

# THE EDGE

MALAYSIA

# Property Excellence Awards 2010

Kenny Tan, Ken Bangsar,  
The Edge-PAM Green Excellence Award 2010



**THE EDGE-PAM**  
Green Excellence  
Award 2010

From left:  
Datuk Seri Mohd Effendi Norwawi, Encorp Strand  
The Edge-PEPS Value Creation Excellence Award 2010 (non-residential)



Datuk Jamaludin Osman, Bandar Kinrara  
The Edge-PEPS Value Creation Excellence Award 2010 (residential)



**THE EDGE-PEPS**  
Value Creation Excellence  
Award 2010



left to right: Tan Sri Liew Kee Sin, S P Setia; Datuk Tunku Putra Badlishah Tunku Annuar, Sime Darby Property; Ho Han Sang, Sunway City; Datuk Tong Kooi Ong, Sunrise; Robert Tan, IGB Corp; Lee Yoke Har, IOI Properties; Datuk Jamaludin Osman, I&P Group Sdn Bhd; Datuk Jagan Sabapathy, Bandar Raya Developments; Tan Sri Leong Hoy Kum, Mah Sing Group; Datuk Soam Heng Choon, IJM Land

## THE EDGE MALAYSIA Top Property Developers Awards 2010

### TOP 10

RANK	COMPANY	SIGNIFICANT PROJECTS
1	S P Setia Bhd	Setia Eco Park, Setia Alam, Setia Tropika (Johor), Setia Pearl Island (Penang), Setia Walk
2	Sime Darby Property Bhd <sup>(N)</sup>	Ara Damansara, Putra Heights, Melawati, Bukit Jelutong, Denai Alam, Bandar Bukit Raja
3	Sunway City Bhd	Sunway South Quay, Sunway Damansara, Kiara Hills, Sunway SPK, Sunway Palazzio, Sunway Vivaldi
4	Sunrise Bhd	11 Mont'Kiara, 28 Mont'Kiara, Solaris Dutamas, Dutamas, Quintet (Canada)
5	IGB Corp Bhd	Mid Valley City, Cendana, Seri Maya, U-Thant Residence, Hampshire Place, Laman Sierramas West
6	IOI Properties Bhd <sup>(N)</sup>	Bandar Puchong Jaya, Bandar Puteri Puchong, Bandar Putra (Johor), IOI Mall, IOI Boulevard
7	I & P Group Sdn Bhd <sup>(N)</sup>	Bandar Kinrara, Seri Beringin, Alam Damai, Alam Impian, Kota Bayuemas, Kota Seriemas, Alam Sutera
8	Bandar Raya Developments Bhd	The Troika, One Menerung, CapSquare, Bandar Baru Permas Jaya (Johor), Bangsar Shopping Centre
9	Mah Sing Group Bhd	Damansara Legenda, Perdana Residence, The Icon Jln Tun Razak, Sri Pulai Perdana (Johor)
10	IJM Land Bhd	The Light Waterfront Penang, Seremban 2, Shah Alam 2, Laman Granview (Selangor)

(N) Non-listed property developer

### TOP 11 – 30

RANK	COMPANY	RANK	COMPANY
11	Paramount Corp Bhd	21	YNH Property Bhd
12	YTL Land & Development Bhd	22	Bolton Bhd
13	Glomac Bhd	23	Malton Bhd
14	Dijaya Corp Bhd	24	United Malayan Land Bhd
15	Plenitude Bhd	25	Selangor Properties Bhd
16	Selangor Dredging Bhd	26	Metro Kajang Holdings Bhd
17	Naza TTDI Sdn Bhd <sup>(N)</sup>	27	PJ Development Holdings Bhd
18	Eastern & Oriental Bhd	28	Naim Holdings Bhd
19	TA Global Bhd	29	Hunza Properties Bhd
20	UEM Land Holdings Bhd	30	Mulpha Land Bhd

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Today we are honoured to learn that our Business Suites have set a new benchmark for value creation. Their owners will be delighted to discover that their investments have brought them unmatched capital appreciation as the winner of The Edge - PEPS Value Creation Excellence Award 2010. This accolade recognizes the developer that offers the highest capital appreciation of properties between the property developers' selling price and the subsequent resale price.

Yet the good news does not stop there.

The Business Suites are just one of the five planned developments that will integrate seamlessly to create the Encorp Experience of life, work, leisure and pleasure at Encorp Strand, Petaling Jaya's most happening destination. Already successfully underway, the planning and construction is all coming together to complete Encorp Strand with **The Garden Office, The Red Carpet Boulevard, The Mall and The Residence coming in 2012.**

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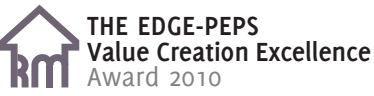
BUMIMETRO CONSTRUCTION SDN BHD 576189-W  
AMBROSE WONG & LEOW SOOI CHOON

PEMBINAAN POH KAH SDN BHD 485239-H  
SRI DATAI CONSTRUCTION (SARAWAK) SDN BHD 360983-M  
TECHNICORPS BUILDER SDN BHD 276530-P  
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## 2003–2007 RANKINGS

### TOP 30 OVERALL (2007)

RANKING	COMPANY
1	S P Setia Bhd
2	IGB Corp Bhd
3	IOI Properties Bhd
4	Sunway City Bhd
5	Island & Peninsular Bhd
6	Sime UEP Properties Bhd
7	Boustead Properties Bhd
8	Bandar Raya Devt Bhd
9	E&O Property Devt Bhd
10	Sunrise Bhd
11	YTL Land & Devt Bhd
12	Glomac Bhd
13	Paramount Corp Bhd
14	Dijaya Corp Bhd
15	Selangor Properties Bhd
16	Mah Sing Group Bhd
17	MK Land Holdings Bhd
18	PJ Devt Holdings Bhd
19	Metro Kajang Holdings Bhd
20	YNH Property Bhd
21	Malton Bhd
22	Plenitude Bhd
23	Daiman Devt Bhd
24	Petaling Garden Bhd
25	GuocoLand (M) Bhd
26	Naim Cendera Holdings Bhd
27	Ayer Hitam Planting Syndic. Bhd
28	Johor Land Bhd
29	RB Land Holdings Bhd
30	Equine Capital Bhd

### Qualitative attributes (2007)

RANKING	COMPANY
1	S P Setia Bhd
2	Sunrise Bhd
3	IGB Corp Bhd
4	Sunway City Bhd
5	YTL Land & Devt Bhd
6	IOI Properties Bhd
7	Bandar Raya Devt Bhd
8	Glomac Bhd
9	E&O Property Devt Bhd
10	Boustead Properties Bhd
11	Sime UEP Properties Bhd
12	Island & Peninsular Bhd
13	Paramount Corp Bhd
14	Mah Sing Group Bhd
15	Dijaya Corp Bhd
16	Bolton Bhd
17	Hunza Properties Bhd
18	PJ Devt Holdings Bhd
19	Country Heights Holdings Bhd
20	Malton Bhd
21	Metro Kajang Holdings Bhd
22	Equine Capital Bhd
23	Asia Pacific Land Bhd
24	MK Land Holdings Bhd
25	YNH Property Bhd
26	Johor Land Bhd
27	Selangor Dredging Bhd
28	Negara Properties (M) Bhd
29	Mutiara Goodyear Devt Bhd
30	RB Land Holdings Bhd

### Quantitative attributes (2007)

RANKING	COMPANY
1	IGB Corp Bhd
2	S P Setia Bhd
3	IOI Properties Bhd
4	Sunway City Bhd
5	Island & Peninsular Bhd
6	Sime UEP Properties Bhd
7	Boustead Properties Bhd
8	Selangor Properties Bhd
9	Naim Cendera Holdings Bhd
10	Bandar Raya Devt Bhd
11	E&O Property Devt Bhd
12	MK Land Holdings Bhd
13	Paramount Corp Bhd
14	Daiman Devt Bhd
15	Krisassets Holdings Bhd
16	Dijaya Corp Bhd
17	Petaling Garden Bhd
18	Worldwide Holdings Bhd
19	PJ Devt Holdings Bhd
20	Plenitude Bhd
21	United Malaysian Land Bhd
22	Metro Kajang Holdings Bhd
23	KSL Holdings Bhd
24	Matrix International Bhd
25	Ayer Hitam Planting Syndic. Bhd
26	GuocoLand (M) Bhd
27	Mah Sing Group Bhd
28	YNH Property Bhd
29	RB Land Holdings Bhd
30	Malton Bhd

### TOP 30 (2006)

RANKING	COMPANY
1	S P Setia Bhd
2	IGB Corp Bhd
3	Island & Peninsular Bhd
4	Sunway City Bhd
5	IOI Properties Bhd
6	Sime UEP Properties Bhd
7	Sunrise Bhd
8	MK Land Holdings Bhd
9	Bandar Raya Devt Bhd
10	YTL Land & Devt Bhd
11	Glomac Bhd
12	E&O Property Devt Bhd
13	Paramount Corp Bhd
14	Mah Sing Group Bhd
15	Boustead Properties Bhd
16	Dijaya Corp Bhd
17	PJ Devt Holdings Bhd
18	UDA Holdings Bhd
19	Malton Bhd
20	RB Land Holdings Bhd
21	SHL Consolidated Bhd
22	Selangor Properties Bhd
23	Bolton Bhd
24	Naim Cendera Holdings Bhd
25	Country Heights Holdings Bhd
26	Plenitude Bhd
27	Metro Kajang Holdings Bhd
28	Petaling Garden Bhd
29	Negara Properties Bhd
30	Talam Corp Bhd

### Qualitative attributes (2006)

RANKING	COMPANY
1	Sunrise Bhd
2	S P Setia Bhd
3	IGB Corp Bhd
4	Sunway City Bhd
5	IOI Properties Bhd
6	Glomac Bhd
7	YTL Land & Devt Bhd
8	Sime UEP Properties Bhd
9	Bandar Raya Devt Bhd
10	E&O Property Devt Bhd
11	Island & Peninsular Bhd
12	Mah Sing Group Bhd
13	MK Land Holdings Bhd
14	Paramount Corp Bhd
15	Boustead Properties Bhd
16	Bolton Bhd
17	Malton Bhd
18	PJ Devt Holdings Bhd
19	Negara Properties Bhd
20	Dijaya Corp Bhd
21	Country Heights Holdings Bhd
22	SHL Consolidated Bhd
23	Hunza Properties Bhd
24	RB Land Holdings Bhd
25	Mulpha Land Bhd
26	Metro Kajang Holdings Bhd
27	Plenitude Bhd
28	Equine Capital Bhd
29	Asia Pacific Land Bhd
30	Selangor Properties Bhd

### Quantitative attributes (2006)

RANKING	COMPANY
1	Island & Peninsular Bhd
2	S P Setia Bhd
3	IGB Corp Bhd
4	IOI Properties Bhd
5	Sunway City Bhd
6	Sime UEP Properties Bhd
7	Talam Corp Bhd
8	MK Land Holdings Bhd
9	UDA Holdings Bhd
10	Naim Cendera Holdings Bhd
11	Boustead Properties Bhd
12	Selangor Properties Bhd
13	Sunrise Bhd
14	Bandar Raya Devt Bhd
15	Krisassets Holdings Bhd
16	WCT Land Bhd
17	Dijaya Corp Bhd
18	Paramount Corp Bhd
19	E&O Property Devt Bhd
20	Petaling Garden Bhd
21	Worldwide Holdings Bhd
22	PJ Devt Holdings Bhd
23	LBS Bina Group Bhd
24	RB Land Holdings Bhd
25	Plenitude Bhd
26	YTL Land & Devt Bhd
27	Mah Sing Group Bhd
28	KSL Holdings Bhd
29	Glomac Bhd
30	Matrix International Bhd

### TOP 30 (2005)

RANKING	COMPANY
1	S P Setia Bhd
2	IOI Properties Bhd
3	IGB Corp Bhd
4	Sunway City Bhd
5	MK Land Holdings Bhd
6	Sime UEP Properties Bhd
7	Bandar Raya Devt Bhd
8	Boustead Properties Bhd
9	Island & Peninsular Bhd
10	Sunrise Bhd
11	Glomac Bhd
12	UDA Holdings Bhd
13	E&O Property Devt Bhd
14	Naim Cendera Holdings Bhd
15	Petaling Garden Bhd
16	YTL Land & Devt Bhd
17	Talam Corp Bhd
18	Dijaya Corp Bhd
19	Paramount Corp Bhd
20	Selangor Properties Bhd
21	Country Heights Holdings Bhd
22	Plenitude Bhd
23	Daiman Devt Bhd
24	PJ Devt Holdings Bhd
25	Mah Sing Group Bhd
26	SHL Consolidated Bhd
27	GuocoLand (M) Bhd
28	Pelanggi Bhd
29	WCT Land Bhd
30	LBS Bina Group Bhd

### Qualitative attributes (2005)

RANKING	COMPANY
1	Sunrise Bhd
2	S P Setia Bhd
3	IGB Corp Bhd
4	Bandar Raya Devt Bhd
5	IOI Properties Bhd
6	Sime UEP Properties Bhd
7	YTL Land & Devt Bhd
8	Sunway City Bhd
9	KLCC Property Holdings Bhd
10	Boustead Properties Bhd
11	MK Land Holdings Bhd
12	Glomac Bhd
13	Paramount Corp Bhd
14	Island & Peninsular Bhd
15	E&O Property Devt Bhd
16	Mah Sing Group Bhd
17	Dijaya Corp Bhd
18	SHL Consolidated Bhd
19	Country Heights Holdings Bhd
20	Equine Capital Bhd
21	GuocoLand (M) Bhd
22	Daiman Devt Bhd
23	Petaling Garden Bhd
24	Selangor Dredging Bhd
25	Naim Cendera Holdings Bhd
26	Pelanggi Bhd
27	Plenitude Bhd
28	Eastern & Oriental Bhd
29	EUPE Corp Bhd
30	PJ Devt Holdings Bhd

### Quantitative attributes (2005)

RANKING	COMPANY
1	IOI Properties Bhd
2	S P Setia Bhd
3	IGB Corp Bhd
4	Sunway City Bhd
5	MK Land Holdings Bhd
6	Sime UEP Properties Bhd
7	Talam Corp Bhd
8	UDA Holdings Bhd
9	Island & Peninsular Bhd
10	Boustead Properties Bhd
11	Bandar Raya Devt Bhd
12	Naim Cendera Holdings Bhd
13	Petaling Garden Bhd
14	Selangor Properties Bhd
15	E&O Property Devt Bhd
16	WCT Land Bhd
17	Dijaya Corp Bhd
18	Worldwide Holdings Bhd
19	Glomac Bhd
20	LBS Bina Group Bhd
21	PJ Devt Holdings Bhd
22	Plenitude Bhd
23	Country Heights Holdings Bhd
24	Metro Kajang Holdings Bhd
25	KSL Holdings Bhd
26	Sunrise Bhd
27	Daiman Devt Bhd
28	Pelanggi Bhd
29	GuocoLand (M) Bhd
30	PK Resources Bhd

### TOP 10 (2003)

RANKING	COMPANY
1	IGB Corp Bhd
2	S P Setia Bhd
3	IOI Properties Bhd
4	Bandar Raya Devt Bhd
5	MK Land Holdings Bhd
6	Sunway City Bhd
7	Sime UEP Properties Bhd
8	Island & Peninsular Bhd
9 (tie)	Sunrise Bhd
	Pelanggi Bhd

### Qualitative attributes (2003)

RANKING	COMPANY
1	Sunrise Bhd
2	IGB Corp Bhd
3	Sime UEP Properties Bhd
4	S P Setia Bhd
5	Bandar Raya Devt Bhd
6	MK Land Holdings Bhd
7	Sunway City Bhd
8	Pelanggi Bhd
9	Island & Peninsular Bhd
10 (tie)	Dijaya Corp Bhd
	Negara Properties Bhd

### Quantitative attributes (2003)

RANKING	COMPANY
1	IOI Properties Bhd
2	S P Setia Bhd
3	IGB Corp Bhd
4 (tie)	Bandar Raya Devt Bhd
	MK Land Holdings Bhd
	Sunway City Bhd
7	UDA Holdings Bhd
8	Sime UEP Properties Bhd
9	Talam Corp Bhd
10 (tie)	Island & Peninsular Bhd/Malton Bhd

### TOP 10 (2004)

RANKING	COMPANY
1	IGB Corp Bhd
2	S P Setia Bhd
3	IOI Properties Bhd
4	MK Land Holdings Bhd
5	Sime UEP Properties Bhd
6	Bandar Raya Devt Bhd
7	Sunway City Bhd
8	Island & Peninsular Bhd
9	Boustead Properties Bhd
10	Sunrise Bhd

### Qualitative attributes (2004)

RANKING	COMPANY
1	Sunrise Bhd
2	IGB Corp Bhd
3	S P Setia Bhd
4	Sime UEP Properties Bhd
5	Bandar Raya Devt Bhd
6	Sunway City Bhd
7	YTL Land & Devt Bhd
8	Island & Peninsular Bhd
9	Boustead Properties Bhd
10	IOI Properties Bhd

### Quantitative attributes (2004)

RANKING	COMPANY
1	IGB Corp Bhd
2	IOI Properties Bhd
3	S P Setia Bhd
4	MK Land Holdings Bhd
5	Sime UEP Properties Bhd
6	Sunway City Bhd
7	UDA Holdings Bhd
8	Bandar Raya Devt Bhd
9	Island & Peninsular Bhd
10	Talam Corp Bhd





