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Weekly Insights

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## Tropicana Corp sells Courtyard by Marriott Penang for RM165m

Tropicana Corporation Bhd's (Tropicana) wholly-owned subsidiary, Tropicana Macalister Avenue (Penang) Sdn Bhd is disposing of Courtyard by Marriott Penang for RM165 million to IOI PFCC Hotel Sdn Bhd, an indirect subsidiary of IOI Properties Group Bhd.

Tropicana said the parties had inked the sale and purchase agreement, adding that the disposal will generate surplus cash of approximately RM80.8 million for the group, which will be utilised to pare down its existing financing facilities.

"The disposal is aligned with the group's ongoing initiatives to monetise its landbanks and investment properties, reduce its net gearing and improve its financial position," it said in a statement.

Tropicana said the group will continue to deliver sustainable earnings, backed by its RM2.3 billion unbilled sales, ongoing property sales campaigns as well as improved performance from its property sales.



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## **Newly-acquired Hotels to start contributing to IOI Properties from Q4 2024 and FY2025**

Hong Leong Investment Bank Bhd (HLIB) anticipates that the acquisitions of W Hotel and Courtyard will bolster IOI Properties Group Bhd's earnings, starting from the fourth quarter of the financial year 2024 (4QFY24) and throughout FY25.

The purchases were made at attractive prices, with W Hotel, featuring 150 rooms completed in 2018, acquired for RM270 million (RM1.8 million per room), representing a 25.8% discount from the original development cost. Courtyard, with 199 rooms completed in 2020, was acquired for RM165 million (RM829,000 per room), indicating a 10.6% discount from its book value.

The transaction of W Hotel is slated to complete in March 2024, while Courtyard is expected to conclude in the next three to six months. All IOI Properties' hotels, existing and newly acquired, will operate under the Marriott International brand.

HLIB is optimistic about IOI Properties' outlook, foreseeing a strong recovery in the second half of FY24, driven by factors such as Palm Garden's refurbishment, Putrajaya Marriott's gradual reopening, higher room rates, increased tourist arrivals, and the addition of new hotels.



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## Legoland Malaysia set to help Malaysia's tourism rebound in 2024

Legoland Malaysia Resort is positioned to be a key player in Malaysia's tourism rebound efforts for 2024. As Asia's pioneer Lego-themed park, it aims to draw international visitors with new attractions and educational offerings, aligning with the Ministry of Tourism, Arts and Culture's (MOTAC) goals.

Divisional Director CS Lim emphasized Legoland's role as a tourism catalyst in Johor and beyond, stressing its strategic partnership with MOTAC.

Collaborative efforts include joint marketing, participation in travel shows, and culturally-themed events. The resort's strategies encompass immersive cultural experiences, innovative attractions like the Master Model Builder Search, and value-driven annual passes. Lim invited Malaysian families to explore and enjoy the resort's offerings, showcasing its commitment to enhancing tourism experiences.

Sales and Marketing Director Thila Munusamy highlighted ongoing promotions in neighboring Southeast Asian countries, anticipating increased footfall and job opportunities for the local community in the coming year.





## **AirAsia to reinstate direct routes from Kuching, Kota Kinabalu to Penang from March 31**

AirAsia announces the reinstatement of domestic routes between Penang and Kuching, as well as Kota Kinabalu, effective from March 31. Seats are now available for booking with promotional fares starting from RM119 one-way for Kuching–Penang and RM159 for Kota Kinabalu–Penang, applicable for travel between March 31 and November 30.

Daily flights will be operated by AirAsia Malaysia, catering to the demand from both sides of the country. The routes provide convenient travel options for residents of northern states like Seberang Perai, Kedah, Perlis, and Perak to explore the Borneo regions of Sarawak and Sabah.

AirAsia also offers direct flights connecting Kuching and Kota Kinabalu with other destinations in Sarawak and Sabah, facilitating seamless travel planning. Additionally, Penang serves as a gateway for tourists from Sarawak and Sabah to access the city's tourism attractions, while also offering connectivity for education and business sectors. AirAsia's network from Penang includes flights to Langkawi, Bangkok, Kuala Lumpur, and Ho Chi Minh City.



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