

Plenitude plans to launch RM1b of mixed properties in 2 years

R Kamalavacini

Thursday, November 5, 2015



Focusing on the acquisition of The Nomad Group and The Gurney Resort Hotel and Residences, Chua says the exercise has added boost to the company's hotel division. (TMRpic)

Property developer Plenitude Bhd is planning to launch a diverse range of property projects worth RM1 billion in the next two years, ranging from high rise developments, landed residences, commercial projects as well as condominiums.

Executive chairman Chua Elsie said the string of development projects will cover the north, central and south region and will launch the projects based on market demand, Chua said this after Plenitude's 15th AGM in Kuala Lumpur yesterday.

Focusing on the acquisition of The Nomad Group Bhd and The Gurney Resort Hotel and Residences, Chua said the exercise has added boost to the company's hotel division.

The Nomad Group's hotel segment owns the Novotel Kuala Lumpur City Centre, The Nomad SuCasa, GLOW Penang and The Nomad Services Residences Bangsar.

In March this year, Plenitude took over The Nomad Group with an offer of RM1.25 per share or RM278.84 million via the issuance of 111.55 million new Plenitude shares of RM2.50 each.

Plenitude offered Nomad's shareholders one Plenitude share worth RM2.50 for two Nomad shares under the exercise.

The Nomad Group owns a string of properties in Kuala Lumpur and Penang. "Initially, we only own one hotel, which is the Four Points by Sheraton in Penang.

But now we own and operate five hotels and one serviced residence.

This will also contribute significantly to our recurring income, moving forward.

"We are investing RM50 million to upgrade Nomad Sucasa Hotel in Jalan Ampang. The hotel is now closed for renovation and upgrading works and is expected to be operational by the end of 2016," said Chua.

Plenitude is looking to increase contributions from the hotel segment from 10% to 20% into its earnings stream in the near future, while contribution from the property development to be at 80% from the current 90%.

"All our hotel chains are self-sustaining and profitable with up to 70% of occupancy rate," said Chua, adding that the segment offers greater potential for the company to explore further in the hospitality industry.

Meanwhile, Plenitude's ongoing developments standing at RM600 million in gross development value (GDV), namely Puchong's Taman Putra Prima Aquamarine Phase 2C which comprises 150 units of two- and three-storey terraced houses with RM167 million in GDV and Bintang Maya landed residences in Sungai Petani that has a GDV of RM65 million.

The ongoing projects also include Plenitude's latest launch, The Marin at Batu Feringhi, Penang, a 149 unit high-end condominium with a GDV of RM256 million.

Chua noted that the takeup rate for their ongoing projects has reached 75% for almost all projects.

"We have temporarily deferred the launch of The Mandeline Residences in Johor Baru due to oversupply. However, we expect to launch it when the market improves," said Chua.

Plenitude's undeveloped landbank stood at 1,500 acres (607ha) located in Penang, Selangor, Kedah and Johor, which are worth up to RM12 billion in GDV, to be developed over the next 10 years.