# 2010 RANKINGS

## Quantitative Attributes 2010

### BEST 30

RANKING	COMPANY
1	Sime Darby Property Bhd(N)
2	I & P Group Sdn Bhd(N)
3	S P Setia Bhd
4	Sunway City Bhd
5	IOI Properties Bhd(N)
6	IGB Corp. Bhd
7	Bandar Raya Devt Bhd
8	Selangor Properties Bhd
9	Mah Sing Group Bhd
10	TA Global Bhd(d)
11	Paramount Corp. Bhd
12	Sunrise Bhd
13	Dijaya Corp. Bhd
14	Naim Holdings Bhd
15	Plenitude Bhd
16	Golden Plus Holdings Bhd(b)
17	PJ Devt Holdings Bhd
18	Krisassets Holdings Bhd
19	Metro Kajang Holdings Bhd
20	Berjaya Assets Bhd(a)
21	TAHPS Group Bhd
22	Naza TTDI Sdn Bhd(N)
23	Daiman Devt Bhd
24	KSL Holdings Bhd
25	United Malayan Land Bhd
26	Triplc Bhd(f)
27	DNP Holdings Bhd
28	Oriental Interest Bhd
29	Asia Pacific Land Bhd
30	SHL Consolidated Bhd

### Shareholders Funds

RANKING	COMPANY
1	Sime Darby Property Bhd(N)
2	IOI Properties Bhd(N)
3	IGB Corp. Bhd
4	I & P Group Sdn Bhd(N)
5	Sunway City Bhd
6	S P Setia Bhd
7	TA Global Bhd(d)
8	Selangor Properties Bhd
9	Bandar Raya Devt Bhd
10	IJM Land Bhd
11	UEM Land Holdings Bhd
12	Berjaya Assets Bhd(a)
13	Krisassets Holdings Bhd
14	MK Land Holdings Bhd
15	Sunrise Bhd
16	Daiman Devt Bhd
17	United Malayan Land Bhd
18	Mah Sing Group Bhd
19	Dijaya Corp. Bhd
20	Eastern & Oriental Bhd
21	Karambunai Corp. Bhd
22	PJ Devt Holdings Bhd
23	Guocoland (M) Bhd
24	KSL Holdings Bhd
25	DNP Holdings Bhd
26	YNH Property Bhd
27	Asia Pacific Land Bhd
28	Country Heights Holdings Bhd
29	Plenitude Bhd
30	Naim Holdings Bhd

### Turnover

RANKING	COMPANY
1	S P Setia Bhd
2	Sime Darby Property Bhd(N)
3	Sunway City Bhd (g)
4	I & P Group Sdn Bhd(N)
5	Bandar Raya Devt Bhd
6	Sunrise Bhd
7	Mah Sing Group Bhd
8	IOI Properties Bhd(N)
9	IJM Land Bhd
10	IGB Corp. Bhd
11	PJ Devt Holdings Bhd
12	Naim Holdings Bhd
13	Golden Plus Holdings Bhd(b)
14	TA Global Bhd(d)
15	Naza TTDI Sdn Bhd(N)
16	Malton Bhd
17	Paramount Corp. Bhd
18	UEM Land Holdings Bhd
19	Metro Kajang Holdings Bhd
20	Triplc Bhd(f)
21	Glomac Bhd
22	Berjaya Assets Bhd(a)
23	Selangor Properties Bhd
24	Dijaya Corp. Bhd
25	Eastern & Oriental Bhd
26	Talam Corp. Bhd(e)
27	Bolton Bhd
28	Plenitude Bhd
29	YTL Land & Devt Bhd
30	SHL Consolidated Bhd

### Profit Before Tax

RANKING	COMPANY
1	Sunway City Bhd (g)
2	Sime Darby Property Bhd(N)
3	I & P Group Sdn Bhd(N)
4	S P Setia Bhd
5	IGB Corp. Bhd
6	IOI Properties Bhd(N)
7	Sunrise Bhd
8	Krisassets Holdings Bhd
9	Bandar Raya Devt Bhd
10	Mah Sing Group Bhd
11	TA Global Bhd(d)
12	UEM Land Holdings Bhd
13	Naim Holdings Bhd
14	KSL Holdings Bhd
15	Plenitude Bhd
16	Naza TTDI Sdn Bhd(N)
17	Paramount Corp. Bhd
18	Dijaya Corp. Bhd
19	YNH Property Bhd
20	IJM Land Bhd
21	United Malayan Land Bhd
22	Selangor Properties Bhd
23	Talam Corp. Bhd(e)
24	Metro Kajang Holdings Bhd
25	Glomac Bhd
26	Malaysia Pacific Corp. Bhd
27	Golden Plus Holdings Bhd(b)
28	Crescendo Corp. Bhd
29	Berjaya Assets Bhd(a)
30	Hunza Properties Bhd

### Cash/Net Gearing

RANKING	COMPANY
1	Selangor Properties Bhd
2	Plenitude Bhd
3	TAHPS Group Bhd
4	I & P Group Sdn Bhd(N)
5	Paramount Corp. Bhd
6	Dijaya Corp. Bhd
7	Golden Plus Holdings Bhd(b)
8	Oriental Interest Bhd
9	Land & General Bhd
10	I - Bhd
11	Triplc Bhd(f)
12	Keladi Maju Bhd
13	Daiman Devt Bhd
14	MUI Properties Bhd
15	A & M Realty Bhd
16	Tanco Holdings Bhd
17	LBI Capital Bhd
18	Villamas Sdn Bhd(N)
19	Petaling Tin Bhd
20	Asia Pacific Land Bhd
21	Tebrau Teguh Bhd
22	Bertam Alliance Bhd
23	Farlim Group (M) Bhd
24	Ibraco Bhd
25	TA Global Bhd(d)
26	Asas Dunia Bhd
27	Naim Holdings Bhd
28	Gromutual Bhd
29	Sime Darby Property Bhd(N)
30	Mah Sing Group Bhd

### Notes:

- (a) Changed name from Matrix International Bhd  
 (b) Golden Plus Holdings Bhd's shares have been suspended since Aug 3, 2009 for failure to issue its audited financial statements. The data provided by IDS are based on the unaudited 4th quarter results submitted to Bursa Malaysia and have been updated with the data from the latest audited accounts submitted to Bursa Malaysia on Aug 6, 2010.  
 (c) Ivory Properties was listed on July 28, 2010 and was not captured in the data provided by IDS. The data is based on the pro-forma accounts for FY ended 2009 submitted as part of the prospectus to Bursa Malaysia for Ivory Properties' IPO.  
 (d) TA Global was listed on Nov 23, 2009 and did not issue an annual report for FY ended 2009. The data here is obtained from the pro-forma accounts for FY2009 submitted as part of the prospectus to Bursa Malaysia for TA Global's IPO.  
 (e) Talam Corp Bhd - PN17 on Sept 1, 2006 & amended PN17 on May 18, 2009. Talam Corp's PN17 status was uplifted on June 6, 2010.  
 (f) Triplc Bhd - PN17 as at Sept 22, 2010.  
 (g) Sunway City's turnover and profit before tax were annualised as it issued 18 months accounts for the financial year ended this Dec 31, 2009.  
 (N) Non-listed property developer

## Qualitative Attributes 2010

### BEST 30

RANKING	COMPANY
1	S P Setia Bhd
2	Sunrise Bhd
3	Sunway City Bhd
4	IGB Corp. Bhd
5	Bandar Raya Devt Bhd
6	Sime Darby Property Bhd(N)
7	IJM Land Bhd
8	YTL Land & Devt Bhd
9	Mah Sing Group Bhd
10	IOI Properties Bhd(N)
11	Eastern & Oriental Bhd
12	Selangor Dredging Bhd
13	I & P Group Sdn Bhd(N)
14	Glomac Bhd
15	Paramount Corp Bhd
16	Dijaya Corp. Bhd
17	UEM Land Holdings Bhd
18	Naza TTDI Sdn Bhd(N)
19	Plenitude Bhd
20	Mulpha Land Bhd
21	Bolton Bhd
22	YNH Property Bhd
23	WCT Land Sdn Bhd(N)
24	Malton Bhd
25	Hunza Properties Bhd
26	United Malayan Land Bhd
27	Ivory Properties Group Bhd
28	TA Global Bhd
29	Metro Kajang Holdings Bhd
30	PJ Devt Holdings Bhd

### Product Quality

RANKING	COMPANY
1	Sunrise Bhd
2	S P Setia Bhd
3	Sunway City Bhd
4	Bandar Raya Dev Bhd
5	IGB Corp. Bhd
6	Sime Darby Property Bhd(N)
7	Eastern & Oriental Bhd
8	IJM Land Bhd
9	YTL Land & Devt Bhd
10	Paramount Corp Bhd
11	IOI Properties Bhd(N)
12	Selangor Dredging Bhd
13	Mah Sing Group Bhd
14	I & P Group Sdn Bhd(N)
15	Mulpha Land Bhd
16	Glomac Bhd
17	Plenitude Bhd
18	UEM Land Holdings Bhd
19	Naza TTDI Sdn Bhd(N)
20	WCT Land Sdn Bhd(N)
21	Bolton Bhd
22	United Malayan Land Bhd
23	Dijaya Corp. Bhd
24	TA Global Bhd
25	YNH Property Bhd
26	Hunza Properties Bhd
27	Ivory Properties Group Bhd
28	Malton Bhd
29	Selangor Properties Bhd
30	PJ Devt Holdings Bhd

### Innovation & Creativity

RANKING	COMPANY
1	S P Setia Bhd
2	Sunway City Bhd
3	Sunrise Bhd
4	Bandar Raya Devt Bhd
5	IGB Corp. Bhd
6	Selangor Dredging Bhd
7	YTL Land & Devt Bhd
8	Mah Sing Group Bhd
9	Sime Darby Property Bhd(N)
10	Eastern & Oriental Bhd
11	IJM Land Bhd
12	Glomac Bhd
13	Mulpha Land Bhd
14	IOI Properties Bhd(N)
15	I & P Group Sdn Bhd(N)
16	Naza TTDI Sdn Bhd(N)
17	Malton Bhd
18	YNH Property Bhd
19	I - Bhd
20	Paramount Corp Bhd
21	Plenitude Bhd
22	UEM Land Holdings Bhd
23	Bolton Bhd
24	Dijaya Corp. Bhd
25	TA Global Bhd
26	Ivory Properties Group Bhd
27	United Malayan Land Bhd
28	WCT Land Sdn Bhd(N)
29	Hunza Properties Bhd
30	PJ Devt Holdings Bhd

### Value Creation for Buyers

RANKING	COMPANY
1	S P Setia Bhd
2	Sunway City Bhd
3	Sunrise Bhd
4	IGB Corp. Bhd
5	IOI Properties Bhd(N)
6	Sime Darby Property Bhd(N)
7	YTL Land & Devt Bhd
8	Bandar Raya Devt Bhd
9	IJM Land Bhd
10	Mah Sing Group Bhd
11	I & P Group Sdn Bhd(N)
12	Eastern & Oriental Bhd
13	Paramount Corp Bhd
14	Glomac Bhd
15	Dijaya Corp. Bhd
16	Selangor Dredging Bhd
17	Plenitude Bhd
18	Hunza Properties Bhd
19	WCT Land Sdn Bhd(N)
20	Malton Bhd
21	YNH Property Bhd
22	Naza TTDI Sdn Bhd(N)
23	Bolton Bhd
24	Mulpha Land Bhd
25	UEM Land Holdings Bhd
26	TA Global Bhd
27	United Malayan Land Bhd
28	Ivory Properties Group Bhd
29	Metro Kajang Holdings Bhd
30	Naim Holdings Bhd

### Image

RANKING	COMPANY
1	S P Setia Bhd
2	Sunway City Bhd
3	Sunrise Bhd
4	Bandar Raya Dev Bhd
5	IGB Corp. Bhd
6	IJM Land Bhd
7	Mah Sing Group Bhd
8	Sime Darby Property Bhd(N)
9	IOI Properties Bhd(N)
10	YTL Land & Devt Bhd
11	Paramount Corp Bhd
12	Eastern & Oriental Bhd
13	Selangor Dredging Bhd
14	I & P Group Sdn Bhd(N)
15	Glomac Bhd
16	UEM Land Holdings Bhd
17	Dijaya Corp. Bhd
18	Bolton Bhd
19	Naza TTDI Sdn Bhd(N)
20	Plenitude Bhd
21	YNH Property Bhd
22	WCT Land Sdn Bhd(N)
23	Hunza Properties Bhd
24	Ivory Properties Group Bhd
25	Metro Kajang Holdings Bhd
26	United Malayan Land Bhd
27	I - Bhd
28	Mulpha Land Bhd
29	Naim Holdings Bhd
30	Malton Bhd

### Expertise

RANKING	COMPANY
1	S P Setia Bhd
2	Sunrise Bhd
3	Sunway City Bhd
4	IGB Corp. Bhd
5	IJM Land Bhd
6	IOI Properties Bhd(N)
7	Bandar Raya Dev Bhd
8	Mah Sing Group Bhd
9	Sime Darby Property Bhd(N)
10	Selangor Dredging Bhd
11	YTL Land & Devt Bhd
12	Eastern & Oriental Bhd
13	I & P Group Sdn Bhd(N)
14	Glomac Bhd
15	Paramount Corp Bhd
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25	WCT Land Sdn Bhd(N)
26	United Malayan Land Bhd
27	Mulpha Land Bhd
28	PJ Devt Holdings Bhd
29	Ivory Properties Group Bhd
30	Selangor Properties Bhd

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The Top Property Developers Awards 2010 judges: From left: *The Edge* executive editor for property and retailing Au Foong Yee; Datuk Richard Fong, Datuk Jeffrey Ng, Kumar Tharmalingam and Datuk Eddy Chen. Not in the picture are Datuk Alan Tong and Datuk Teo Chiang Kok.

LEE LAY KIN



# Beating the crisis through innovation

BY Sharon Kam

In the aftermath of the financial crisis, many property developers, if not all, had to struggle with the uncertainties that plagued the recovering global economy.

Property launches were scaled down and expansion plans put on hold, but the top property players in the country have risen to the occasion with innovative yet prudent business and marketing strategies.

Rising above all is S P Setia Bhd. It regained its No 1 position in *The Edge* Top Property Developers Awards (TPDA) this year after coming in second in 2009. It had taken the top spot for four consecutive years from 2005 to 2008. It scored the highest points in terms of quality while coming in third for its quantitative attributes.

The developer of the award-winning Setia EcoPark master-planned development in Shah Alam ups the ante in its sales target every year. For its FY2009 ended Oct 31, the group chalked up RM1.65 billion in sales from its projects in Johor, Penang and the Klang Valley, with the help of its ingenious 5:95 financial package, a pioneering move that revolutionised the whole industry.

For FY2010, it has already recorded RM1.95 billion (of the RM2 billion target) in sales two months shy of the end of its financial year. The group has three projects in Ho Chi Minh City, Vietnam, while it is undertaking a joint venture for a mixed development in Hangzhou in Zhejiang, China. It also plans to develop a A\$430 million (RM1.4 billion) project in Australia on a recently acquired 1.07-acre site in Melbourne.

Upcoming is its highly anticipated RM6 billion KL Eco City, an integrated commercial development located near Mid Valley City in Kuala Lumpur.

Last year's No 1, Sime Darby Property (SDP) the property division of Sime Darby Bhd, is runner-up to S P Setia this year. SDP owns the strong-

est quantitative attributes overall while coming in sixth (from 10th last year) for its qualitative attributes.

SDP is one of the largest property groups in the country with about 17,300 acres in its landbank. It boasts the second highest turnover at RM1.407 billion after S P Setia's RM1.408 billion. It also has the second highest profit before tax of RM453.5 million.

SDP is well-known for its townships such as Subang Jaya, UEP Subang Jaya, Bukit Jelutong, Putra Heights and Ara Damansara. The main growth driver in the coming years is expected to be the Sime Darby Vision Valley with an estimated GDV of RM25 to RM30 billion.

At No 3 for the third consecutive year is Sunway City Bhd (SunCity), developer of the Sunway Integrated Resort City, Sunway City Ipoh and Sunway Damansara townships.

It is fourth in the quantitative sub-ranking and third in the qualitative sub-ranking. It has the highest pre-tax profit for FY2009 among the developers at RM760.9 million (annualised figure as Sunway's FY2009 covers an 18-month period). The growth was led by its property investment projects, including the expanded Sunway Pyramid, Sunway Carnival Penang and the fully tenanted Sunway Tower 2 (formerly Wisma Denmark on Jalan Ampang in Kuala Lumpur). The developer marked a milestone this year with the debut of SunwayREIT which has a portfolio of eight properties totalling RM3.4 billion in asset value.

Among its ongoing residential projects are Sunway Rymba Hills and Sunway South Quay and in the pipeline is Sunway VeloCity, a RM1.5 billion integrated development spanning 22 acres in Kuala Lumpur. In China, it is involved in the Tianjin Eco-City project where it will develop 102 acres of land with an estimated GDV of RM5 billion.

Coming in fourth overall is Sunrise Bhd, which rose from ninth position

## New Awards

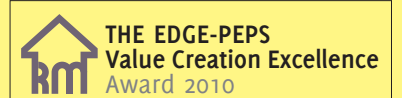
*The Edge* Top Property Developers Awards is into its eighth year and now comes under the banner of *The Edge* Property Excellence Awards, which encompasses two new awards that cover extremely relevant aspects of the property development industry today. The two are: *The Edge*-PEPS Value Creation Excellence Award and *The Edge*-PAM Green Excellence Award. These were initiated in collaboration with the Association of Valuers, Property Managers, Estate Agents and Property Consultants (PEPS) and the Malaysian Institute of Architects (PAM) respectively.

*The Edge*-PEPS Value Creation Excellence Award recognises property developments that have rewarded their purchasers in terms of capital appreciation in an outstanding way. The inaugural winners of this award are Encorp Bhd's Encorp Strand commercial development in Kota Damansara, Selangor, in the non-residential category and I&P Group Sdn Bhd's Bandar Kinrara terraced houses in Puchong in the residential category. The Encorp

Strand's office suites saw a capital appreciation of 66.73% over an average of 2.79 years while Bandar Kinrara saw its terraced houses, launched in 2007, appreciate 51.55% over an average of 1.96 years.

