

UEM Sunrise to invest RM215mil in JV with WCT

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KUALA LUMPUR: Property developer UEM Sunrise Bhd is investing RM215mil in a joint venture (JV) with WCT Holdings Bhd to develop a new RM3bil township outside Kuala Lumpur.

The project will be launched in 2017. "Moving forward, we continue to be open to opportunities including partnerships and acquisitions in our quest to expand outside of Johor," UEM Sunrise managing director and chief executive officer Anwar Syahrin Abdul Ajib said.

The joint development with WCT will be UEM Sunrise's fourth project in Selangor.

"As a JV, we have to do detailed planning to see to any changes or enhancements. The plan is to launch our offerings in 2017," he told a press conference after the collaboration's signing ceremony.

Under the deal, UEM Sunrise's wholly-owned unit, Sunrise Bhd, will acquire a 50% stake in WCT's wholly-owned subsidiary Jubilant Courtyard Sdn Bhd, for RM215mil.

Jubilant Courtyard owns 608 acres of land in Serendah, Selangor, that is being developed into an integrated mixed-development township.

The collaboration marks UEM Sunrise's fourth development venture in Selangor, following property launches in Cyberjaya, Bangi and Shah Alam.

Currently, the company has in total 13,000 acres of land – close to 10,000 acres are located in Johor and the rest in Selangor and the Klang Valley.

Anwar estimates that the revenue from this JV will be about RM300mil per annum for the next 10 years.

In a filing with Bursa Malaysia, WCT said the subscription of shares by Sunrise would result in a dilution of WCT's equity interest in Jubilant Courtyard from 100% to 50%.

"Barring unforeseen circumstances, the proposed dilution is expected to be completed by the second quarter of 2016," the construction and property development group said.



It's a deal: Anwar (2nd from left) exchanging documents with WCT Holdings MD Taing Kin Hwa to mark the collaboration to develop 608 acres in Hulu Selangor. Looking on are (from left): UEM Sunrise commercial chief operating officer Raymond Cheah, UEM Sunrise chairman Tan Sri Dr Ahmad Tajuddin Ali, WCT chairman Datuk Ahmad Sufian and WCT executive director Choe Kai Keong.

WCT said the proposed collaboration with Sunrise would enable the latter to invest in Jubilant Courtyard and jointly develop the land with WCT, adding that the cash to be received from Sunrise's subscription of shares in Jubilant Courtyard would be used as development cost of the land, working capital and repayment of advances from the WCT group.

It said the proposed dilution is expected to result in an estimated gain of about

RM205.32mil for the group arising from its deemed disposal of a 50% equity interest in Jubilant Courtyard.

The proposed dilution, WCT added, is expected to contribute positively to the net assets of the group and help improve its gearing.

At yesterday's close, WCT's shares rose five sen to RM1.50, while the shares of UEM Sunrise remained unchanged at RM1.13 after an intra-day high of RM1.15.