

Business Times

Pasdec aims to double net by end-2007

By Ho Siew Yee

PROPERTY firm Pasdec Holdings Bhd, controlled by the Pahang state government, expects to double its net profit to RM12 million by next year-end, helped by better sales from its development projects in Pahang.



Yusof (left) unveiling details of the rainbow exchangeable bonds. Looking on is Pasdec business development general manager Datuk Mohd Kharuddin Mohd Ali

The company issued a RM150 million rainbow exchangeable bonds (REB) two weeks ago to help expedite its three new development projects.

"We expect a take up rate of 25-30 per cent, or about 3,000 units, from the new projects by the first half of next year. Our target is to double the net profit by the end of 2007," managing director Yusof Ali Mohamed Zain told reporters after announcing the REB in Kuala Lumpur.

Pasdec made a net profit of RM6 million on RM72 million revenue for the year ended December 2005.

Yusof expects this year's net income to be similar, although it had made only RM1 million for the first half.

This year's income will come from current housing deals while a bigger boost will be derived from the new contracts for next year.

The REB, a type of loan that can be exchanged for more than one series of shares, is the first in Malaysia.

It is linked to two underlying shares, namely Road Builder (M) Holdings Bhd and YTL Cement Bhd, both of which Pasdec has invested in.

Rating Agency Malaysia has assigned a rating of "AAA" to the REB. The bonds have been fully subscribed by OSK Securities Bhd.

Some RM70 million of the proceeds will be used to repay Pasdec's RM80.13 million debt while the rest will be used as working capital.

The three new housing projects, Kuantan's Bandar Damansara, Bandar Putra and Bandar Gebeng, have a total gross development value of some RM1.53 billion.

They will be completed within 12 years.

The chief minister of Pahang, Datuk Sri Adnan Yaakob, who is also Pasdec's chairman, expects the property market in the state to remain stable with steady demand for residential properties.

In February, Pasdec had partnered AWP Aquarium & Park Sdn Bhd to develop a marine park, sanctuary park, theme park, eco park and other related facilities at Bentong, Pahang.

Yusof had declined to reveal more details about the project.

Pasdec, incorporated on November 14 1995, is the main property-development arm of Perbadanan Kemajuan Negeri Pahang, which effectively owns 51.65 per cent of the former.