While the numbers speak for themselves, the judges, comprising PEPS president Choy Yue Kwong, PEPS immediate past president James Wong, PEPS member Foo Gee Yen, *The Edge* executive editor for property and retailing Au Foong Yee and *The Edge City & Country + haven* deputy editor Sharon Kam also considered the qualitative attributes of the contending projects.

*The Edge*/PAM Green Excellence Award, meanwhile, recognises projects that demonstrate sustainable design innovation while contributing positively to the community. The inaugural award is accorded to Ken Bangsar, a redevelopment project undertaken by Ken Holdings in the high-end enclave of Bangsar. The five-member jury for this award comprises PAM president Boon Chee Wee, also the chairman of



WINNER (NON-RESIDENTIAL) COMPANY  
Encorp Strand Encorp Bhd

WINNER (NON-RESIDENTIAL) COMPANY  
Bandar Kinrara I&P Group Sdn Bhd



WINNER COMPANY  
Ken Bangsar Ken Holdings

the Green Building Index, Malaysian Green Building Confederation (MGBC) honorary secretary Chan Seong Aun, Association of Consulting Engineers Malaysia President Wong Loo Min, *The Edge*'s Au and *The Edge* deputy managing director Lim Shiew Yui. The judges were impressed with the innovative steps taken to turn an unused building into green-certified high-end residences.

last year. It came in second for quality behind S P Setia and 12th for its quantitative attributes. The group's ongoing developments in the Mont'Kiara area include 11 Mont'Kiara and 28 Mont'Kiara, slated for completion in 2011 and 2013 respectively, as well as Publika retail centre, the final phase of Solaris Dutamas, which is expected to be ready by early 2011. It is expected to launch office tower Menara Solaris in Kuala Lumpur soon. Overseas, the soft launch of the first phase of Quintet, its first residential development in Richmond, British Columbia in Canada, saw brisk sales even before the show gallery was ready.

The developer of Mid Valley City

in Kuala Lumpur, IGB Bhd, is No 5 overall, one rung down from last year. It ranks sixth for its quantitative attributes and fourth for its qualitative attributes. Mid Valley Megamall and The Gardens Mall continue to record strong earnings for the group. The 10 year-old Mid Valley Megamall attracted over 30 million visitors in FY2009. Visitors to The Gardens Mall also rose 30% from 2008. IGB is also aggressively expanding its hotel chain and opened Cititel Express Kota Kinabalu in August 2009, while in December the five-star Micasa All Suite Hotel reopened after 20 months of renovation.

Retaining its sixth position over-

all is IOI Properties Bhd. IOI is fifth quantitatively and 10th in quality attributes. Having developed two flagship townships in Puchong, Selangor — Bandar Puteri Puchong and Bandar Puchong Jaya — it recently embarked on a new township development known as Sierra 16 in Puchong. The developer voluntarily delisted on April 28 last year.

In seventh place overall is I&P Group Sdn Bhd which came in fifth last year, while Bandar Raya Developments Bhd (BRDB) takes No 8. Although I&P was second in the quantitative sub-ranking, it was down in 13th place in the qualitative sub-ranking. The developer of townships



## EDITOR'S NOTE

## Crème de la crème of developers

The year 2003 marked the start of a significant relationship between the Malaysian property development sector and *The Edge*. That year saw the debut of *The Edge* Top Property Developers Awards, a unique and cutting-edge (pardon the pun) ranking that recognises property developers of distinction.

We are indeed humbled that over the years, the awards has built a strong following from not just players in the property development arena but also investors in property shares as well as real estate buyers and would-be buyers.

More significant for us is that through the ranking, based on both qualitative and quantitative attributes, we aspire to raise the bar in the property development industry which accounts for the economic health of some 140 related industries in the country.

Selecting Malaysia's best developers from the consumer's perspective is no mean feat. Not when it involves a laborious process entailing a crunching of financial data besides tapping the expertise of and feedback from property gurus who are in touch with a constantly evolving marketplace and perception. We have also taken cognisance of the expanding significance of the qualitative attributes of a developer.

It is not easy to be the Top Property Developer; it is even harder to stay there. This year, we pay tribute to S P Setia Bhd, which has emerged as the No 1 developer. S P Setia is no stranger to the winners list in *The Edge* Top Property Developers Awards since its inception in 2003.

Meanwhile, we welcome to the Top 10 list Mah Sing Group Bhd and IJM Land.

## VALUE CREATION EXCELLENCE

Real estate is no longer about just having a roof over one's head; not at a time when property prices are rising, more quickly in some areas than the rest, in tandem with the country's economic growth, inflationary pressures and, of course, a growing scarcity of land in choice areas. Brilliant property investments have been known to have made billionaires of many. On the flip side, there are those who continue to be haunted by unsound judgements made at one time or another.

It is against this backdrop that *The Edge*-PEPs Value Creation Excellence Award was born. Introduced this year, the ranking puts the spotlight on projects — residential and non-residential — and by extension their respective developers, that have performed outstandingly in enriching the investment of their buyers.

By recognising and consequently raising the profile of these projects and their respective developers, the award seeks to both inform and educate the property-buying public while encouraging developers to strive harder to create value for their purchasers.

It is necessary to highlight here that the process of judging was not a mere crunching of numbers supplied by developers and which are supported by documentary evidence.

To water down the impact of buying speculation, the panel of judges has gone on to consider the expected sustainability of current values, taking into consideration expected future occupancy rates, the impact of upcoming developments in the neighbourhood or the lack thereof, plus accessibility, current and future. In short, can the current high values enjoyed by the project examined be sustained?

We wish to congratulate our two winners — Bandar Kinrara terraced houses by I&P Group Sdn Bhd and Encorp Strand, a commercial project by Encorp Bhd. Both these projects are in Selangor.

## GREEN EXCELLENCE

Moving forward, green is the way to go. It is a matter of when, not if, sustainable development will be a staple of the property industry. This is more apparent in commercial projects, what with foreign investors placing increasing emphasis on going green. It is in response to this growing need and want for green projects that *The Edge*-PAM Green Excellence Award — our other new award this year — was conceived. Lest you dismiss this as yet another green ranking, let us assure you that the panel of judges are in pursuit of buildings that go beyond the green attributes sought by green indices. What we are looking for — and we found it in Ken Bangsar, a rehabilitated project by Ken Holdings Bhd — is an exemplary green story that is both inspiring and stirring.

## THE EDGE PROPERTY EXCELLENCE AWARDS

Together, *The Edge* Top Property Developers Awards, *The Edge*-PEPS Value Creation Award and *The Edge*-PAM Green Excellence Award make up *The Edge* Property Excellence Awards. As the name suggests, *The Edge* Property Excellence Awards are about everything excellent. Of course, the Excellence Awards would not be made possible without the contribution of key industry players — property gurus, PEPS and PAM — who shared our journey to raise the benchmark for the Malaysian property developers. Last but not least, as with all rankings, none is perfect. Feedback is appreciated.



Au Foong Yee

## AWARDS METHODOLOGY

*The Edge* Top Property Developers Awards is an exercise to rank Malaysia's top property players for their quantitative and qualitative attributes — from the consumer's perspective. *The Edge* publishes the ranking and presents the awards annually.

Introduced in 2003, the awards are based on the conviction that a developer's quantitative attributes alone are not sufficient to earn it the title of most outstanding player. A property developer is not judged solely on how profitable the company is or how many homes it builds and sells each year, but also its qualitative attributes.

All companies listed on Bursa Malaysia's property sector are automatically considered for the awards, while non-listed property developers that are interested to be ranked need to submit an entry.

Advertisements calling for entries from privately owned companies and the property development arms of companies not listed on Bursa's property sector were published in *The Edge*.

## Quantitative attributes

Four quantitative attributes, namely shareholders' funds, revenue, profit before tax and cash/net gearing, make up 35% (previously 50%) of the overall score.

The quantitative data of listed developers are based on data provided by Interactive Data Systems Sdn Bhd (IDS) or are extracted from documents submitted to Bursa. All financial data considered for the 2010 awards are for FY2009.

The quantitative data for non-listed property developers are based on the signed audited financial statements submitted as part of the entry requirements for the awards. In the case where signed audited financial statements are not available, data certified by the company's external auditors are used.

## Qualitative attributes

Five qualitative attributes — product quality (includes service, finish, timeliness), innovation and creativity (includes product and marketing), value creation for buyers (capital appreciation), image or market perception (includes credibility and effectiveness) and expertise (includes management and experience) — make up 65% of the overall score.

## Points awarded

A maximum of 10 points are awarded for each qualitative and quantitative attribute. Points for quantitative attributes are given based on the financial data of each company.

Points for qualitative attributes are awarded by a panel of seven, comprising industry veterans and experts. Four of them abstained from judging companies in which they have direct or indirect interest. They were Datuk Richard Fong for Glomac Bhd, Datuk Jeffrey Ng for Sunway City Bhd, Datuk Eddy Chen for Metro Kajang Holdings Bhd and Au Foong Yee for Sunrise Bhd (Sunrise and *The Edge* have a common major shareholder). The other three judges were Datuk Alan Tong, Datuk Teo Chiang Kok and Kumar Tharmalingam.

The results from the tabulation of points for both quantitative and qualitative attributes were audited by Deloitte Malaysia.

such as Alam Impian, Temasya Glenmarie in Shah Alam and Alam Damai in Cheras, is also the winner of the inaugural *The Edge*/PEPS Value Creation Excellence Award 2010 for its Bandar Kinrara project in Puchong, where long queues are often seen at its property launches.

BRDB, meanwhile, was seventh in quantitative measures and fifth in quality. The developer of One Menerung, The Troika and Capsquare Office Tower 2 in Kuala Lumpur recently launched 6 Cap Square in Kuala Lumpur and Straits View Residence in Johor Baru.

The owner of Bangsar Shopping Centre completed the refurbishment of the mall end-2009. Menara BRDB, a 12-storey Grade A office adjacent to the mall was completed this year and now houses BRDB's new headquarters. In its coming five-year growth plan it is targeting RM7 billion to RM 8 billion in revenue from its development projects.

Making its debut in the Top 10 is Mah Sing Group Bhd at No 9, it was No 16 overall last year, followed by

IJM Land Bhd which was No 12 overall last year.

The two developers could not be more different. While the former is aggressive in promoting its projects, the latter takes a more conservative approach. While one is constantly on the lookout for land, the other already boasts more than 5,000 acres in its landbank.

Mah Sing is No 9 for both its qualitative and quantitative attributes as well. Known for its quick turnaround business model, Mah Sing has in the last seven years quadrupled its revenue to RM701.6 million with net profit rising 18-fold to RM94.3 million as at Dec 31, 2009. It has already passed its RM1 billion sales target for FY2010 and has since revised the target to RM1.5 billion. It has completed five projects, including Damansara Legenda, Perdana Residence 1 in Selayang and Sri Pulai Perdana in Johor, and has 15 ongoing projects in the Klang Valley, Johor and Penang. Another 10 projects are in the pipeline and it recently previewed M-Suites in Jalan Ampang and Icon

Residence Mont'Kiara.

In 2009, it signed a letter of intent to develop a mixed development project in Wujin district in Changzhou, Jiangsu province, China, with an estimated total investment value of about US\$620million (RM1.9 billion) via a joint venture with a local partner.

IJM Land, the result of a merger between R B Land and IJM Properties Sdn Bhd, is now IJM Corp Bhd's listed property arm. A major rebranding exercise took off after the merger and this seems to have paid off. It is placed seventh in the qualitative rankings this year. The Group's crown jewel is its RM5.2billion The Light Waterfront development in Penang, where the maiden phases, Light Linear and Light Point condominiums, have enjoyed good sales. From township developments such as Shah Alam 2 in the Klang Valley, Seremban 2 in Negeri Sembilan to niche high-end projects such as the Ampersand @ Kia Peng in the vicinity of KLCC, IJM's geographically diversified landbank and product mix

allows it to be flexible in meeting different market demands.

Missing from the Top 10 this year was Eastern & Oriental Bhd, down in 18th place although it was in 11th place for its qualitative attributes. A new name among the Top 30 is newly-listed TA Global Bhd.

## More focus on qualitative attributes

The TPDA ranking from the consumer's perspective is based on quantitative and qualitative attributes according to FY2009 results. Data on the quantitative attributes of listed companies in the property sector of Bursa Malaysia are derived from published sources compiled by Interactive Data Systems Sdn Bhd, while non-listed companies were required to submit copies of signed audited accounts. The four quantitative attributes are: shareholders funds, group pre-tax profit, revenue and net gearing. Net gearing is defined as the total of long and short-term loans minus cash divided by shareholders' funds. In previous years, gearing and

cash were separate attributes.

The ranking has from this year given greater weightage to qualitative attributes (65% compared with 50% previously). The qualitative attributes remain: product quality, innovation and creativity, value creation for buyers, image and expertise. The qualitative attributes were judged by industry experts and veteran property developers — Datuk Alan Tong, Datuk Richard Fong, Datuk Jeffrey Ng, Datuk Teo Chiang Kok, Kumar Tharmalingam, Datuk Eddy Chen and *The Edge* executive editor for property and retailing Au Foong Yee.

Four of the judges abstained in the deliberations and judging of companies in which they have direct or indirect interest. They are Fong for Glomac Bhd (he is the group executive vice-chairman), Ng for Sunway City (he is CEO of Sunway REIT Management Sdn Bhd), Chen for Metro Kajang (he is the managing director) and Au for Sunrise Bhd (Sunrise and *The Edge* have in common a major shareholder). The results have been audited by Deloitte Malaysia. ■

# The judges and what they say



## Datuk Alan Tong

Tong is the only Malaysian to hold the post of Fiacbi (International Real Estate Federation) world president (2005–06). He was also president of Fiacbi Malaysia from 1994 to 2000. It was during his term as world president that Fiacbi's Kuala Lumpur-based Asia-Pacific Secretariat, which he now chairs, was set up. Tong founded Sunrise Sdn Bhd in 1968, a property development company that was subsequently listed as Sunrise Bhd on the Main Board of the local bourse in 1995. He exited the company in early 1997 and is now the group chairman of Bukit Kiara Properties Sdn Bhd, a private property development company he formed in 2000 with his son, N K Tong.

“The top developers in the country continue to work hard to remain on top but it is good to see some new names among the Top 10 this year. The awards this year have also

given greater emphasis to qualitative attributes. This is the right thing to do and in line with the consumer's demand for better quality, products and services from property developers.”



## Kumar Tharmalingam

The Fiacbi Asia-Pacific Secretariat secretary-general and past president of Fiacbi Malaysia is a registered real estate valuer and property consultant. In 1987, Kumar established the First Malaysia Property Trust — a Bank of Commerce and Austwide joint venture — and became its manager. He now actively tracks the global real estate investment trust industry with a view to improve the financial marketability of commercial real estate in Malaysia and Southeast Asia. Kumar is also the chairman of Hall Chadwick Asia Sdn Bhd, a corporate real estate services company, and the CEO of Malaysia Property Inc (MPI), set up by the Economic Planning Unit to promote Malaysia as the preferred destination for international property investors.

“The rankings reflect the rising level of competition among the top developers in Malaysia. Since unlisted niche players have raised the bar in design and quality in their

small projects and have seen better profit margins, main sector players have jumped on the same concept and improved their rankings.

“Giving a higher weight for qualitative attributes makes sense as selling primary property in a crowded market demands positive perception.”



## Datuk Teo Chiang Kok

Teo is the president of the Building Management Association of Malaysia and past president of Rehda Malaysia and Fiacbi Malaysia. He is a council member of the Associated Chinese Chambers of Commerce and Industry of Malaysia and heads the Construction & Property Committee as well as the Infrastructure Committee. He is also a council member of the Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor.

He is a director of companies within the See Hoy Chan Holdings Group, which developed the Bandar Utama township in Petaling Jaya.

Teo has almost four decades of experience in property development and is a pioneer in adopting green initiatives and technology in the master plan and buildings of Bandar Utama.

“The top developers for 2010 are all well regarded and deserve to be recognised. Some of the conglomerates on

the list have been evaluated based only on their property divisions, but to better reflect their rankings in the industry, this methodology — to evaluate only the property activities — should be expanded to cover all companies in future evaluations. This will allow good medium-sized developers with proven track records and products to be evaluated on a more level playing field.

“The increased weightage given to qualitative attributes is an improvement as there are many smaller developers who deserve to be recognised for their progress and innovations. Otherwise, the quantitative attributes of large companies will overwhelm and distort the scores. As this ranking is created for the benefit of property buyers, the qualitative attributes, which include a good track record, are more relevant to them.”



## Datuk Jeffrey Ng

Ng, a patron and past president of Rehda Malaysia, has interest in boutique property development. He has more than 28 years' experience in finance, corporate planning and executive management in the property and hotel industry in Malaysia and Australia. The former managing director of AP Land Bhd is a Fellow of The Institute of Chartered Accountants Australia, and a member of the Malaysian Institute of Certified Public Accountants. He was also an executive director at Sunway City Bhd. Presently, he is the CEO of Sunway REIT Management Sdn Bhd, which is the manager of Sunway REIT.

“Competition remains very keen for the No 1 spot. We continue to see many big names and upcoming property developers making serious efforts to improve their rankings. Being highly visible and creating a positive market impact on a consistent basis have helped to improve the

rankings for certain property developers.

“Consumers' perceptions and receptiveness towards development concepts, product types, choice of location, frequency of launch, market strategies and types of communication channels are the 'soft' elements required to be a top property developer. Financial results are an outcome of these elements successfully put together by the property developer. Hence, greater weightage for qualitative attributes is more meaningful from a consumer's perspective.”



## Datuk Eddy Chen

A Real Estate and Housing Developers' Association (Rehda) Malaysia past president, Chen has been involved in property development and construction for more than two decades. He sits on various government and private sector committees that formulate policies governing the housing and real estate industry. Chen, who is the managing director of the Metro Kajang Group, is also chairman of the board of trustees of Rehda Institute.

