

Pasdec targets net profit to double to RM12m in FY07

By Tamimi Omar

Property developer Pasdec Holdings Bhd targets for its net profit to double to RM12 million for the financial year (FY) ending Dec 31, 2007, from RM6 million this year, driven by its three property projects in Pahang.

The projects have a gross with development value (GDV) of RM1.4 billion, its group managing director Yusof Ali Mohamed Zain said.

The three projects were the Kuantan Bandar Damansara mixed development with GDV of RM623.1 million, the Bandar Putra residential project (GDV RM662.8 million) and the residential and commercial Bandar Gebeng project (GDV RM244.3 million).

"We expect net profit to be maintained at RM6 million this year and with the projects, we expect it to double in 2007," he said at a media briefing in Kuala Lumpur after the company issued RM150 million Rainbow Exchangeable Bonds.

Yusof added Pasdec expected FY07 revenue to jump 50% to RM150 million from about RM100 million this year with the launch of these projects. The projects would keep the company busy for the next five to six years.

He said the bonds would enable Pasdec to pare debts and fund the three projects. The bonds are structured as a single contract linked to two underlying shares – Road Builder (M) Holdings Bhd (RBH) and YTL Cement Bhd (YTL Cement) -- both of which are held in Pasdec's portfolio.

The bonds are split into two series. Series 1, with a five-year tenure, consists of RM15 million bonds exchangeable into 4.79 million RBH shares. The seven-year Series 2 consists of RM135 million REBs exchangeable into 40.78 million YTL shares.

Of the RM150 million from the bonds, Yusof said Pasdec would use RM80 million to finance the projects and the rest to reduce its RM80 million debt. The bonds would enable Pasdec to save RM3 million a year on interest.