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Magnum maps out plans for motel chain

MAGNUM Corporation has laid plans for a big move into the leisure industry, with the emphasis on hotels and motels. "We want to have a motel chain with motels in every state," said Magnum's executive chairman Datuk Choo Ching Hwa.

Magnum hopes to acquire a franchise from a US motel chain, according to Datuk Choo who said that Magnum's executive director in charge of leisure and resort activities, Mr H'ng Hung Yong, was now in the US for this purpose.

The group's decision to expand into the hotel industry is in line with the Malaysian Prime Minister's call to the private sector to boost tourism via expansion of the leisure industry.

Magnum will invest some \$50 million in the sector. "This in-

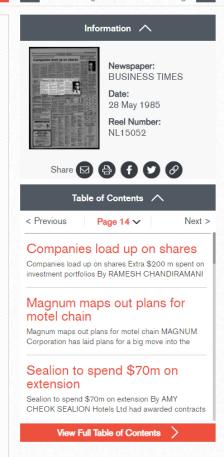
vestment will come out of the \$58.5 million proceeds from Magnum Plantation's sale of 696.49 ha of estate land," Datuk Choo said.

Magnum already has some motels at its Mimaland resort which are enjoying a high rate of occupancy. This is expected to be upgraded to cater for corporate clients.

"Magnum will work together with Bandar Raya to manage the development of its hotels and motels," he added.

It has thus far hived off most of its estate land to Bandar Raya to manage the development of its hotels and motels.

Bandar Raya earlier acquired the Cheras estate and







has entered into a joint-venture with Permodalan Bersatu Bhd to develop the land into an inte-

grated commercial, industrial and residential township.

Another piece of estate land hived off to Bandar Raya is at Kepong where another joint property development project is being undertaken with Permodalan Bersatu.

Datuk Choo said Magnum has applied for conversion of its remaining estate land consisting of the 809.4 ha West Country Estate at Bangi, in which Peremba holds a 40 per cent stake. "We intend to develop this into a housing estate jointly with Peremba."

On its four-digit operations, Datuk Choo said he was making a trip to Germany soon to acquire transparent drawing equipment that does not require the use of hands to operate, he explained.

Magnum also hopes to computerise its four-digit operations by the end of the year.

Datuk Choo felt that there were tremendous possibilities for mechanising the four-digit operations which could be introduced on a wide scale, provided approval could be obtained.

The four-digit operations account brought in a turnover of M\$544.2 million for the year ended Dec 31, 1984, and accounted for some 77 per cent of total group turnover of \$709.8 million.

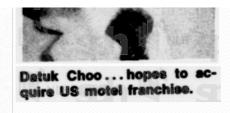
Magnum Finance is also expanding. It has obtained Bank Negara approval to raise its paid-up capital from \$6 million to \$15 million by way of a one-for-four bonus issue and a one-for-one rights issue at \$1.50 a share. It plans to expand its network of seven branches.











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