

## INTERVIEW: TA Eyes Acquisitions After TA Global Float-CEO

- By K.P. Lee
- Of DOW JONES Newswires

**KUALA LUMPUR (Dow Jones)--TA Enterprise Bhd. (4898.KU), Malaysia's largest stockbroker by clients, expects to post record earnings in the current financial year as the planned year-end listing of its property unit TA Global is likely to generate a one-off capital gain of MYR925 million (\$268 million).**

**The flotation - likely to be among Malaysia's largest this year - will decouple the group's stockbroking from its property operations "so that investors have a clear view of the sector they are buying into," TA Enterprise Managing Director and Chief Executive Officer Alicia Tiah told Dow Jones Newswires in an interview Tuesday.**

**In addition, it will boost the cash coffers of TA Enterprise and TA Global, putting both entities on acquisition trails, she said. "The current (market) conditions offer many bargains," Tiah said, adding that being "cash-rich" at this time will put both groups in a very advantageous position.**

**On completion of the flotation, TA Enterprise, whose cash coffers will be boosted by MYR438 million from the sale of TA Global shares, will concentrate on building its core financial services.**

**TA Global - into which the current group's MYR1.75 billion worth of commercial and development properties will be injected - will use its estimated MYR612 million proceeds from the listing to expand its property portfolio, Tiah said.**

**Tiah will continue to helm both entities after the listing together with her husband Tony Tiah, TA Enterprise's executive chairman and largest shareholder with a 33.7% stake.**

**The listing exercise is expected to boost TA Enterprise's bottom line in the year ending Jan. 31, 2009 with a net profit of more than MYR1 billion against MYR224 million a year earlier, when it recognizes a capital gain of MYR925 million on the injection of properties into TA Global, a company official said.**

**TA Enterprise's earnings may, however, slow after the financial year ending January 31, 2009 if market sentiment continues to be weak next year.**

**Putting aside the one-off capital gain, Tiah said the company would match last year's net profit, albeit with a different composition. "It will be a challenging year for the group, but our property (division) will have to play its part," she said.**

**With a year-end listing for TA Global, TA Enterprise will still be able to account for at least 10 months' earnings from the property division.**

**Tiah said the completion of its high-end Idaman Villas and Idaman Residences property projects in Kuala Lumpur, with sales of MYR235 million to be billed by the fourth quarter, should help offset the poorer performance from the group's stockbroking business that in the last financial year accounted for more than half its net profit.**

**In the first quarter ended April 30, net profit dropped by more than 50% on-year to MYR29 million, while revenue contracted 13% on-year to MYR116 million. Significantly for one of the country's oldest and most established stockbrokers, operating profit from property development of MYR20 million exceeded stockbroking's MYR16 million.**

**Tiah said that after TA Global's flotation, TA Enterprise will focus entirely on financial services and the resulting MYR438 million in cash from the listing will be used to grow its stockbroking operations in Malaysia and Hong Kong, while expansion to other localities like Singapore through an acquisition or strategic alliance is "very possible".**

**"We have plans to expand regionally and are looking at all possibilities... Hong Kong and Singapore are our priorities currently," said Tiah.**

**In Malaysia, TA Enterprise has plans to apply for an investment banking license, she said, indicating a possible two-year timeframe for this to happen.**

**On TA Global, Tiah said that despite being relative newcomers to the property sector, she has her sights on bigger things. "We may be new kids in the block... but we are building landbanks in prime locations and are aiming for the big league," she said.**

**Some MYR200 million from the IPO is earmarked for TA Global's hotel acquisitions. "We are planning to develop our own hospitality brand," said Tiah, adding that TA has plans to acquire up to two hotels a year in "choice, prime locations" outside Malaysia after the listing.**

**Last week, TA Global signed an agreement to acquire an 138-room hotel in the Canadian ski resort of Whistler for MYR107 million to add to the group's existing 362-room five-star Radisson Plaza Hotel property in Sydney.**

**TA has also just begun building a 400-room five-star hotel in Kuala Lumpur that will, on completion in 2013, become the flagship for the new hotel chain, said Tiah. "The hotels are a way of keeping prime assets in different countries and they also provide a stepping stone for us to carry out further development there," she said.**

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