“Although the same names appear over the years, it nonetheless shows the tenacity of these developers in staying the course. It is an achievement to be able to sustain both size and quality, considering today's highly competitive environment, the level of maturity in the market, the level of product knowledge [among customers] and media attention paid to the industry.

“Developers who score poorly in quality have their work cut out for them. For those who think they have done enough in terms of quality but are not captured in this exercise, more has to be done. The ability to communicate with the buying public is critical as market perception is paramount for them to move up in the rankings. If you have done a good job, get it known!

“Having a higher weightage for quality makes the rankings fairer. This is unlike quantitative attributes, where many are constrained by the size of their landbank, location (hence development value), available capital and so on. For house buyers, their concern is not with the size of the company, but what they get for their money.”



## Datuk Richard Fong

Fong is the immediate past president of Fiacbi Malaysia and the past chairman of MPI. He is also the group executive vice-chairman of Glomac Bhd. A civil engineering graduate from University College London, he began his career at Mudajaya Construction Sdn Bhd and IJM Corp Bhd before founding Glomac in 1988 with Tan Sri F D Mansor. Today, Glomac has grown into a large, dynamic group of over 20 subsidiaries and associated companies involved in every facet of the real estate business.

“The ranking of the top 10 developers this year is more reflective of their current activities, and the greater emphasis on their qualitative attributes means that the top developers have made a lasting impression and impact on the minds of the general public.”



## Au Foong Yee

Au is *The Edge* executive editor of property and retailing. She is the editor of *City & Country* at *The Edge*, *haven* (a bi-monthly interior design and gardening magazine published by *The Edge*) and property portal [theedgeproperty.com](http://theedgeproperty.com). Au is also the company's chief marketing officer.

“While most members of the Top 10 list may come across as being the usual suspects, these developers of distinction have to continually work hard to earn their spot in the league. Being big in financials is not sufficient; the homes and commercial units they build must be of and acknowledged as top notch quality. It is hard work to build a brand and recognition but easy to lose them; such is the challenge for *The Edge* Top Property Developers.”



## The Edge-PEPS Value Creation Excellence Award 2010 judges

From left: Au, Foo, Wong, Choy and Kam



LEE LAY KIN/THE EDGE

### Choy Yue Kwong

- MD, Rahim & Co (Sel) Sdn Bhd
- president, Association of Valuers, Estate Agents and Property Consultants in Private Practice (PEPS)

“The 12 entries were closely matched. We had to rigorously examine the entries to find that extra quality that put one ahead of the other. Encorp Strand stands out for its comprehensive integrated concept as it sells more than just physical structures. It is about selling a lifestyle.”

### Foo Gee Jen

- MD, C H Williams Talhar & Wong
- committee member, PEPS

“The qualitative attributes are equally important, as selecting the winner based solely on its capital appreciation would not fully reflect some of the development’s more sustainable values. There are other factors that are relevant in sustaining value for years to come — the occupancy rate, potential of future growth, the surrounding amenities and infrastructure. The timing for Encorp Strand is perfect. Kota Damansara is now at a stage where the confidence level is high, and people are coming to live and do business there. The supporting amenities such as colleges, hypermarkets and infrastructure are in place. Bandar Kinrara’s developer, I&P, has taken a different approach to building Bandar Kinrara by focusing on the residential components to build a liveable township where one can find generous open spaces and low-density living.”

### James Wong

- MD, VPC Alliance Sdn Bhd
- immediate past president, PEPS

“The winners are developers that have actually given substantial capital gains to the buyers. And this capital gain is reflected in the quality of the development from the master planning, the ambience of the place to the finishing. All these factors add to the capital appreciation. We were surprised by the standard of the entries in terms of presentation and content. The developers have put a lot of hard work into the submissions. The different components of Encorp Strand will complement one another, and the mall will act as the catalyst for future developments in the area. Another good point is that the retail units in the shopping mall are only for lease, which means that the developer will be able to better manage the retail mix.”

### Au Foong Yee

*The Edge* executive editor for property and retailing

“The success of the winning projects of Encorp Strand and Bandar Kinrara was no accident. Still, given an increasingly competitive landscape, it will be interesting to see if the value created for the purchasers will continue to rise in the days to come. The fact remains that developers are working harder by the day to woo purchasers who are getting more and more discerning. Competition is good for consumers and healthy for the advancement of the industry.”

### Sharon Kam

*The Edge* deputy editor, *City & Country + haven*

“The winners have proven that value creation entails thorough planning and commitment from the developers to see the plans through. The judges not only looked at the historical transaction data but even went as far as to visit the projects and consider their future potential growth. We found the two recipients, Encorp Strand and Bandar Kinrara, to have such potential.”

### METHODOLOGY

The award aims to help consumers discover which properties have the greatest value creation in terms of capital appreciation and to recognise the property developer whose properties have achieved the highest value creation.

#### Judging criteria:

- The average capital appreciation derived from the property developer’s selling price and the actual transacted price or deemed market value of any subsequent sale of five properties.
- The average capital appreciation per year over a period of no more than five years, derived from the average capital appreciation as stated in the criteria above.
- Qualitative attributes based on the occupancy rate, master planning and the sustainability of value.

Scores are tallied based on a weightage of 65% for criteria A, 15% for criteria B and 20% for criteria C.



## The Edge-PEPS Green Excellence Award 2010 judges

PATRICK GOH/THE EDGE



From left: Au, Lim, Saifuddin Ahmad (the convenor), Wong, Boon and Chan

### Au Foong Yee

*The Edge* executive editor for property and retailing

“We are not looking at an ordinary green award or just another green award winner. Ken Holdings’ Ken Bangsar deserves recognition for multiple reasons. This is an exemplary project of how green principles can effectively uplift an otherwise run-of-the-mill commercial building. The developer, it is clear, has gone the extra mile to create a building with a difference. This has been made more challenging by the fact that this was no greenfield project to start with. Now, to me, that’s outstanding.”

### Lim Shiew Yuin

*The Edge* deputy managing director

“What I like about the winner is how they managed to convert an office building and give it a second life as luxury serviced apartments — recycling! What also impresses me is the fact that there was minimal wastage of the existing building materials, yet the developers managed to create a very updated look.”

### METHODOLOGY

The award is open to all Malaysian property developers, both listed and non-listed, with property projects in the country, as well as corporate members of the Malaysian Institute of Architects (PAM) with projects in Malaysia. The projects, of any size and type, must be fully completed.

A total of 16 entries from 13 submissions (three submitted more than one project) were received.

One of the judging criteria for the green award is that the project must showcase innovation beyond the industry standard required by Green Building Index, LEEDs,

### Wong Loo Min

Association of Consulting Engineers Malaysia president

“I think almost all the entries are very good. This year’s winner has many innovative features and I feel it is a deserving win.”

### Chan Seong Aun

Malaysian Green Building Confederation honorary secretary

“I found it quite difficult to judge initially as we were looking at different submissions — residential, townships and commercial. I found it very interesting though. The winner proved to have an innovative and sustainable product, going beyond green with an added value to the surrounding community.”

### Boon Chee Wee

Malaysian Institute of Architects (PAM) president

“I think it is very encouraging, especially since holistic green developments are still in their infancy in Malaysia. The entries have shown an encouraging commitment that green is the way forward. It was tough selecting the winner this year, and I am sure it will be even tougher next year.”

Singapore’s Building and Construction Authority’s Green Mark or other recognised green building certifications. The judges also deliberated over the design, sustainability, implementation, cost efficiency and relevance of the project to the community.

The five judges were PAM president Boon Chee Wee, Association of Consulting Engineers Malaysia president Wong Loo Min, Malaysia Green Building Confederation honorary secretary Chan Seong Aun, The Edge Communications Sdn Bhd deputy managing director Lim Shiew Yuin and *The Edge* executive editor Au Foong Yee.

# 'Early stages of property super cycle'

BY Racheal Lee

Both the primary and secondary property markets in Malaysia have been active in the past year. The take-up rates of landed homes, in particular, have been good, owing in part to the aggressive lending by financial institutions.

Frenzied property buying has also been notable in countries such as China and Singapore, with real estate seen as a hedge against inflation. In these countries, cooling measures such as higher down payments have since been implemented.

In a report dated Sept 3, OSK Research said a mass-housing boom was likely to occur in the first half of this decade. It said Malaysia was now in the early stages of a property "super cycle" — led mainly by mid-range to high-end landed properties — that may peak in 2012/13 and be followed by a potential slump.

Some quarters are less optimistic. At press time, speculation is rife that Bank Negara Malaysia will impose an 80% loan-to-value ratio (LVR) for mortgages of high-end real estate to avert a possible property bubble.

ECM Libra Research Sdn Bhd associate director Bernard Ching believes that such a move could dampen sentiment, although it was likely to be applicable only to third or more property investments.

Nevertheless, Ching expects property sales to stay active in 1H2011, supported by easy credit, low interest rates and a lack of alternative investments for the upper-middle class.

He says, however, that the outlook in the later part of 2011 could turn hazy, as there will be an incoming supply of completed properties bought under the easy financing scheme since early 2009.

In its report, OSK Research identified the period from early 2011 to 2012 as "a very critical period" to watch, owing to the expiry of the first batch of the housing deferred payment schemes introduced jointly by developers and banks.

"If prices stay firm, however, bankers would remain supportive of and therefore be more than happy to refinance these borrowers' mortgage loan repayments if necessary," the report said.

## Property stocks

Property values aside, how have local property stocks been performing? More specifically, how did Malaysia's best property developers that are listed on the stock market fare?

On the back of a recovering economy and a strong appetite for real estate, developers who did well in *The Edge* Top Property Developers Awards 2010 — a ranking based on both quantitative and qualitative attributes — have generally fared better this year than they did last year (TA Global Bhd is not included as it was only listed on Nov 23 last year).

The share prices of the listed developers that made it to the top 30 of *The Edge* Top Property Developers Awards 2010 list rose during a 21-month period from Jan 1, 2009 to Sept 15 this year, according to data provided by Interactive Data Systems Sdn Bhd. In contrast, last year, only one of the winners posted a positive difference in share price in the 21-month period from Jan 1, 2008 to Sept 15, 2009.

For the 21-month period from Jan 1, 2009 to Sept 15, 2010, the FTSE Bursa Malaysia KLCI improved 64.69% to 1,472.95 points with the KLSE Properties performing slightly better than the benchmark index, rising 65.8% to 871.88 points.

The Klang Valley property market may be hot, with prices rising in some areas, but not all property stocks are benefiting from it.

ECM Libra's Ching says: "If consensus price targets among analysts are met, the KL Property Index will gain only about 8% [this year]. While the valuations of property stocks are not demanding, concern about asset bubbles in Asia-Pacific will probably keep valuations in check.

## How the top developers fared on Bursa Malaysia (Jan 1, 2009 to Sept 15, 2010)

AWARDS RANKING	DEVELOPER	JAN 1, 09 (POINTS)	SEPT 15, 10 (POINTS)	GAIN/LOSS (POINTS)	GAIN/LOSS (%)	AWARDS RANKING	DEVELOPER	GAIN/LOSS (%)
	FTSE Bursa Malaysia KLCI	894.36	1472.95	578.59	64.69	20	UEM Land Holdings Bhd <sup>5</sup>	308.03
	KLSE PROPERTIES	525.84	871.88	346.04	65.81	10	IJM Land Bhd	247.06
1	S P Setia Bhd	3.14	4.50	1.36	43.31	13	Glomac Bhd	190.91
2	Sime Darby Property Bhd	non-listed				18	Eastern & Oriental Bhd <sup>3</sup>	147.83
3	Sunway City Bhd	1.81	3.93	2.12	117.13	28	Naim Holdings Bhd	145.14
4	Sunrise Bhd	1.44	1.98	0.54	37.5	15	Plentitude Bhd	135.48
5	IGB Corp Bhd	1.46	1.85	0.39	26.71	11	Paramount Corp Bhd	125
6	IOI Properties Bhd	non-listed				3	Sunway City Bhd	117.13
7	I & P Group Sdn Bhd	non-listed				8	Bandar Raya Developments Bhd	111.65
8	Bandar Raya Developments Bhd	1.03	2.18	1.15	111.65	12	YTL Land & Development Bhd	78.43
9	Mah Sing Group Bhd <sup>1</sup>	1.33	1.78	0.45	33.63	16	Selangor Dredging Bhd	78.21
10	IJM Land Bhd	0.68	2.36	1.68	247.06	26	Metro Kajang Holdings Bhd <sup>7</sup>	62.97
11	Paramount Corp Bhd	1.88	4.23	2.35	125	21	YNH Property Bhd <sup>6</sup>	57.84
12	YTL Land & Development Bhd	0.51	0.91	0.40	78.43	23	Malton Bhd	51.67
13	Glomac Bhd	0.50	1.44	0.94	190.91	24	United Malayan Land Bhd	50
14	Dijaya Corp Bhd <sup>2</sup>	0.76	1.02	0.26	33.51	30	Mulpha Land Bhd	50
15	Plentitude Bhd	1.86	4.38	2.52	135.48	27	PJ Development Holdings Bhd	48.51
16	Selangor Dredging Bhd	0.39	0.70	0.31	78.21	1	S P Setia Bhd	43.31
17	Naza TTDI Sdn Bhd	non-listed				4	Sunrise Bhd	37.5
18	Eastern & Oriental Bhd <sup>3</sup>	0.46	1.14	0.68	147.83	9	Mah Sing Group Bhd <sup>1</sup>	33.63
19	TA Global Bhd <sup>4</sup>	—	0.39	—	—	14	Dijaya Corp Bhd <sup>2</sup>	33.51
20	UEM Land Holdings Bhd <sup>5</sup>	0.47	1.93	1.46	308.03	29	Hunza Properties Bhd <sup>8</sup>	26.81
21	YNH Property Bhd <sup>6</sup>	1.06	1.67	0.61	57.84	24	Hunza Properties Bhd <sup>8</sup>	26.81
22	Bolton Bhd	0.75	0.94	0.19	25.33	5	IGB Corp Bhd	26.71
23	Malton Bhd	0.30	0.46	0.16	51.67	22	Bolton Bhd	25.33
24	United Malayan Land Bhd	1.00	1.50	0.50	50	25	Selangor Properties Bhd	23.27
25	Selangor Properties Bhd	2.75	3.39	0.64	23.27	2	Sime Darby Property Bhd	non-listed
26	Metro Kajang Holdings Bhd <sup>7</sup>	0.77	1.25	0.48	62.97	6	IOI Properties Bhd	non-listed
27	PJ Development Holdings Bhd	0.51	0.75	0.24	48.51	7	I & P Group Sdn Bhd	non-listed
28	Naim Holdings Bhd	1.44	3.53	2.09	145.14	17	Naza TTDI Sdn Bhd	non-listed
29	Hunza Properties Bhd <sup>8</sup>	1.10	1.40	0.30	26.81	19	TA Global Bhd <sup>4</sup>	—
30	Mulpha Land Bhd	0.32	0.48	0.16	50			

<sup>1</sup> B1:15 (ex 05/04/2010)

<sup>2</sup> R1:3+2W:4 @ RM1 (ex 06/11/2009)

<sup>3</sup> R1:RCLS 09/19:2 @ 65 sen (ex 19/10/2009)

<sup>4</sup> Listed on Nov 23, 2009

<sup>5</sup> R1:1:2 @ 80 sen (ex 01/04/2010)

<sup>6</sup> Share Dividend Via - 1 Treasury Share: 30 (ex 27/08/2009); Share Dividend Via - 1 Treasury Share: 60 (ex 22/10/2009); Share Dividend Via - 1 Treasury Share: 90 (ex 27/08/2010)

<sup>7</sup> B1:20 (ex 17/03/2010)

<sup>8</sup> R1:3+3W:10 @ RM1.10 (ex 25/01/2010)

Investors must also be reminded of the painful memory of the subprime mortgage crisis and not 'chase' property stocks."

On a more positive note, Ching sees no property bubble forming at the moment because there is no sign of a price appreciation running well ahead of income growth in most property segments and geographical areas.

Of the listed developers that emerged in the top 30 positions in *The Edge* Top Property Developers Awards 2010, UEM Land Holdings Bhd (listed in November 2008) turned in the highest share price percentage gain during the 21-month period between Jan 1, 2009 and Sept 15, 2010. In real terms, the increase worked out to RM1.46 a share.

In January this year, the developer proposed to undertake a rights issue to raise up to RM970 million, mainly to repay the UEM Group term loan of RM633 million. Another RM266.2 million will be allocated for property development.

The issue price of the rights issue of about 1.21 million shares was fixed at 80 sen per rights share on March 23, or 44.1% below its five-day volume-weighted average market price up to March 19 of RM1.43, and 34.4% below the theoretical ex-rights price of UEM Land shares of RM1.22.

The share price surged to RM1.52 on the ex-date on April 5. It closed at RM2.32 last Tuesday, with 20.4 million shares transacted.

Instead of focusing on only Nusajaya, UEM Land launched Symphony Hills in Cyberjaya in July. Covering more than 98 acres, the RM1 billion project is the company's first residential project outside Nusajaya.

The second top gainer among the top developers is IJM Land Bhd, which makes its maiden appearance on the Top 10 list of *The Edge* Top Property Developers Awards 2010, with a 247% rise to RM2.36. Formerly known as RB Land Holdings Bhd, the company completed its merger with IJM Properties Sdn Bhd (another property development subsidiary of its parent company IJM Corp Bhd) in April 2008, emerging as one of the

largest property companies locally with a landbank of 10,000 acres and other assets worth a total of RM3 billion in market value at the time. It finished at RM2.54 last Tuesday, with three million shares done.

According to data from Bloomberg, most analysts covering the stock have either a "buy" or an "outperform" call, based on the developer's strong brand and landbank. Interestingly, recent market talk has it that IJM Land might be taken private. IJM Corp currently holds a 62.49% stake and the Employees Provident Fund owns an 8.77% stake.

