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BERJAYA-COMPENSATION

BERJAYA TIMES SQUARE TO COMPENSATE BUYERS FOR LATE DELIVERY

KUALA LUMPUR, Sept 29 (Bernama) -- Berjaya Times Square Sdn Bhd will settle all late delivery claims to its purchasers in full, through the issue of shares in a company listed on the Main Board of the Kuala Lumpur Stock Exchange.

Its chairman, Tan Sri Vincent Tan, said the total compensation of almost RM270 million would be given to its more than 400 buyers following a four-year delay.

Berjaya Times Square was supposed to be completed in 1999.

"We are in the midst of finalising this win-win proposal and expect to announce the details in two to three weeks," he told reporters after the opening ceremony by Prime Minister Datuk Seri Dr Mahathir Mohamad here today.

Among others, the proposal is to inject (funds) into a listed company which would issue shares to take over Berjaya Times Square and its liabilities.

"Buyers would be compensated in listed shares and they can sell their shares if they want to recoup cash," said Tan, who is also Berjaya Group Bhd chairman.

The purchasers were mostly the early birds, those who had bought retail space and service suites, and Tan said they were agreeable to the said mechanism as their investments had appreciated.

The current occupancy rate of Berjaya Times Square from the lots owned by the company is 80 percent and he hoped that most of the lots would be rented out within the next six to nine months.

"We are keeping 60 percent of the space and selling 40 percent of that. Out of the latter, we have sold two-thirds with a sales value of RM900 million," he said.

Financially, the project was a success even though the four-year delay had caused development cost to escalate to RM1.85 billion from its original cost of RM1.5 billion, he said.

Tan, who expects a profitable year, said the company hoped to net RM25 million from rental and sales for the year ending April 2004, having written off the RM270 million in last year's account.

Berjaya Times Square's biggest tenant, Britain's Debenhams, will begin operation at the complex in mid-November.

Asked what his personal stake was, Tan put it between 85 and 90 percent, some through loan-share conversion.

However, following the said proposal, Berjaya Times Square would become a wholly-owned subsidiary of the listed company and his stake would eventually be diluted to 50 percent in the proposed listed company. The other half will be owned by his brother, Tan Sri Danny Tan.

"But I will continue to invest and will be involved in it for a very long time," he said.

On bank borrowings, he commended Ambank for leading a consortium of seven banks to support the project.

He said the company owed RM700 million to banks and would be looking at a bond issue in local currency to finance the loans, probably next year.

For Tan, completing the project was a personal challenge and he paid tribute to Dr Mahathir for his encouragement and personal advice that he (Tan) must complete Berjaya Times Square.

The idea for building the shopping and entertainment complex was

conceived by Tan and Danny back in 1994.

Initial construction began in 1995 but the project was only completed in June 2003 due to the Asian financial crisis in the late 1990s.

Berjaya Times Square has a total built-up floor area of 7.5 million sq ft comprising 12 levels of retail shopping podium, 1,200 luxury suites, 4,500 car park bays and Asia's largest indoor theme park, Cosmo's World.

It will house the first IMAX 3D theatre in Malaysia, a 9-screen cinema and a 56-lane bowling alley. -- BERNAMA

SHO TJK