion ringgit of property development projects from now until 2012, Ms Tiah said.

The company also owns the 24-storey Terasen Centre, an office building in Vancouver, Canada, and Menara TA One, a 34-storey office building in Kuala Lumpur.

By listing the property unit, TA Enterprise would be "unlocking the hidden value" of its property assets, ECM Libra Capital said in a report on Monday.

TA Global will raise 230 million ringgit from the share sale. TA Enterprise would retain a 57 per cent stake after the listing, said Ms Tiah.

"We have a good stream of income, good time, bad time, it will be there," she said, referring to the hotels.

"I love hospitality, you can up the rates," as opposed to office buildings, where rates were fixed by contracts, Ms Tiah said.

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