Another newcomer to the Top 10 list is Mah Sing Group Bhd, which proposed early last month to issue up to RM325 million nominal value seven-year redeemable convertible secured bonds that would be used mainly to finance land acquisitions and working capital.

In a report dated Sept 13, RHB Research said most of the proceeds is believed to be mainly for landbank acquisitions, including a key parcel in the Klang Valley measuring up to 200 acres that the developer wants to acquire for township development.

It is also proposing to increase its authorised share capital from RM500 million comprising a billion new Mah Sing shares of 50 sen each, to RM1 billion comprising two million shares to accommodate the issuance of new shares as a result of the conversion of the bonds.

In March, shareholders approved a bonus issue of up to 151 million new ordinary shares of 50 sen each, on the basis of one bonus share for every five existing ordinary shares of 50 sen each. The bonus issue will raise the capital base, improve its liquidity and expand the market capitalisation. Mah Sing had told *City & Country* in a recent interview that it plans to achieve a market capitalisation of RM5 billion in five years. Last Tuesday, its market capitalisation stood at RM1.56 billion when the counter closed at RM1.87 with 1.57 million shares changing hands.

Meanwhile, Glomac Bhd climbed 190%, or

94.5 sen, during the 21-month period from Jan 1, 2009 to Sept 15, 2010. It finished at RM1.51 last Tuesday, with 294,600 shares traded.

Of the top 10 developers this year, seven are listed companies. S P Setia Bhd, at No 1, gained 43%, or RM1.36. In March, it bought a 1.07-acre tract in Melbourne's CBD for A\$30 million (RM92.4 million) to undertake a high-density inner-city integrated residential and commercial project. The stock closed at RM4.60 last Tuesday with six million shares changing hands.

At No 2 is privately owned Sime Darby Property Bhd, followed by Sunway City Bhd (Suncity). Suncity listed Sunway Real Estate Investment Trust (REIT) — Malaysia's largest REIT listed on the Main Market of Bursa Malaysia — in July. The trust has an approved fund size of 2.78 billion units and is managed by Sunway REIT Management.

Eight properties, with an appraised value of RM3.7 billion, were injected into the REIT. They are Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall, SunCity Ipoh Hypermarket, Sunway Resort Hotel and Spa, Pyramid Tower Hotel, Sunway Hotel Seberang Jaya and office properties.

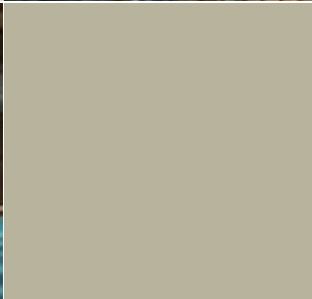
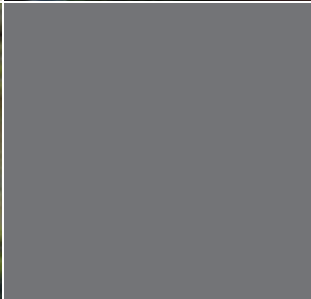
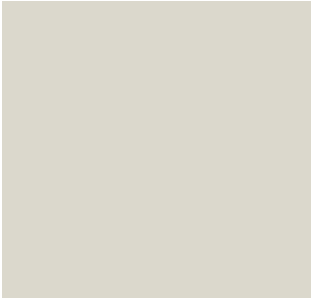
In April, the developer entered into a collaboration agreement with Sino-Singapore Tianjin Eco-City Investment and Development Co Ltd (SSTEC) for a RM5 billion eco-themed project in Tianjin Binhai New Area in China.

The Suncity-SSTEC 60:40 joint venture will develop 102 acres of the 7,400-acre Tianjin Eco-City. The project will feature mainly residential properties based on the Lohas (lifestyles of health and sustainability) concept. It will be the first development of its kind in the Tianjin Eco-City project. The developer also has projects in Jiangyin in China, India, Australia and Cambodia.

Paramount Corp Bhd saw its share price surge the most in six weeks to close at RM4.23 on Sept 15 (Sept 14: RM4.14), following the announcement of its plan to sell its stake in Jerneh Insurance Bhd to ACE INA International Holdings. Last Tuesday, the counter finished at RM4.58. ■



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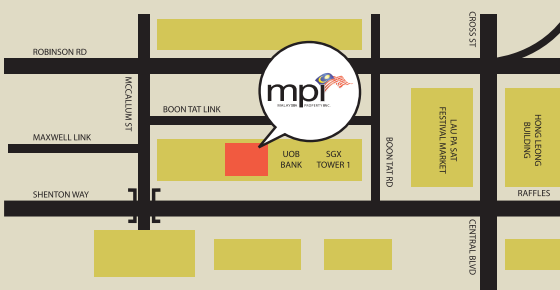
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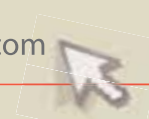
Opening Hours  
 Monday to Friday: 8:30am - 5:30pm



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 2 Shenton Way  
 #01-02 Ground Floor  
 SGX Centre, Singapore 068804

Opening Hours  
 Monday to Friday: 9:00am - 7:00pm  
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# Walking the talk

S P Setia Bhd promises quality, community, environment and security in every development

BY Lam Jian Wyn

**T**an Sri Liew Kee Sin is a pragmatic person. "I don't dream. I have my plans on paper; I have to make sure we make it work," he tells *City & Country*, in response to a question on what S P Setia Bhd's most fantastic, wildest dream project is.

"At the end of the day, it depends on what the customers want. If you lose [touch with the customers], then you cannot be a good developer anymore," he observes.

The president and CEO of the highly regarded builder chooses to give the assurance that the company is fully committed to offering his group's customers "five-star quality services and products" based on the group's promise of providing quality, community, environment and security in every development.

This commitment to walking the talk is rooted in the belief that its job, as a "home provider", is to make its customers' dreams come true because purchasing a home is an important milestone for a person or family, says Liew.

"The word for us is 'commitment'. By giving people our commitment, that is the value of our properties. In that sense, the value of our properties will never go down. We must work towards that: property values never going down in good times or bad," he says.

Liew has another distinctive trait: efficiency. He is proud of the fact that his glass-topped table in his office at the group's Setia Corporate Tower in Setia Eco Park is spotless — "I clear my files, then I move on" — and he appears pleased as punch with his iPad, which allows him to work on the go.

S P Setia is just as efficient, with launches of different phases carried out every other month. The big property developer, or "supermarket", as he puts it, is mostly known for its townships such as its landmark Setia Alam in Shah Alam, Selangor, although it has also branched out into niche upscale developments such as its freehold serviced residence, Setia Sky Residences, in the centre of Kuala Lumpur, which marks its first venture into high-rise development.

It has more than RM7 billion in launches scheduled, pending approvals. Foremost in its new offerings is the KL Eco City development, which has a gross development value (GDV) of RM6 billion. Liew emphasises that the ambitious integrated commercial development, located near Mid Valley City, will be undertaken from scratch.

S P Setia		
	2010	2009
Overall	1	2
Quantitative	3	3
Qualitative	1	2

KL Eco City is a joint venture between the group and Kuala Lumpur City Hall, which will take a 20% share of the net profits. Liew says the relocation of squatters has been completed and the project is awaiting approval.

The group is no stranger to *The Edge* Top Property Developers Awards, having been ranked among the top three since the awards' inception in 2003. In fact, the veteran consistently grabbed the top spot from 2005 to 2008. It was ranked second in the 2009 ranking but emerged No 1 again this year. It came in third for its quantitative attributes and first for its qualitative attributes.

For FY2009 ended Oct 31, the group chalked up RM1.65 billion in sales, thanks largely to its 5/95 home loan package, which offered home buyers and property investors the option to pay an interest-free down payment of only 5% and to start servicing the rest of their loan upon completion of the property. Liew says the campaign is now "history", however, as banks have since opened up the option to other developers as well.

"We helped to come up with a mechanism to facilitate the payment scheme ... As far as we are concerned, the playing field is level now," he says.

The group has more cause for celebration this year, as it made RM1.95 billion in sales as at its third quarter ended Aug 31, exceeding the previous year's sales by 18% and effectively hitting its RM2 billion sales target even before the close of FY2010.

"We are confident of exceeding the RM2 billion mark this year," he says, adding that about 90% of the group's revenue is derived locally and he is happy to maintain that percentage for the next two to three years.

Recently, the group acquired a 259.1-acre tract in Tebrau, Johor, adjacent to its Setia Indah township in the southern state. The group plans to turn the parcel into an upscale extension of Setia Indah and is mulling the "right name" for the project.

S P Setia also has a presence in Vietnam and China. Besides a joint venture with state conglomerate Becamex IDC to develop Setia EcoLakes, a residential township in MyPhuoc Industrial Park spanning 226ha with a GDV of RM3.02 billion, it has an-



Liew: The word for us is 'commitment'. By giving people our commitment, that is the value of our properties

other agreement with Becamex IDC to develop EcoXanh, a series of villas with clubhouse facilities on a 31.6ha tract in Ho Chi Minh City, as well as another mixed development in Lai Thieu, Tuan An district, Binh Doung province. The mixed development, which will span 27 acres and has a GDV of US\$250 million (RM772 million), is in the vicinity of Tan Son Nhat International Airport, the city's hub for domestic and international flights.

In China, it is in a joint venture with Hangzhou Ju Shen Construction Engineering Ltd to undertake a mixed-development project in the growth corridor of XiaoShan,

Hangzhou, in Zhejiang province. The development will span 25 acres.

"The Malaysian property market is very good. We have a robust economy. Even as we look at expanding our business overseas, our local revenue is growing," he says.

The group's success is underpinned by the four promises by which it aims to serve its customers. He elaborates: "Quality, in terms of product and service, is very important. We cannot give a buyer a house that he has to [renovate]; it's very, very wrong. We must treat all the customers, no matter what price they pay, with special care.

"We also strive to build thriving

communities. We have monthly programmes in line with 1Malaysia. We celebrated, for example, the Lantern Festival and Hari Raya Aidilfitri recently. We also have the Setia Kids Club, which is open to children of residents, and the Setia Platinum Privileges loyalty programme. As part of community-building, we encourage the residents to look out for each other because, if they are not secure in their own homes, they will not have peace of mind. The design is done in such a way that, from day one, security is ensured. We have to take care of those who cannot afford to pay for security guards.

CONTINUES ON PAGE 16

Builder of Distinction  
**Setia**  
 SP SETIA BHD GROUP

## When the world inspires, it's felt right at home

SP Setia may be a Malaysian company but we have always looked to the world at large for inspiration. We have searched the world for the best architectural, technological and environmental advancements in our quest to create the best LiveLearnWorkPlay experiences for all Malaysians. We are committed to innovating, building homes and developing communities that enable you to live life to the fullest.

Even more important, we have adopted global issues that would seriously impact not just our quality of life but mankind's survival in the long term. In line with our corporate responsibility charter, "Building Sustainable Communities for All," we endowed the Chair of Environmental Engineering and Green Technology at University Tunku Abdul Rahman, to support research in green technology.

In recent years, our engagement with the world has taken an exciting new direction. We now have a presence in Vietnam, Australia, Singapore and China. Great ideas and global issues cannot be constrained by borders, neither can we.



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## S P Setia

FINANCIAL YEAR-END OCT 31 (RM'000)	2009	2008	2007	2006	2005
Revenue	1,408,415	1,471,357	1,305,215	1,358,379	1,370,216
Pre-tax profit	231,112	297,867	336,573	331,288	289,037
Paid-up capital	762,604	762,524	504,454	498,513	490,734
Shareholders' funds	2,037,221	1,975,342	1,840,883	1,702,410	1,574,340
Profit attributable to shareholders	171,233	213,456	260,070	238,234	203,384
Dividend payout ratio (%)	62	60	62	61	58

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO UNITS	TOTAL UNITS	GDV (RM BIL)	LAUNCH DATE	TAKE-UP (%)
Bukit Indah, Johor	Mixed township	11,403	16,000	3.30	May 97	93
Setia Indah, Johor	Mixed township	7,630	10,290	3.20	Jan 01	96
Setia Alam, Shah Alam	Mixed township	7,835	25,000	7.50	April 04	94
Setia Eco Park, Shah Alam	Semidee houses & bungalows	1,396	3,000	5.00	June 04	98
Setia Tropika, Johor	Mixed township	2,905	7,800	2.00	Sept 05	86
Setia Pearl Island, Penang	3-storey terraced & semidee houses	1,407	1,842	0.90	April 07	79
Setia Eco Gardens, Johor	Mixed township	1,065	6,000	2.00	Feb 08	77
Setia Vista, Penang	2-storey terraced & semidee houses	178	723	0.15	May 09	72
Setia Sky Residences, KL	High-rise residential	422	844	0.80	June 09	78

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO. OF UNITS	GDV (RM BIL)	EXPECTED LAUNCH
Brook Residences, Penang	Bungalows	11	0.06	TBC
Aeropod @ Tg Aru, Sabah	Commercial	1,200	1.00	TBC
KL Eco City, KL	Commercial	6 mil sq ft of net saleable built-up	6.00	TBC

PICTURES BY S P SETIA



The RM6 billion KL Eco City is awaiting approval



Eco Lakes is set to be a green sanctuary in Vietnam

#### FROM PAGE 14

"It is also important to love and care for the environment. As developers, we take the first step and create the environment first and maintain it. In Setia Alam, for example, there is a wetland for birds. In Setia Eco Park, we have trees that attract squirrels and so forth. We have houses that are designed in such a way as to maximise [the power we can harness from] the sun and the wind; we have solar-

panel cells. We care deeply for the environment.

"Finally, we also believe strongly in security. If customers are not secure in their homes, [the project] will not do well. We make sure that, after our customers move in, they are well taken care of. So, if you look at our project designs, some are not even gated and guarded, but we provide security features such as single-entry points. This makes it easy for

residents to monitor people going in and out."

Liew adds that the four points are what set S P Setia apart from other developers.

He says: "It may just look like four words but we really emphasise them; that's what differentiates us. Even our mottos are used by others in different forms. But we have to make sure that [our motto] Live-LearnWorkPlay is embodied in every

## Q&A

### City & Country: Is Malaysia looking at a property bubble?

**Tan Sri Liew Kee Sin:** This is very subjective and we cannot generalise. It all boils down to demand and supply. Thriving areas in which jobs are found will always have a great demand for property. Well-planned properties in good locations are always in demand and it is unlikely for pricing to drop. For S P Setia, our projects continue to sell because of our strong brand name and innovation-driven concepts.

As economic conditions improve, property prices can only go up. Even with increased mortgage rates, affordability is not an issue and, as a result, the Malaysian residential property sector has enjoyed consistent growth in transacted value.

### What's the outlook for the next 12 months?

It looks promising. The economy is well on the road to recovery and for S P Setia, we are looking forward to moving full steam ahead with new projects like KL Eco City.

Generally, sentiment has improved over the year and the property market has begun to pick up. Prospects for the group look good as we are on track to meet our sales target of RM2 billion for FY2010 ending Oct 31. (Note: Liew was interviewed before the release of S P Setia's 3Q results.)

As at end-April, that is, the first two quarters of FY2010, sales have reached RM1.2 billion, attributed to the strong underlying demand for good properties, fuelled by increasingly confident business and consumer sentiment and a highly supportive financial sector.

Currently, the group's Malaysian residential projects provide a solid and resilient earnings base, enabling us to explore new key growth drivers like luxury high-rise, commercial developments and international expansion.

Overseas, we have established a firm footing in Vietnam, with our maiden project, EcoLakes in Binh Duong, being the first development showcasing the most comprehensive show village in the country. The successful launch of EcoLakes has spurred the group to venture into two more projects in Vietnam: Eco Xanh in District 9 of Ho Chi Minh City; and Lai Thieu in Binh Duong. We are also moving into Hangzhou, China and Melbourne, Australia.

Despite rising mortgage rates, we feel the demand for residential units will remain strong as current

conditions are still very supportive of the property sector, with plenty of scope for the normalisation of interest rates. The Malaysian property market is structurally sound and resilient and is likely to remain so, especially for quality developers.

### What are the growing challenges faced by property developers today and how do they overcome them?

Quality and service. Quality has always been an issue as we depend on foreign labour. For S P Setia, we are committed to our customers, which is why we pioneered the 36-month home-warranty period. Extending this period from the standard 18 months gives us more time to rectify any issues and ensure that our purchasers are satisfied with their property.

As buyers get more discerning today, they also expect good service. It's not about putting a project on the market, selling it and then exiting. We want to be part of the community that we have built and started, and our customer care team is committed to giving the best to our customers.

### If you could be granted three wishes, what would they be?

As far as S P Setia is concerned, I have only one wish: to offer five-star quality services and products to all our customers, irrespective of price range — from low to high-end homes, across the board.

As a township developer, we build across the board; we cater for every price range. We want to be inclusive, and we want our customers to enjoy the benefits of quality, environment, communities and security.

### What would your ultimate/dream project be?

We have no dream project. All projects are very important to us. We must pay attention to them. We believe that when a person is buying products from us, that person could be using all of his or her life savings. That could be the most important thing in their family's life.

So, our job is to make sure our customers' dreams come true, be it a low-cost home or a RM5 million bungalow. That is key for us. If we can do that, we will stay in the top 10 for a long time.

So, we don't have an ultimate/dream project. We will give the customers what they want. No point dreaming about things that don't come true. That's our philosophy.

development we undertake."

In terms of branding, the group tied up with domestic budget airline Firefly this year to distribute its promotional materials to passengers during flights. Liew expects more similar exercises to be carried out. It also celebrated Earth Day recently at its Setia Eco Gardens to create better awareness of the company.

Liew says the recently unveiled Economic Transformation Plan, one

of the government's latest endeavours to boost economic growth and transform the country into a high-income nation, augurs well for the industry, as higher incomes would translate into higher demand for their products.

