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Austral Amalgamated - Exploring Opportunities In Africa

AUSTRAL Amalgamated Bhd which has property ventures in Australia and Myanmar is also targetting Africa as an investment destination. The company will undertake a housing project in Zimbabwe involving the construction of 1,000 units of low and medium cost houses.

Executive Chairman Datuk Mohamad Karim Abdullah Omar said Austral Amalgamated is awaiting approval for the project from the Zimbabwean authorities and he expects a decision soon. 'We can start construction once everything is finalised by the first quarter of next year,' Mohd Karim said, adding the company forecasts a profit of RM4-5 million upon completion of the project.

Speaking to the press after Austral Amalgamated's AGM in Kuala Lumpur recently, he said the project, to be completed in two years, is on land allocated by the Zimbabwean Government.

He said the company will also be looking at opportunities in other African countries in line with Prime Minister Datuk Seri Dr Mahathir Mohamad's call for more Malaysian companies to take advantage of the vast opportunities in the continent.

The Kuala Lumpur Stock Exchange (KLSE) main board-listed company is primarily engaged in property development as well as financial services and trading.

In Myanmar, the company operates the US\$10 million (RM25 million) Ramada Airport International Hotel in Yangon completed in 1996. The company is also involved in a US\$5 million garment manufacturing operations there.

Mohd Karim said the venture in Australia is through International Equities Corp Ltd, in which the company holds a 57% stake. The Australian company, whose activities include constructing bungalows, apartments as well as golf courses, owns 140 hectares of land in Perth.

In reviewing the company's performance in the recent financial year ending June 30 1996, he said it doubled its pre-tax profit to RM26.3 million from RM13.5 million previously. 'The improved figure was due to our investment in the property sector as well as trading. We will venture into new businesses to increase revenue in the future.'

The company has forecast a bigger pre-tax profit of between RM60 million and RM70 million in the next financial year.

Karim said Austral Amalgamated also intends to strengthen its position in the financial sector. The company which owns a 20% interest in City Finance Bhd recently acquired Commerce Asset Holdings Bhd for RM5.23 million. It also plans to acquire an insurance broking company, and is awaiting Bank Negara approval for the move.

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