

Plenitude aims to maintain sales

Posted on 05 Nov 2015 - 05:36am

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KUALA LUMPUR: Property developer cum hotel operator Plenitude Bhd is hoping to maintain property sales of RM250 million for the financial year ending June 30, 2016 (FY16) despite adopting a cautious stance on new property launches.

It plans to launch properties worth RM1 billion in the next two years. In FY15, it launched 463 units with a gross development value (GDV) of RM488 million.

During a press conference after the company's two-hour long AGM here yesterday, executive chairman Chua Elsie said while the property market has slowed down, its landed projects have helped its business performance.

"We launched mostly landed properties and that takes away the competition," she said.

Chua also revealed that due to an oversupply in the high rise segment, the company has deferred its "Mandolin Residences" project in Johor Baru until market sentiment improves.

"We don't fight for high rise, we have always been (doing) landed properties in Johor Baru," she said, adding that the company's affordable pricing has put it in a better position compared with its peers.

The company has a few ongoing property projects in Selangor, Johor, Penang and Kedah, with a GDV of RM600 million. Their take-up rate ranges between 50% and 85%, depending on timing of the launches.

Currently, Plenitude has a 1,500-acre undeveloped landbank with a potential GDV of RM12 billion.

Chua said the company, which sits on a cash hoard of RM330 million, is hoping to get better land deals during the current challenging time.

"We are looking at areas like the Klang Valley, Penang and Johor Baru," she added.

Meanwhile, with the completion of the takeover of The Nomad Group in July, Plenitude has added four serviced residences and hotels into its hospitality portfolio, bringing the total to six.

The additions are Glow Penang, The Nomad Sucasa All Suite Hotel, Novotel KLCC and The Nomad Residences, besides the Four Points by Sheraton Hotel and The Gurney Resort Hotel & Residences in Penang.

The average occupancy rate for all its hotels is between 65% and 70% with more room to grow, said Chua.

The company is looking to increase revenue contribution from the hospitality division, which would count as recurring income, to 30% in the next few years from 10% in FY15.

“For FY16, we are looking at 20%, and it will gradually increase to 30%,” she said.

Plenitude has also embarked on a RM50 million upgrade for Nomad Sucasa Hotel, which is to be completed by the end of 2016.

Plenitude’s net profit surged 77.71% to RM155.76 million for the financial year ended June 30, 2015 against RM87.65 million a year ago, partly due to a bargain purchase gain of RM78.7 million arising from the takeover of The Nomad Group.