As the intrinsic value of its products is the main reason for their astounding sales, S P Setia will continue to rely on its four tenets to sell its homes. **E**



Builder of Distinction  
**Setia**  
 SP SETIA BHD GROUP

## We put the life back in lifestyle

Where others focus on the style, at SP Setia, we always see life, your life and how unique it is. That's why we developed LiveLearnWorkPlay, the philosophy that underpins every project we embark on. By addressing these key areas of human activity equally, we ensure that every environment we create provides the ideal setting for meaningful lives.

Whether it is a township, luxury enclave or high-rise residence, our priorities are firmly in place. Every property that carries our brand does have its own distinctive style and aesthetic value. More significantly though, they each encompass the LiveLearnWorkPlay element that allows for the evolution of vibrant communities in which individuals and families can thrive.

Yes, it's nice to have a lifestyle. But isn't it much better to have a meaningful and rewarding life?



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# Recognising the value creators

**B**uying property is a serious matter; there is so much to consider and many important questions to answer. Property is an investment, whether it is for your own use or for generating passive income. And as with any investment, the idea is to make money in the long run.

The Edge-PEPS Value Creation Excellence Award 2010 was created to help consumers identify the properties with the greatest value creation in terms of capital appreciation as well as sustaining value. The award also seeks to recognise the developers that make value creation a key point of their de-

velopments, resulting in the highest value creation.

In the award's inaugural edition, Encorp Strand by Encorp Bhd emerged victorious in the non-residential development category while I&P Group Sdn Bhd's Bandar Kinrara in Puchong was the winner in the residential development category.

An integrated development, Encorp Strand sits on a 46.5-acre tract in Kota Damansara, Selangor. It comprises Strand Business Suites (3½ and 4-storey shopoffices), Garden Office (office blocks), Red Carpet Boulevard, a shopping mall and serviced apartments, and has a total gross development value (GDV) of RM1.3 billion.

Encorp Strand made its debut in 2005 with the launch of Strand Business Suites at an average price of RM243 psf. Despite the higher price tag — a similar product in a neighbouring development was going for RM224 psf — 236 of the 265 units were sold. Encorp retained 29 units for its own use.

Since then, prices have risen to RM400 psf, which means a capital appreciation of 45% to 100% over just five years. Based on Encorp's award submission, investors of Encorp Strand enjoy an average capital appreciation of 66.73% over an average period of 2.79 years.

Meanwhile, I & P Group's 19-year-old township Bandar Kinrara — which covers

1,904 acres — is another significant success story.

Bandar Kinrara is a first of sorts in the industry — a model village at the time. It was built to give buyers first-hand experience of what it would be like to live in a township.

Comprising mainly terraced and semi-detached houses and bungalows, the township has an estimated GDV of RM3 billion. Upon full completion, it will have an estimated 16,779 residential units.

Based on I&P's award submission, homes in Bandar Kinrara have an average capital appreciation of 51.55% over an average period of 1.96 years. Read on to learn more about these winners. — *E Jacqui Chan*

## Encorp Strand — a living experience

BY **E Jacqui Chan**

**B**ehind the disarming smile of Datuk Seri Mohd Effendi Norwawi, the executive chairman of Encorp Bhd, lies a hint of disbelief as *City & Country* sits down with him to talk about Encorp Strand winning the inaugural *The Edge-PEPS Value Creation Excellence Award 2010* for non-residential development.

"This is a very competitive industry. Everyone is pushing back the boundaries and the quality of their developments. That is why we are so honoured to win this award," Effendi says with a slight shake of his head.

Covering 46.5 acres in the heart of the flourishing Kota Damansara in Selangor, Encorp Strand consists of Strand Business Suites (3½ and 4-storey shopoffices), Garden Office (office blocks), Red Carpet Boulevard, a shopping mall and serviced apartments. It has a total gross development value (GDV) of RM1.3 billion.

When the idea of Encorp Strand was first mooted, it was determined that the development would be more than about ordinary office blocks, shophouses or shopping malls.

"We decided it would be an experience," enthuses Effendi.

To make the development stand out aesthetically and conceptually from the others in the area, Encorp enlisted the services of French architect, Nicholas Ayuob of Conceptua Paris. Ayuob came up with innovative architectural elements such as sky bridges and sky gardens in the Garden Office block and introduced to Red Carpet Boulevard features of established landmarks like London's Strand and the tree-lined cafés of Paris with its signature Champs Elysees.

Encorp Strand hit the market in 2005 with the launch of the Strand Business Suites. Priced at an average RM243 psf, 236 of the total 265 units were sold, with Encorp retaining 29 units for its own use. Five years lat-

er, these units can command up to RM400 psf, a capital appreciation of between 45% and 100%.

Encorp's award submission shows an average capital appreciation of 66.73% over an average period of 2.79 years.

In June, the RM320 million Garden Office, totalling 258 units, was launched. Garden Office comprises 14 blocks of four to nine storeys, with three 2,500 sq ft units on each level. The units are priced at RM500 to RM700 psf.

The office blocks are designed to ensure that every unit has a garden view and is a corner unit. Thus far, it has a take-up rate of 60%.

Under construction now and scheduled to be completed by end 2010 is Red Carpet Boulevard — a comprehensive, themed dining and entertainment enclave that covers the entire length of the mall. The covered, climate-controlled 800ft-long and 90ft-wide boulevard will feature a first in Malaysia — a free-standing F&B platform linked to the first floor balconies of the 27 units of al fresco dining outlets. Registration for the leasing of the F&B units is now open.

Also under construction is The Mall, a three-level shopping centre with a total net lettable area of 307,000 sq ft. The Mall, which is for lease only, is expected to open in 2012.

The final phase of Encorp Strand are its RM167 million 35-storey serviced apartments called The Residence. Offering 278 units of 500 to 600 sq ft with indicative pricing of RM500 psf, the apartments are scheduled to be launched in 2011.

"Investing in Encorp Strand is not just about purchasing another shop lot or office unit in Kota Damansara, but it is about the architectural design, features and quality workmanship, materials and finishes," observes Effendi.

He says it is important for the



Effendi: Encorp is in the business of making customers happy

customers to see the different components of the integrated development — the construction of which is on schedule — coming together as it is "part and parcel of confidence-building that we want for our customers".

### Creating the Encorp experience

Philosophy and mission statements are a norm in nearly every organisation. But just because you see these messages framed on the wall of the office, it does not mean that they are

fully embraced by the members of the staff, says Effendi.

Still, Encorp wants an organisation of happy, highly motivated and well-trained staff aiming to deliver unbeatable quality, standards, value and service in everything the company does and to make a difference in the community.

"A leader cannot succeed alone in delivering a plan. It is important to get everyone in your team on board to deliver the company's promise," says Effendi, who credits his staff for the success of Encorp Strand.

"Working harder than everybody else in actualising our vision and philosophy is what we hope will set Encorp apart from our competitors. Delivering beyond expectations is an Encorp tenet," he adds.

Effendi is also a firm believer in using technologies and methodologies to enable performance accelerators. Encorp has employed the Quality Assessment System in Construction (QLASSIC) with its online check list to measure and evaluate the quality of workmanship of all construction

CONTINUES ON PAGE 20

# Bandar Kinrara evolving with the times

BY E Jacqui Chan

When Bandar Kinrara in Puchong was launched in 1991, it was dubbed the "Suburbia of the Future" by the developer. This vision has driven constant product and process innovations, resulting in sustained interest in the township.

Emphasis has been placed on developing an uncluttered township with light traffic to provide a high level of livability. The development covers 1,904 acres and comprises mainly terraced and semi-detached houses and bungalows. Of the 70% that is already developed, the commercial centre takes up only about 27 acres.

People have often asked Datuk Jamaludin Osman, I&P Group Sdn Bhd's group managing director, about the small size of the commercial component and the low-density environment of the township. He concedes that the company could probably make more money from a larger commercial area and a denser development but he firmly believes that I&P's concept at Bandar Kinrara is the preferred form of living for the future.

"Money is one thing, but creating value for living is an important aspect we have to look at. In the future, life will become more sophisticated and competitive, stress levels will increase. We need a place where people can breathe and relax. In a township, the environment is very important," says Jamaludin.

Bandar Kinrara has an estimated gross development value (GDV) of RM3 billion and will have an estimated 16,779 residential units upon completion.

## An ever-changing township

"Over the years, we have changed elements and concepts at Bandar Kinrara in terms of design and facilities. The landscape is more luxurious now, giving the township a new look. The entrance statement has also been changed. The constant upgrading attracts buyers," says Jamaludin, adding that changes are crucial to keep up with the times and ever-transforming taste of the buyers.

The upgrades also give I&P the opportunity to increase the price of its homes with each successive phase. Jamaludin stresses, however, that the price increases are based on market demand.

"There has always been good demand for properties in Bandar Kinrara, even when the homes are still under construction. The moment demand is created, the economic theory of supply versus demand will create a certain amount of appreciation," explains Jamaludin.

"Another important point is when we increase the selling price, we ensure that it is reasonable and leaves enough room for capital appreciation for the buyers," he adds.

I&P's award submission shows that a 2-storey terraced home of Bandar Kinrara has an average capital appreciation of 51.55%

over an average period of 1.96 years.

Demand for homes in Bandar Kinrara is no doubt strong. There was overwhelming response to its launches late last year, which saw long queues and buyers camping for days outside the premises of its sales office just to get their hands on one of the units.

Jamaludin believes that one of the key factors contributing to Bandar Kinrara's success is its location. Sitting on the fringe of Kuala Lumpur, the township enjoys easy access via several highways, making it central to both Kuala Lumpur and Petaling Jaya.

"Bandar Kinrara is also a freehold development and there is not much freehold land left in the Klang Valley," says Jamaludin.

Building confidence in the product and company is equally critical.

"The quality must be there, be it the design or finishing. We always ensure our homes are completed either on time or ahead of time," says Jamaludin.

## The future of Bandar Kinrara

There are still about 611 acres left to be developed in Bandar Kinrara and Jamaludin plans to add more components to the master plan to build a more complete township.

On the drawing board are four to five towers of serviced apartments, a hotel of chalets with facilities to hold conferences, small gatherings and weddings and a medical centre to serve the residents.

"The serviced apartments will cater for the medium to high-end market. It will be a good choice for young professionals who wish to stay here but do not want to pay for the higher-priced landed properties since they do not need the space anyway," says Jamaludin.

The hotel will be located next to the 18-hole Kinrara Golf Club and will complement the existing facilities, which include an international cricket pitch and landscaped linear park with running tracks.

"The hotel, medical centre and serviced apartments are still in the preliminary stage of planning and we will be submitting the plans to the local authorities soon for approval. This is how we envision Bandar Kinrara in three to five years — a complete township. We believe that with these additions, the value of the properties here will appreciate further," says Jamaludin.

While he declines to give a deadline for the completion of Bandar Kinrara, it is estimated that it will take another seven to eight years.

"If we complete the development too fast, we might miss some capital appreciation in the future. We are looking at certain numbers every year to enable us to obtain better value in the future," says Jamaludin.

The GDV itself is a moving target, especially with the inclusion of the serviced apartments.

"Of course, I'm looking at a big number but it is subject to how much the market



Jamaludin: Money is one thing, but creating value for living is an important aspect we have to look at



The proposed hotel will be located next to the Kinrara Golf Club

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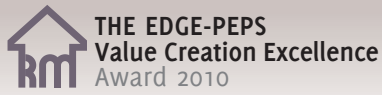
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## Aiming to be in top 10 by 2013

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work based on the standards set.

Additionally, the company uses the Project Management Systems (PMS) and the dedicated Primavera project management software to track daily construction progress.

All these components, Effendi believes, contribute to the company's success.

"Value creation and appreciation do not happen by accident. From the onset, creating value for our customers is foremost in our minds. Our starting point is a strong concept backed by excellent execution," says Effendi.

### 2013, here we come!

The year 2013 is an important one for Encorp. Not only will it mark the company's 10th anniversary, but it is also when the company is targeted to achieve its long-term aim of becoming one of the top 10 players in the property and construction industry, says Effendi.

He acknowledges that it can be hard to compete in terms of numbers with the big boys such as Sime Darby Property and S P Setia Bhd as they have larger landbanks and multiple ongoing and future projects.

However, Encorp can stand out by delivering the best quality and service, says Effendi.

In terms of landbank, Encorp cur-

rently has about 300 acres in the Klang Valley, Johor and Penang with a GDV of RM3.3 billion.

Aside from Encorp Strand, which is scheduled to be completed in 2014, Encorp has another ongoing development in Shah Alam — the RM800 million Cahaya Alam comprising terraced houses, semidees, bungalows and shophouses.

In the pipeline are the RM500 million mixed development in Puteri Harbour, Johor; the RM210 million high-end hillside villas in Batu Feringghi, Penang; and the RM500 million mixed development U10 in Shah Alam. These projects are scheduled to start within the next two years.

Encorp has also ventured abroad, with its first project being 67 Canning Highway, Victoria Park in Perth. The company owns less than a 5% stake in the 3,399 sq m development. Going abroad is a must to expand, reasons Effendi.

"We picked Australia because we are familiar with the country, its systems and how development is managed there. So, our chances of success are high. Later on, we will be more adventurous by venturing into other countries like China," he adds.

The reason for the Australian

**Encorp Strand covers 46.5 acres and has a GDV of RM1.3 billion**



ENCORP

venture is twofold, according to Effendi.

"Our construction industry has not innovated itself for years. This also presents a good opportunity for our team to get exposure to new systems and technologies, and bring them back to enhance our growth," he says.

To take the company a step closer to achieving its goal by 2013, Encorp is actively looking at increasing its landbank and pursuing several projects in possible joint ventures.

Effendi declines to name the projects or parties involved, but says three tracts measuring a total of 700 acres are under consideration and announcements can be expected in the next six months.

He stresses that Encorp is highly selective in acquiring landbank to ensure that it can execute a development concept that will bring value to its customers.

To put it simply, Effendi believes Encorp is in the business of "making our customers happy".

## Good relations the key to success: I&P

FROM PAGE 19

can absorb. We definitely feel there is room for improvement with our GDV but we are unable to give an estimated number yet," says Jamaludin.

Asked about his thoughts on winning the inaugural *The Edge*-PEPS Value Creation Excellence Award for residential development, he comments: "We weren't even thinking about winning the award. When we heard about this, we thought 'Why don't we give it a shot?' It's a good thing we did."

He credits the relationship between I&P and the end-users for the success of Bandar Kinrara, adding that he is always looking for ways to create value for the company and customers.



**Bandar Kinrara will have an estimated 16,779 residential units upon completion**



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MORE POWER TO YOUR ROOF



Tan and son Sam in one of the Ken Bangsar penthouses. They are focused on engineering better homes for people and challenging conventional thinking by pushing back the boundaries.

# Ken Holdings goes beyond green

BY **Rosalynn Poh**

Innovation, says Apple co-founder and CEO Steve Jobs, is what distinguishes a leader from a follower. This seems to be true in the case of specialist engineering services provider turned developer Ken Holdings Bhd.

In this day and age, when developers strive to set themselves apart from the rest in an increasingly crowded field, Ken Holdings has taken on the green challenge. And the investment is paying off.

Ken Bangsar, the developer's maiden green project, emerged the inaugural winner of *The Edge-PAM Green Excellence Award 2010*.

In the words of the judges: "Ken Bangsar is a fine example of an unused building that was given a new life and new value, for both the developer and its surrounding community. The project has gone beyond green, beyond a typical development. It has transformed into a nice building, which in turn makes the community happy. It stands out in terms of sustainability, with little wastage during construction and passive systems such as a wind tunnel, it really stands out."

What impressed the judges was how the developer managed to reuse materials from the former office while transforming it into a high-end green serviced apartment.

Its green attributes aside, the Ken Bangsar story is an interesting one. The developer acquired a completed but unused 12½-storey office building from Pengurusan Danaharta Nasional Bhd for RM15 million through a tender process.

Unknown to many, Ken Holdings did not get the property in the first two rounds of the tender, which began in 2003. Perhaps it was pure persistence and the ability to see potential in

the building, but the developer eventually won the bid and acquired the property in 2005.

The original owner of the property apparently got into financial difficulties at about the same time the office building was completed. It was then bought over by another company that managed to get approval to convert its use to specialist centre. However, that project did not take off.

It was at this time that Ken Holdings came into the picture. "Right from the beginning, we knew we had to make major changes to the building as we found that if we retained it as an office building, it would be unfair to the neighbourhood. We looked at the bigger picture and considered the surroundings. The old building design was not suitable for what we had in mind," Ken Holdings Bhd's managing director Kenny Tan tells *City & Country*. The neighbourhood comprises upmarket homes, both landed and high-rise, and Tan opines that it would have been inappropriate to have an office building there.

The construction of Ken Bangsar began in August 2006. The new design maintained the main structure of the building. Other parts were yanked out and these were recycled where possible or sold to other parties. It would have been easier — quicker and cheaper — to build from scratch.

"About 70% of the structure — lower ground — was reused. If we had chosen to demolish the whole building and cart away everything to the landfill and build from scratch, it would have cut construction time by five to six months. In fact, it would have been cheaper for us, but my father was always against wastage and so, we consciously strove to reduce wastage. We care-

**Ken Bangsar, completed in July this year, was transformed from an unused office building**



fully removed what could be reused. The rest was sold," says Sam, Tan's son and Ken Holdings' executive director.

The copper cables, aluminium and glass were recycled. As for the cut marble floor tiles, they now form part of the feature walls in the lobby area.

Another interesting feature in the lobby is the wind tunnel. Although it was about 5pm, standing in the lobby was cool and pleasant, with no air conditioner in sight. Sam explains it is due to the wind tunnel — the wind from the corridor is channelled into the lobby, making it

environment-friendly and saving cost.

That was not all. Sam and his team went on to design for the lobby a system that is known as the CHEEL. It harvests condensation from the air conditioner in the management office and routes it to the evaporative two-storey waterfall for natural ventilation and comfort. The hot air from the compressor is extracted by a heat pump and used to produce hot water for the common toilets.

