

Ter to inject projects worth RM10bil into Sunsuria

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PETALING JAYA: Property developer Sunsuria Bhd is expected to see a corporate exercise whereby its land bank for development will increase significantly.

In the exercise, Datuk Ter Leong Yap, the executive chairman and major shareholder of Sunsuria, is likely to inject property projects worth some RM10bil spanning over 403 acres into the company, according to sources.

Among the projects are Sunsuria Development Sdn Bhd's developments in Salak Tinggi, Selangor, the Medini development in Iskandar Malaysia and a mixed development in Setia Alam, Selangor.

The projects are held by three companies that are either wholly owned or majority held by Sunsuria Development, in which Ter is the majority shareholder.

The injection of these projects is significant for Sunsuria which is formerly known as Malaysia Aica Bhd (Maica). It marks Sunsuria's first step as a serious property developer and adds more clarity to its earnings potential.

UOB KayHian is projecting Sunsuria's net profit to jump significantly to RM22mil for its financial year ending March 31, 2015, while Kenanga Research is projecting it to be RM15.6mil next year.

In January, Ter had served a notice of a mandatory general offer to Maica's largest shareholder Tan Sri Robert Tan Hua Choon.

Following a corporate exercise, Ter became a major shareholder and controls 50.12% of the company. Its principal activities were also changed from being a wooden and fire rated door-maker to becoming a property developer.

Subsequently, Maica's name was changed to Sunsuria Bhd. This was approved by the Companies Commission of Malaysia last Friday.

Already, the buzz from its property development business is starting to be felt in the company that previously did not really have a strong core business.

In Sunsuria's first quarterly report with property development as its core business, the company registered a net profit of RM2.3mil for the fourth quarter ended March 31 from RM126,000 previously.

Group revenue rose nearly four-fold to RM23mil from RM4.7mil in the previous corresponding quarter. For the full-year, group net profit went up 2.6 times to RM3.6mil.

Sunsuria will be funding the acquisition of the projects via a rights issue followed by a private placement.

It plans to raise between RM184.50mil and RM356.31mil from the exercise. The rights price has yet to be determined.

The vendor companies to be injected into Sunsuria are Sunsuria Gateway Sdn Bhd, Sunsuria South Sdn Bhd and Oscar Cheers Sdn Bhd. An ongoing residential development project comprising 49 units of bungalow lots with a gross development value (GDV) of RM81mil will also be injected into Sunsuria.

The project in Salak Tinggi involves a proposed mixed development that sits on 300 acres of land surrounding the Xiamen University campus with an estimated GDV of RM4.5bil.

The Medini development consists of mixed development on 82.7 acres of land located within Zone C of Medini Iskandar with an estimated GDV of RM4.5bil. The Setia Alam development sits on 13.6 acres of land in Selangor, with an estimated GDV of RM1.1bil.

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