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Tradewinds aims to be blue-chip developer

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TRADEWINDS Corp Bhd, set to focus on property development and hotel operations after a group revamp, is aiming high in the property sector and wants to become a prominent developer.

While it already owns 10 hotels in Malaysia and one in Vietnam with well-known brands like Hilton, Mutiara, Crowne Plaza and InterContinental, the company is only about to start developing property.

The hotel business is expected to drive its earnings in the next two years until the property projects start to deliver profits from 2009.

"The land that we are buying in Iskandar Development Region (Iskandar) is the first step in a journey, which will lead to other things to turn the company into a blue-chip developer," chairman Datuk Seri Megat Najmuddin said in a media briefing in Kuala Lumpur yesterday.

Tradewinds Corp yesterday won shareholders' approval to sell its entire 53 per cent stake in Tradewinds (M) Bhd to its shareholders, and to buy three companies with a combined landbank of 363ha in Bandar Nusajaya for RM145 million cash.

Selling the subsidiary that housed the group's sugar and oil palm plantation business will allow Tradewinds Corp to cut debts substantially to

RM760 million, from RM2.4 billion now, he said.

"With a much stronger balance sheet, we are able to better capitalise on the opportunities in the buoyant domestic property market," Megat Najmuddin said.

The Iskandar land is planned for a mixed residential project with an estimated gross development value of RM2.1 billion. Tradewinds may start a residential project there in the third quarter of 2008.

The firm has also roped in experienced property personnel to ensure its venture into the sector is successful.

PK Poh, formerly the group managing director of Dijaya Group with award-winning projects, has joined Tradewinds Corp as a director and adviser.

The team is boosted by the new chief operating officer, Cheah Wing Choong, who has 25 years of experience in the industry.

Apart from the Iskandar land, the company still has 800ha located mainly in the east coast of Johor, in an area called Sedili.

"The land has a lovely beach front and the project is in the planning stage now. We are starting with Johor and will later focus on Klang Valley and Penang. There will be more to come," Poh said.