The lobby, originally an enclosed area with a 40hp air conditioner, now embraces an open

CONTINUES NEXT PAGE



## Mindful, careful and thoughtful

**FROM PREVIOUS PAGE**

concept for natural ventilation. “From day one, we always believed in fresh air — natural ventilation in contrast to mechanical ventilation. After all, mechanical ventilation translates into higher expenses, which will be ultimately borne by the owners, who may not even spend that much time in the lobby area,” Tan explains.

The father-and-son team is all for green developments. “We are focused on engineering better homes for people and challenging conventional thinking by pushing back the boundaries,” Sam says.

Tan says Ken Bangsar, which was completed in July, is the highest residential building in Bangsar, and even Kuala Lumpur, due to its position on the highest peak in Bukit Bandaraya. The freehold 15-storey condominium has a gross development value of RM120 million and a total of 80 units.

Ken Bangsar has two green certifications so far — Singapore’s Building and Construction Authority (BCA) Green Mark GoldPlus Award and Malaysia’s Green Building Index Gold Award (provisional).

The developer held a preview of the development in 2007, offering over 20 units priced between RM650 and RM1,000 psf. “We had a lot of repeat buyers from our previous projects and they purchased based on trust and the potential of Ken Bangsar. When we launched Ken Bangsar

in July, the units were sold from a higher RM800 to RM1,200 psf,” Tan says. There are four triplex penthouses, but these are not for sale, although the developer might consider it if there are good offers. The project is 80% sold, with mainly local buyers.

Standing in the triplex penthouse show room, one is treated to uninterrupted views of the capital city and beyond. There is also natural lighting and ventilation throughout the unit due to its north-south orientation. The unit is tastefully furnished with antiques from Tan’s private collection.

Other green features include soundproof, laminated low-E glass panels, energy-efficient lighting, a rainwater harvesting system and a centralised hot water system.

Sam says the new technologies used to make the building as efficient as possible are “basic common sense and engineering”. He estimates the energy savings for Ken Bangsar to be 640,000kW per year and water saved annually to be 1,600 cu m.

Did they consider it a huge risk to transform a completed but unused office building into a high-end green serviced apartment? “My father has always been able to see the potential in properties we

The triplex penthouse in Ken Bangsar offers uninterrupted views of Bangsar, the Kuala Lumpur city centre and beyond



undertake but of course, where there is potential, there are also risks involved. Every project we do, we take it as a challenge and strive to do it well,” Sam says. The three words that were repeatedly mentioned throughout the interview by the father and son were “mindful, careful and thoughtful”.

It is obvious that they were very involved with the project. “It was like building our own house and we spent a long time on the project. It took 2½ years to complete, when it could have taken 22 months,” Tan says. In fact, they even took a trip to Bali to handpick the trees they wanted for Ken Bangsar. While they encountered problems in transporting the plants to Malaysia, they managed to bring in

a lovely 150-year-old frangipani tree, among others. Tan proudly points out the thriving tree, planted close to the swimming pool.

So, are the Tans contractors first, and developers second? “We prefer the word ‘craftsmen,’” Sam says with a smile, adding that it is possible to be craftsmen and still make money. His passion is rearing Japanese koi while Tan is an antique collector. The duo share similar interests in art, wine and tea.

The general perception is that green means expensive, but Sam has this to say: “We want to prove them wrong. It goes back to the developer and, yes, it will cut into our profit margin. But we believe we can make a difference in what we do. It is not merely about de-

veloping a property, we also want to educate the public. We are not the biggest property player, but we have set a benchmark for green developments in the country.”

Ken Holdings’ first green and freehold township called Ken Rimba in Shah Alam was recently put on the market. Three of the four phases with a total of 328 terraced houses have been sold out. The units, priced from slightly over RM400,000, are designed with a skylight roof and two rainwater harvesting systems each, among other green features.

“The day you buy from us is the day you will gain — that is our goal for our buyers. It is also our vision to have socially responsible developments,” Sam points out. ■

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## FOR SALE



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- 4-star hotel with 269 rooms
- Freehold

1



- Wisma LKN, Johor Bahru, Johor
- 19-storey office building
- Freehold

2



- Uncompleted retail/office building in vicinity of Plaza Melaka
- Land area of app. 1.04 acres
- Freehold

3

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Tunku Badlishah at the Turn Berry Villas adjacent to the KLGCC

# Coming back to mass-market homes

A champion of sustainable living, Sime Darby Property will return to its roots of building quality homes for the middle class as part of its Vision Valley Malaysia

BY Noelle Lim

Sime Darby Property Bhd easily reigns supreme on quantitative scores due to the sheer size of its landbank after the behemoth merger of Sime Darby Bhd, Kumpulan Guthrie Bhd and Golden Hope Plantations Bhd in 2007. The group owns about 10% of the Kuala Lumpur conurbation, an area of 1.2 million acres, of which 80,000 acres stretching from Kuala Selangor to the beach town of Port Dickson in Negeri Sembilan have been called Vision Valley Malaysia. In the next two decades, close to 45,000 acres of this land area will be developed at a gross development value (GDV) of RM25 billion, making this the group's most ambitious project yet.

The master plan of Vision Valley was unveiled in 2009, and this month a slew of projects are expected to kick off. The timing is fortuitous as the government has just announced the Economic Transformation Programme

and Sime Darby Property sees itself as a major beneficiary.

This means that managing director Datuk Tunku Putra Badlishah Tunku Annuar has his work cut out for him. To not steal the thunder of the impending announcements, the usually straight-talking Sime Darby veteran is coy about revealing details. "We can work with the government on its infrastructure plans for Greater KL, where our landbank is located, and on education, healthcare and tourism as these clusters are within our Vision Valley," he says. "On new products, the healthcare division, for example, will offer assisted living services for the aged in our townships."

## Signature high-end developments

In recent years, Sime Darby Property has reinforced its reputation as a quality developer by building beautiful, high-end homes with clean designs and sustainable living features. FY2010 ended June 30 was a record year for the group, with sales from

property development reaching RM1.6 billion, up more than 30% from 2009. As a testament to its popularity, Sime Darby's superlink homes with Malay architecture in Kayangan Puteri USJ Heights were sold out after the launch last November while the Balinese-inspired homes at Mandara are more than 90% sold.

Sime Darby's low-density and first landed strata development, Seri Pilmoor in Ara Damansara, consisting of just 34 semi-detached homes priced above RM2.8 million, were snapped up within 24 hours while about half of the bungalows have been sold.

Further feeding the appetite of discerning buyers who value lifestyle is an upcoming development adjacent to the Kuala Lumpur Golf and Country Club (KLGCC) called Turnberry Villas, with a breathtaking view of the golf course. Comprising only 120 homes, these are tagged at RM850 to RM1,050 psf, thanks to the premium location. "We're in the pre-registration stage and there's already strong interest. International golf tournaments like the upcoming LPGA will put KLGCC on the map and allow us to promote surrounding projects to a global audience," says Tunku Badlishah.

Later this month, the group will unveil new boutique bungalows, located on 20,000 sq ft plots in the popular

## Sime Darby Property

	2010	2009
Overall	2	1
Quantitative	1	1
Qualitative	6	10

Bukit Jelutong. The designs are being conceptualised by three international architecture firms. One of them, Kieran Timberlake, an award-winning Philadelphia-based firm, is known for its visionary designs for energy-efficient buildings, like Loblolly House on Taylors Island in Maryland.

Tunku Badlishah says, "We hope to learn from these architects and implement their knowledge in our other projects. There are still other prime sites in KLGCC, Bukit Tunku and Jalan U-Thant to be developed."

## More mass-market and mixed developments

With such a massive landbank, the group has to come full circle to build homes for the mass-market in the next few years. This is a challenge, considering the homes in one of its middle-market projects, Denai Alam, are already fetching more than RM500,000, and construction costs are escalat-

ing. Undaunted, Tunku Badlishah has thrown down the gauntlet to his team to design homes that can be priced below RM300,000. One way to achieve higher efficiencies is to use the industrialised building system (IBS) in construction. Next April, the developer will launch mid-market IBS-built terraced homes in Nilai Impian and Denai Alam. Other upcoming launches will be in Bandar Bukit Raja, USJ Heights, Isola in Subang Jaya and Desa Melawati.

Tunku Badlishah says: "Our research shows that by using IBS, the performance and quality of the product is superior to bricks and mortar construction which relies on manual labour. If your workers are not trained, you will have a problem with plastering and painting. With IBS, you get perfect finishes."

Sime Darby Property can afford to be an early adopter because it has the volume to justify the investment cost. There are some challenges, though these are not insurmountable. Tunku Badlishah explains: "We have to address the perception problem because IBS is commonly used in building low-cost homes in Malaysia and the homes are therefore seen as a low-end product with poor finishing. If you look at IBS-built homes in Australia and the US, the finishing is fantastic. We can



## Sime Darby Property

FINANCIAL YEAR-END JUNE 30 (RM MIL)	2010 (UNAUDITED)	2009	2008
Revenue	1,813	1,408	1,420
Pre-tax profit	493	454	434
Paid-up capital	243	243	243
Shareholders' funds	5,887	5,012	4,065
Profit attributable to shareholders	402	347	334
Dividend payout ratio (%)	41	42	102

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE UP (%)
Ara Damansara, Petaling Jaya	Condo, semidee houses and bungalows	351	624	Nov 10	75
Bandar Bukit Raja, Kelang	Mixed development	793	328	March 10	92
Bukit Jelutong, Shah Alam	Mixed development	235	505	Aug 10	81
Denai Alam, Shah Alam	Link houses	830	455	Jan 10	93
Nilai Impian, Negeri Sembilan	Mixed residential development	225	92	Nov 10	87
Putra Heights, Subang Jaya	Mixed development	272	186	Jan 10	100
Melawati, Ulu Kelang	High rise residential & commercial	518	199	July 10	89
USJ Heights, Subang Jaya	Link houses	363	403	Nov 10	85

### IN THE PIPELINE (Oct 2010 to June 2011)

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Ara Damansara, Petaling Jaya	Community square & executive suites	61	28	4Q2010 to 2Q2011
Bandar Bukit Raja, Kelang	Mixed development	355	295	4Q2010 to 2Q2011
Bukit Jelutong, Shah Alam	Bungalows, semidee houses and condovillas	105	272	4Q2010 to 2Q2011
Denai Alam, Shah Alam	Mixed development	554	441	4Q2010 to 2Q2011
Nilai Impian, Negeri Sembilan	Mixed development	312	119	4Q2010 to 2Q2011
Saujana Impian, Kajang	Bungalows & semidee houses	37	52	1Q2011 to 2Q2011
Putra Heights, Subang Jaya	Mixed development	220	570	4Q2010 to 2Q2011
Melawati, Ulu Kelang	High rise residential & commercial	628	256	4Q2010 to 2Q2011
USJ Heights, Subang Jaya	Condo, bungalows & superlink	195	1,998	4Q2010 to 2Q2011

SIME DARBY/THE EDGE



Seri Pilmoor in Ara Damansara – Sime Darby's low-density and first landed strata development

change mindsets by building show houses for people to see so they feel comfortable about IBS products."

The group will also need to embark on mixed developments comprising condominiums and commercial properties. Recognising that it does not have deep expertise in the latter, the developer has teamed up with Sunrise Bhd to share the risk of developing a RM1 billion integrated commercial property project in Bukit Jelutong. The proposed development will cover five phases from 2011. The project, with a built-up of 2.7 million sq ft, will consist of retail, shop offices, office suites and serviced apartments. Completion is within seven years.

### Seeking higher growth and yields

The developer aims to expand its recurring income base and improve rental yields and return on assets to provide better insulation against property cycles. In two to three years, the group plans to offload its commercial and hospitality properties worth about RM2 billion now, comprising a third of its total assets, to a REIT. It has identified low-yield assets for an upgrade, such as Wisma Guthrie and an office building in Taipan USJ, currently occupied by its energy and utilities division.

Recurring income as a proportion of total income could be increased to 20% from 10% in two to three years, Tunku Badlishah estimates.

Like many developers in search of higher growth, Sime Darby Property has made forays into overseas markets like Singapore, where it is on the prowl for land, and in Indonesia and Vietnam. Its most significant overseas project is the 180-acre mixed development called Damei Waterfront Development in Weifang, a coastal city in Shangdong province, China. Last June, it was reported that the total development would cover 700 sq km. Tunku Badlishah clarifies Sime Darby's scaled-down involvement: "We want to start small first in China and grow big when we're comfortable."

### Improving technology and processes

Sime Darby Property has instituted new processes and practices. It has adopted the quality assessment system in construction, engaged the Construction Industry Development Board Malaysia to do external audits, set up an independent customer relations department and tightened the screws on contractors.

All these efforts seem to have borne fruit as Sime Darby Property

climbed four notches in its qualitative ranking from No 10 last year to No 6 this year. Tunku Badlishah says Sime Darby Property was not specific about finishes in the past, but now it has assumed more control over the procurement of critical products like timber flooring and paint by selecting and negotiating directly with vendors and dictating quality and standards of materials, warranties and pricing.

Defects have been cut by more than 50% and an average of 8% savings was achieved across all types of products, he adds.

Sime Darby Property has also invested in a business information modelling system to do design work in-house, thus relying less on external consultants. The target is to cut the time to market by 50% at the design and product development stage. Tunku Badlishah highlights the fact that Sime Darby Property is one of the few developers that has set up a full-fledged innovation and research department. About 1% of GDV was spent on R&D in 2009.

The property group will have its own board of directors from January, in line with the reorganisation of the larger Sime Darby group after losses and cost overruns in the energy and utilities division were revealed. ■

## Q&A

### City & Country: Is Malaysia looking at a property bubble?

**Tunku Badlishah:** Not at the moment. Prices have been increasing but at a gradual rate. Demand for landed residential property developments remains strong. This year, on average 80% of our launches in places like USJ Heights, Denai Alam and Bukit Jelutong were sold within three months.

There may, however, be issues in the high-end condominium market. Rental yields are about 3%, below the 5% or 6% yields you find in developed markets. This either means rents are too low or property prices are too high in Malaysia. Yields for landed properties are not so critical because most buyers are owner-occupiers who are usually more concerned about long-term capital appreciation.

### What's the outlook for the next 12 months?

We remain cautiously optimistic that demand will remain strong for landed residential properties. The concern we had earlier was tightening up of liquidity if the loan-to-value ratio of mortgages is capped at 80%. But recently it has been announced that this may not apply for purchases of the first home. Interest rates have been inching up, but generally they are still at a reasonably low level. The Economic Transformation Programme is also important in attracting investments to drive economic growth. Real estate in general and Sime Darby's Vision Valley Malaysia will be the beneficiaries.

### What are the growing challenges faced by a property developer today and how to overcome them?

The challenge is continuing rises in construction costs due to rising oil and steel prices, and shortage of labour. That's why we're implementing the industrialised building system (IBS). We will only need 20% of the labour we normally need, thus reducing reliance on foreign labour. Project sites will be cleaner and there will be less wastage because a lot of the fabrication is done offsite.

The other issue is getting development approvals. The authorities are now very sensitive about public opinion – if one person protests, the development comes to a standstill. You have to be wary of the NIMBY (not in my backyard) factor. This adds to costs because you cannot bring your product to market as quickly as before. Being more cognisant of public opinion is good, but in anything you do or decision you make the majority has to rule and it is often difficult to get unanimous views. We do engage with residents. For example, we were planning a high-rise development in Bukit Jelutong. Residents who live in the surrounding homes wanted to maintain a low density in the area. We were willing to compromise and scaled down the development.

### If you could be granted three wishes, what would they be?

Government incentives like tax breaks to encourage the use of IBS and photovoltaic cells (PV) and for the government to introduce the feed-in-tariff system. The payback for PV cells is over 20 years because we have to import. We can price the cost into the house but our customers are very smart – they can figure out the cost and ask why they should pay for it. If you can bring down the payback period to 10 years, we have a chance. We have already built a house called Idea House that gives us surplus energy and we can sell it back to the grid if the system is in place.

Can you imagine a township powered by renewable energy? There's nothing stopping us from doing it except for the cost factor. If it is difficult to give direct subsidies to encourage use of renewable energy, developers could be given indirect subsidies instead. For example, the government could reduce our development charges and land premiums.

There should be more stringent criteria for awarding developers licences and a tracking mechanism to weed out errant developers. Abandoned projects have been on the rise and it gives the industry a bad name.

The country has been in an oversupply situation for many years – low, low-medium and medium – because any Tom, Dick and Harry can become a developer. The deposit for a licence is only about RM250,000. The banks can play a part too in being more stringent about giving financing.

### What would your ultimate/dream project be like?

A carbon neutral and fully sustainable township. We are committed to making all our residential developments Green Building Index certified. We have volume, so it does not increase cost substantially except for the PV cells.

We already have the prototype home called the Idea House. It was named Best Green Development at Cityscape 2010. It is self-sufficient in energy. More than 90% of the water used is recycled rainwater. The shower system uses an aeration nozzle that has proven to reduce water consumption by 50% but does not compromise on the shower experience due to the water pressure. The air-conditioning system is based on the latest inverter technology which matches cooling output with cooling capacity requirement, therefore avoiding overcooling. It is also connected to the Integrated Building Management System for occupants to monitor energy usage. The timber flooring is from recycled wood from renewable forests. We do passive cooling like having optimal orientation and insulation of the house, and also open space for natural ventilation.

# Sime Darby Property Sets New Benchmark in Sustainable Communities

Sime Darby Property has been creating some of the most desired sustainable communities for more than 40 years. It is this commitment that has won them numerous awards and recognitions as one of the leading property developers in Malaysia.



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1&2 Seri Pilmoor in Ara Damansara features 120-foot wide frontage and water treadmill jacuzzi at its rooftop pavilion.



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3&4 During the year, Sime Darby Property received numerous industry awards that include Malaysia's Most Valuable Brand Awards, National Award for Management Accounting (NAfMa) for "Best Practice", The Reader's Digest Trusted Brand Award, 2010 Malaysia Frost & Sullivan "Green Builder of the Year" Award and the Putra Brand Awards.

