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## Malaysian Reserve

# Tradewinds close to becoming property, investment player

By ALFEAN HARDY

TRADEWINDS Corp Bhd is one green light away from switching its focus to property development and investments, and the hotel sector after its shareholders approved the de-merger exercise and a proposal to acquire 367.05ha of land in Bandar Nusajaya, Johor, for RM145 million.

A final nod from the Securities Commission is still needed before Tradewinds Corp can sell off its 53% stake in Tradewinds (M) Bhd to its shareholders on the basis of 142 Tradewinds Malaysia shares for every 1,000 Tradewinds Corp shares at an offer price of RM3.80 per share.

Expected to be completed by end-February 2009, the proposed exercises would see the company hive off its sugar and oil palm plantation business to reduce its debt to about RM760 million from RM2.4 billion currently.

It will also acquire Edisi Minda Sdn Bhd, Erat Kilauan Sdn Bhd and Simbol Arif Sdn Bhd, which would give it access to the land located within the Iskandar Development Region (IDR) in Johor.

Speaking to reporters after its EGM in Kuala Lumpur yesterday, Tradewinds Corp director and advisor, Poh Pai Kong, said, "With our current debt burden, our interest payment alone is more than RM100 million per year.

"It was time to address the issue. It's a good package, we're not selling the shares outside the family, we're selling it to our shareholders."

"Tradewinds Corp gets cash, the shareholders get direct access to Tradewinds Malaysia instead of through Tradewinds Corp, which has not been paying dividends.

"In one simple package, we've addressed all those issues," he added.

Poh said the IDR investment was Tradewinds Corp's first step in its property de-

velopment journey.

"Over the next five years, we hope to build our name into a blue chip property development group. That's our plan."

The firm has earmarked the IDR land as a mixed residential development with an estimated gross development value of RM2.1 billion.

Property launches have been slated for late third quarter 2008 onwards.

Poh said the firm had another 809.37ha of land in Johor.

Tradewinds Corp currently operates hotels and chairman, Datuk Seri Megat Najmuddin Datuk Seri Dr Megat Khas, said its hotels would continue to be the main driver for the company until 2009.

"Our property development arm is in its infant stage and for the next two years, hotels will continue to be the major contributor," he said.

"Beyond 2009, we're hoping that the property side will contribute more and be the major contributor."