

Plenitude sees upward trend for hospitality, property divisions

By **John Gilbert** - November 8, 2021 @ 5:29pm



Plenitude Bhd chief executive officer Tan Seng Chye said all of Plenitude's hotels, which are currently open and fully operational, has seen occupancy pick-up by 165 per cent for the first half of October compared to the third quarter (Q3) 2021.

KUALA LUMPUR: Plenitude Bhd anticipates an upward recovery trend in its hospitality business in November and December following the relaxation of interstate travel restrictions.

Chief executive officer Tan Seng Chye said all of Plenitude's hotels, which are currently open and fully operational, has seen occupancy pick-up by 165 per cent for the first half of October compared to the third quarter (Q3) 2021.

"Domestic leisure travel is doing well at present, as people are visiting popular domestic destinations like Penang and Langkawi as their holiday and vacation choices after easing of the long Covid-19 induced travel restrictions.

"We forecast an increase of 176 per cent revenue growth in this coming quarter versus last quarter.

"When the international border reopens, we expect to see better contribution from the international travel market," he told The New Straits Times.

Plenitude's hospitality assets are Novotel Kuala Lumpur City Centre, Oakwood Hotel & Residence in Kuala Lumpur, Mercure Penang Beach, Travelodge Georgetown, and Ascott Gurney Penang Travelodge Ipoh and Travelodge Myeongdong Euljiro, Seoul, South Korea.

The company also has two residences - The Nomad Residences Bangsar in Kuala Lumpur and Tanjung Point Residences in Penang.

Tan said working closely with the different authorities, the company believe that the pace will pick up as many Malaysians may still be hesitant to travel overseas, especially with the quarantine rule in effect for any returning Malaysians from abroad.

"This means Malaysians will opt for local travels as opposed to travelling out of the country, where quarantine restrictions no longer apply when travelling anywhere within the country.

"However, inbound business from international and regional markets are still restricted due to border closure. Hence, the industry may still require assistance in this respect," he said.

When asked about challenges, Tan said the Covid-19 pandemic has severely impacted the company's hotel's business.

He said due to domestic and international travel restrictions and mobility controls, the hotel has experienced a significant decrease in business volume and has been operating at a loss.

"But, as part of our strategic cost containment, we had to make some difficult yet necessary decisions such as to freeze hiring and retain essential employees," he said.

Moving on to the property development segment, Tan said Plenitude's property development segment is expected to perform satisfactorily for the next three quarters, up to the first half of 2022, with continued strong demand for landed properties from its three subsidiaries - Plenitude Permai Sdn Bhd, Plenitude Tebrau Sdn Bhd, and Plenitude Heights Sdn Bhd.

Plenitude Permai involved in the development of Topaz Puchong and Diamond Puchong, Plenitude Tebrau undertakes the development of Cello Tebrau and Harp

Tebrau in Johor while Plenitude Heights is involved in the development of Bintang Maya 2 and 3 in Sungai Petani, Kedah.

"Construction work for our ongoing phases to pick up speed and this will enable faster progress billing to be issued out, thus contribute to our revenue and profit," he said.

Projects impacted by the Movement Control Order (MCO) are Plenitude Tebrau, Plenitude Permai and Plenitude Heights, with scheduled completion to be delayed.

Construction work has now resumed to normal, following the easing of MCOs and standard operating procedures (SOP) as the country moves towards the next phase of the National Recovery Plan.

When asked about business operations post-pandemic, Tan said the company will be launching Ascott Gurney Penang in the first quarter of 2022, after a complete refurbishment, with 271 keys and a ballroom capacity of 550 covers.

The capital expenditure for the Ascott Gurney Penang upgrading works is budgeted at RM120 million.

The Nomad Serviced Residences has closed some of its units for upgrading works in preparation of rebranding to Domitys Bangsar Kuala Lumpur managed by The Ascott Ltd.

The Domitys brand is a market leader in providing lodging and hospitality to senior citizens and a key player in the Silver Economy in France.

The Nomad Serviced Residences/Domitys Bangsar has a RM15 million upgrade budget.

In April 2022, Plenitude Hills' new township known as Taman Bukit Tebrau in Johor will launch its first phase with a total acreage of 250 acres.

This new township will contribute to the company's revenue and profit from FY23 onwards.

Whereas in Sungai Petani, Kedah, Plenitude Heights will launch its first phase of Bukit Bintang township, consisting of 102 bungalows, to ensure sustainable revenue and profit.

Plenitude Hills' Taman Bukit Tebrau development has a gross development value (GDV) of RM1.2 billion, while Plenitude Heights Bukit Bintang has a GDV of RM1.8 billion.

"The interest towards the company's residential property projects has been encouraging with average take-up rates of 70 per cent.

"With upcoming new launches which are curated to the demands of target buyers, we foresee the interest to remain strong for the coming quarters," Tan said.