

Saturday August 1, 2009

TA Enterprise to launch projects worth RM2bil next year

Source: The Star

KUALA LUMPUR: TA Enterprise Bhd plans to launch a few property projects with a total gross development value (GDV) of over RM2bil next year due to an improving real estate market, said managing director and chief executive officer Datin Alicia Tiah.

The projects include a boutique residential development at Jalan U-Thant with a GDV of RM110mil and a condominium development at Dutamas worth RM300mil in GDV.

Also in the offing was a long-term mixed commercial development in Sri Damansara with an estimated GDV of over RM3bil over seven to 10 years, she said.

“The worst is over and green shoots are emerging in the US market. The economic activities are still good but there is a lack of confidence,” Tiah told a press conference after the company AGM yesterday.

The company plans to launch shop-offices and small home office units in the first quarter next year and a mixed commercial development project opposite the Petronas Twin Towers in 2011 and another mixed commercial development in Bukit Bintang in 2012.

Tiah said its property segment contributed about 75% to group profit in its financial year ended Jan 31 (FY09) with the remainder from financial services.

“We expect to have a (more) balanced portfolio in FY10, particularly when the market is maintaining growth momentum,” she said.

Tiah sees TA's property segment, with more than 1,000 acres of undeveloped landbank, to continue driving the group's growth at least for the next three years.

TA also aims to build or acquire a hotel every year, according to Tiah.

It currently has three hotels – Radisson Plaza in Sydney, The Westin Melbourne and the Aava Whistler in Canada.

The company recently proposed to buy Mauritius company Quayside Gem Ltd, which owns Merchant Quay Pte Ltd of Singapore.

Merchant Quay is the owner of the four-star hotel Swissotel Merchant Court Singapore.

On the outlook for FY10, Tiah said the company expected a better performance due to the improving business sentiment as well as good take-up rates for its properties.

The group's net profit slumped 59% to RM92.3mil in FY09 mainly due to the lacklustre performance and thin trading volumes on Bursa Malaysia and high provisions totalling RM50.6mil for impairment loss on financial receivables and investments.

"We expect to write back 80% to 100% of our provisions in this financial year," Tiah said.

TA currently has a net cash position of more than RM400mil and unbilled sales of RM61mil.

On plans to list its property arm, TA Global Bhd, Tiah said it would be done by early November.