5 The Sime Darby Idea House is a test bed for new green building design technology, sustainable architecture, new building material technology and modern method of construction.

6 Sime Darby Property is the first developer in Malaysia to partner with the Construction Industry Development Board (CIDB) to train in-house assessors based on the CONQUAS System.

7 31 schools within Sime Darby Property's townships participated in its Environmental Awareness Program Nature Camp at Kuala Selangor.

## Research and Development Innovation

Through its efforts in research and development innovation, the Sime Darby Idea House in Denai Alam was created to showcase the latest in sustainable architecture. The award-winning prototype dwelling is set to become the first carbon-neutral residence in Southeast Asia.

Another example of Sime Darby Property's advanced design and product innovation is the exclusive Seri Pilmoor residence in Ara Damansara. The development features distinctive architecture both externally and internally with a 50% green footprint, roof tiles made from recycled materials, natural bamboo flooring and rainwater harvesting system among others.

## Customer Focus

One of the major initiatives undertaken to enhance customer relations is the introduction of the 'PRIME Homeowners' Rewards Program which offers numerous benefits and privileges to both prospects and owners of properties by Sime Darby Property. In addition, a central toll-free number (1800-88-1118), has been launched to better manage the needs of customers for all services under Sime Darby Property.

## Creating Value

Sime Darby Property goes beyond expectations to provide value added offerings for its townships. Such offerings include:

### The Safe-City Initiative

Through collaboration with the Royal Malaysian Police, Malaysian Crime Prevention Foundation and the Residents' Association, Sime Darby Property has implemented the "Safe City" initiative in Ara Damansara's township in July 2009. Safety measures have been improved with the installation of 22 closed-circuit cameras (CCTVs) at strategic locations, contribution of a Police Station, 2 patrol cars and street patrolling by trained security forces around the community. As a result, crime rates in Ara Damansara have been reduced by 30%\* since the implementation of the "Safe City" initiatives. (\*Source: Kelana Jaya Police Station)

### Corporate Social Responsibility

As a socially responsible corporate citizen, Sime Darby Property's Corporate Responsibility centres around 4 pillars - Environment, Community, Education and Sports. Contributing to its communities, their initiatives have included organising educational enhancement programs and environmental awareness programs for all 31 schools within their townships.

Other programs also include planting of rainforest trees within their communities as well as creating awareness programs for energy efficiency.

## Built on Sustainability

### Integrated Management System

In 2009, Sime Darby Property became the first property developer in Malaysia to have an integrated Quality, Environment, Safety and Health (QESH) Management System, certified by SIRIM under ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and MS1722:Part 1:2005. In 2010, Sime Darby Property's scope of certification was expanded to include Asset Management, the first property developer to do so.

### Sime Darby Property's Sustainability Blueprint

The Sustainability Blueprint serves to establish Sime Darby Property's objectives, charters and goals, developing a roadmap that will identify and focus on sustainability solutions in every aspect of its business.

### Township Sustainability Index

Through a sustainable measurement framework, the index is able to determine the level of sustainability within its townships in areas such as Infrastructure,

Security, Development Land, Authorities & Utilities, Environmental, Quality and several others.

## Vendor Management

Sime Darby Property's Vendor Management provides a platform to analyse various performance aspects of their vendors. By negotiating better terms and giving preference to vendors whose manufacturing process and products are green and sustainable, Sime Darby Property is able to achieve significant cost savings and quality improvements for the benefit of their purchasers.

## Sustainable Solutions

Sime Darby Property has introduced and adopted several green features such as the Rainwater Harvesting System and Energy Efficiency System within various townships, to further reduce energy and water consumption. Other features also include Green Roof and Rainwater Catchment as well as Solar Energy Harnessing.

## Sustainable Communities of Tomorrow – Sime Darby Property’s Upcoming Projects



1

### The Turnberry Villas @ Kuala Lumpur Golf & Country Club

A 10-acre gated community of exclusive courtyards and resort villas, the Turnberry Villas is Sime Darby Property’s 1st luxury residential project in the vicinity of the 280-acre Kuala Lumpur Golf & Country Club master plan.

Located at the prestigious Bukit Kiara area, the Turnberry Villas showcases a low-density development enhanced by landscaped gardens, walkways, open gazebos and cascading water features. A unique feature of the Turnberry Villas is its private underground garages that will minimise noise and air pollution and allow a traffic-free and safe ground above for kids and pedestrians.

With only 128 courtyard villas and a choice of 6 layouts, each villa comes with environment sustainability features such as solar hot water systems and a sky-lighted atrium to reflect soft natural sunlight into the living spaces.

### The Glades @ Putra Heights

The Glades is designed to become a premier and exclusive residential development in Putra Heights with waterfront bungalows, cluster villas and courtyard homes, and two condominium blocks set within 58.3 acres of freehold land.

Featuring modern and tropical contemporary design, the gated and guarded community promises to be Sime Darby Property’s leading project incorporating intelligent smart home systems and the availability of high speed broadband services.

Among its environmentally-friendly features are solar panels for water heating and rainwater harvesting systems to minimise water wastage.

Also, The Glades will assure residents a complete peace of mind as each home’s security system is connected to a central security command centre. Other security features include a 24-hour security surveillance, panic buttons within units, electrical fencing and ‘smartcard’ access systems.

### Isola @ Subang Jaya

Located in the prime commercial heart of Subang Jaya, the Isola flaunts two prominent towers complete with facilities and services, modern furnishings and comprehensive security features.

Each unit of Isola is a corner unit and uniquely designed with contemporary urban living elements, high volume ceilings and convertible balconies to ensure optimum comfort as one luxuriates in its spacious setting.

Key sustainability features of the freehold development include a Rainwater Recycling System and natural ventilation to reduce energy consumption.



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1&4 The Turnberry Villas at Kuala Lumpur Golf & Country Club is designed to embrace its natural topography.

2&6 Isola, located in the heart of Subang Jaya’s commercial centre, is fitted with sustainable features such as Rainwater Recycling System and natural ventilation to reduce energy consumption.

3 The Glades is set to become the first exclusive gated and guarded residences in Putra Heights.

5 The landscape of The Glades’ proposed clubhouse complements the serenity of this secure, tranquil and exclusive environment.



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Ngeow (left) and Ho — two-thirds of SunCity's unique leadership formula

# Cultivating and reinforcing the Sunway brand

## Sunway City

	2010	2009
Overall	3	3
Quantitative	4	2
Qualitative	3	3

Sunway City Bhd continues to win over buyers and investors through its innovative offerings and customer-focused approach, the hallmarks of the Sunway brand

BY Sreerema Banoo

Sunway City Bhd (SunCity) believes teamwork is vital for building and strengthening a brand that delivers quality and innovative products while focusing on customers.

That partnerships and collaboration are important at SunCity is especially apparent in the way the company's top leadership is structured. Besides recognising that successful property players are both development and investment experts, SunCity also recently redefined its property development division into international and Malaysian operations to better reflect its focus on overseas expansion. As a result, the company boasts a unique leadership formula to help it keep ahead of the competition — a three-man partnership at the helm. At SunCity, it's certainly not a case of too many cooks spoiling the broth, as each of the men and their teams lend synergistic support to each other, from the start to the end of every project.

Heading the property investment division is managing director Ngeow Voon Yean, while over in the property development division managing directors Ngian Siew Siong and Ho

Hon Sang, lead the international and Malaysian divisions respectively. The company believes that this "one for all, all for one" management strategy is the key reason for the company's consistent accolades and success.

In the past year, SunCity garnered recognition for its excellent brand performance with the inaugural Putra Brand Awards 2010 (which measures brands by consumer preference) while its human capital development department under the property development division was awarded the HR Achievement Silver Award.

On the property development front, the company's individual projects have also received recognition for being sustainable and eco-friendly. In January, Sunway Vivaldi in Mont'Kiara received the Green Mark certification from Singapore's Building and Construction Authority (BCA). Although there were concerns that completion of the project may be delayed, the developer says it is on schedule. SunCity also obtained the Green Building Index certification for its Sunway SPK 3 Harmoni project, the first landed residential project to attain this rating.

Reflecting on its ability to stay at the forefront of many of the property sector's initiatives, Ngeow stresses the importance of teamwork. He adds that

the strong symbiotic relationship between the property investment and property development divisions ensures that every development is carefully planned, developed and maintained. For example, he says that in a particular development, a property investment specialist will offer input on the design of the product. He adds that it is by collaborating on the aspects that contribute towards the enhancement of a property's value — such as security and landscaping — that SunCity is able to deliver and ensure customer satisfaction.

Ho says the vast knowledge bank at SunCity is another asset that helps ensure that the company delivers on quality and is at the forefront when it comes to developing innovative properties. "Our best practices, and [the fact] that we are IT-inclined, ensure that we are consistent in our approach," he adds.

Ho believes that beyond green buildings, consumers want a holistic and improved lifestyle that's in harmony with nature and their surroundings. This is where the Lifestyles of Health and Sustainability (LOHAS) philosophy comes in, he says, adding that the concept is incorporated into its property development projects such as Sunway SPK 3 Harmoni and Sunway Rymba Hills.

## Milestones during the year

This has been a busy year for SunCity on the property investment front, not least because of the successful debut of its real estate investment trust (REIT), SunwayREIT in July. SunCity injected eight of its prime investment properties — including Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall, SunCity Ipoh Hypermarket, Sunway Resort Hotel and Spa, Pyramid Tower Hotel and Sunway Hotel Seberang Jaya — totaling RM3.4 billion in asset value into SunwayREIT, making it Malaysia's largest listed REIT.

Ngeow says that following a RM20 million upgrading exercise, Sunway Tower (formerly Wisma Denmark) in Jalan Ampang is now a state-of-the-art Grade A office tower. While plans for a new office tower on the adjacent plot of land have been delayed, he remains optimistic about the address. "We believe that in the future, when the Hyatt is up and coming, the address will be exciting."

The company also marked another milestone earlier this year with the opening of The Banjaran Hotsprings Retreat in Tambun. An upmarket retreat boasting 25 luxury villas offering holistic wellness and spa services in a 16.6-acre valley surrounded by natural limestone caves and hotsprings, Banjaran Hotsprings is viewed as a catalyst for the development of Sunway City Ipoh, says Ngeow. Another development that excites Ngeow is the acquisition of Sunway Hanoi, as it will strengthen the company's hos-

pitality portfolio as well as allow it to gain a foothold in Vietnam.

Closer to home, the company also recently announced its acquisition of 45% equity interest in Sunway Lagoon for RM129 million in cash. The acquisition raises its interest in Sunway Lagoon to 96%.

On the property development front, Ho says a major highlight is the commencement of Sunway South Quay, a 178-acre development located in the heart of the Sunway Integrated Resort City. The lakeside enclave will have luxury bungalows, condominiums as well as a commercial precinct comprising serviced apartments, lakeside retail outlets and stratified shops and retail suites and the Monash University international campus. The developer recently launched a unique facility for South Quay residents in the form of the South Quay Princess, a RM4 million yacht that residents can use for private functions.

As for the company's projects abroad, Ho says SunCity was invited in April to participate in the development of the Sino-Singapore Tianjin Eco-City project in China with Sino-Singapore Tianjin Eco-City Investment and Development Co Ltd (SSTEC), the master developer of the 7,400-acre project. Under the joint venture, SunCity (which has a 60% stake) will develop 102 acres over the next five years. That SunCity is the only Malaysian developer among the international property players from Taiwan, Japan, Singapore, Hong Kong and China, is a testament to its experience in developing eco-friendly

## Sunway City Bhd

FINANCIAL YEAR-END (RM'000)	DEC 31, 2009*	JUNE 30, 2008	JUNE 30, 2007	JUNE 30, 2006*	DEC 31, 2004
Revenue	1,600,967	1,314,556	1,142,566	1,574,400	992,481
Pre-tax profit	1,141,407	634,005	296,186	419,322	167,350
Paid-up capital @ RM 1.00	469,952	469,919	463,444	414,942	410,527
Shareholders' funds	2,172,336	1,681,781	1,415,930	833,062	681,209
Profit attributable to shareholders	537,908	261,906	155,806	200,098	69,065
Dividend payout ratio (%)	20	22	21	17	21

\*18-month financial period

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV(RM MIL)	LAUNCH DATE	TAKE-UP (%)
Sunway Palazzo @ Sri Hartamas	Condo	160	486	April 07	90
BayRocks Garden Waterfront Villas @ Sunway South Quay	Bungalow	77	432	July 07	50
Nautica Condo @ Sunway South Quay	Condo	249	171	Dec 07	100
Amarine @ Sunway South Quay	Condo	242	234	June 10	70
Sunway Surian Avenue @ Sunway Damansara	2-storey shopoffice	23	41	May 08	96
Sunway Vivaldi @ Mont Kiara	Condo	228	736	Jun 09	60
Sunway Alam Suria @ Shah Alam	Cluster homes	100	53	Jan 10	67
	2-storey terraced houses	42	16	July 10	61
Sunway SPK 3 Harmoni @ Sunway SPK Damansara	Townhouse	180	188	March 10	90
Sunway Rymba Hills @ Sunway Damansara	Zero-lot bungalow	80	291	June 10	50
Sunway Merica @ Penang	3-storey terraced houses	49	47	Dec 09	40
Sunway Aspera @ Penang	2-3 storey terraced houses	85	50	Feb 10, March 10	63
Sunway Guanghao @ Jiangyin, China	Condo	400	116	June 10	89
Hartford lane @ Sydney, Australia	Warehouse	1	62	June 10	100

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)
Commercial development at Dataran Sunway	Retail shops, Office suites & SoHo	435	372
Sunway Velocity @ Kuala Lumpur	Shop offices	124	124
	Shop @ Serviced apartments	7	13
	Serviced apartments	264	146
Sunway Kayangan @ Shah Alam	Shopoffices	27	21
Sunway Melawati	Courtyard villa & semidee houses	106	197
	Zero-Lot-bungalow	89	306
The Pinnacle	Grade A Office Tower	NLA 560,000 sq ft	
Sunway Pyramid 3	Retail and serviced apartments	NLA 220,000 sq ft	
Sunway Tower 1	Grade A Office Tower	NLA 350,000 sq ft	
Mont Bleu @ Sunway City Ipoh	Townhouses	220	93
Sunway Merica @ Penang	3-storey semidee houses	12	15
	3-storey terraced houses	37	29
Sunway Cassia @ Penang	3-storey terraced houses	33	20
Sunway Perdana @ Sebarang Jaya, Penang	Commercial shophouse	49	65
Sunway Opus Grand Neville @ Hyderabad, India	Villa townhouse	180	43
Sunway MAK - Signature Residences @ Hyderabad, India	Terraced houses	62	26

townships, says Ho. He adds that the fact that SunCity's projects have received the BCA Green Mark award also worked in its favour.

Plans for the 102-acre project, he says, are being drawn up with the first launch slated for next year. (Ngian, who heads the company's international property development operations, was not present at the interview).

Elaborating on its maiden project in China, Ho says the first phase of Sunway Guanghao in Jiangyin, comprising 400 condo units with a gross development value (GDV) of RM116 million, was launched in May. To date, 90% of the units have been sold, says Ho.

### Transforming into an integrated global property player

For SunCity, establishing a presence overseas has become increasingly important in its bid to transform itself from a local property developer into an integrated global property player. It is with this in mind that the company earlier this year redefined its property development division into international and Malaysian operations. SunCity targets a revenue contribution of 30% by 2013 and 50% by 2015 from its international division.

For the company as a whole, China represents an important market.

Ngeow adds that thanks to the Sunway brand, the company has received many invitations from landowners in China to participate in development projects. "But we don't want to jump into it big time," he says, in recognition of the risks involved. While the company recognises that venturing abroad has its share of risks, it mitigates them through the principles of 5Ps — Place, Partner, People, Perception and Processes.

"Place", Ho explains, involves identifying the right markets with strong demand (in SunCity's case, China and India) while "partner" emphasises the importance of choosing good local partners with strong networking. Leveraging on the strengths of its "people" is another strategic approach while "perception" describes the importance of being an internationally recognised brand with award-winning developments. "Processes" details the importance of having strategic management, and of bringing its best practices to the overseas market.

### New projects in the pipeline

Ngeow says that on the commercial front, SunCity has started work on The Pinnacle, a 25-storey corporate office tower located next to Menara Sunway at the Sunway Integrated

Resort City. "We feel it is timely to build up our commercial segment as the facilities and amenities within the integrated resort city are ready to support the corporate requirements," he says.

Targeted at multinational companies, The Pinnacle has a total net lettable area of 560,000 sq ft and will feature large, flexible 23,000 sq ft floor plates as well as connectivity to more than 10,000 covered parking bays within the resort city. The Pinnacle has a GDV of RM300 million and is scheduled for completion in 2013.

Following the successful sale of Pyramid Tower Resort Suites, Ngeow says the company is now embarking on an upmarket serviced-apartment project located on a parcel of land adjacent to Sunway Pyramid Shopping Mall. Like the Pyramid Tower Resort Suites, the 212 units of serviced apartments will be managed by Sunway Resort Hotel & Spa.

The company is also planning to launch the first phase of Sunway Velocity in KL. The freehold commercial project spans 22 acres and is bordered by Jalan Cheras, Jalan Peel and Jalan Shelly. The phase comprising 124 units of shop offices and 264 units of serviced apartments will be launched this month.

## Q&A

### City & Country: Is Malaysia looking at a property bubble?

**Sunway City:** We don't think there will be a property bubble. There's still fairly strong demand for property in choice locations like Bandar Kinrara and Temasya Glenmarie, which will continue to do well regardless of the market or economic conditions.

### What's the outlook for the next 12 months?

Looking at the current economic scenario, with the many plans the government is undertaking to spur growth in the industry, we are certain the property industry in Malaysia will continue to grow.

### What are the growing challenges for a property developer today and how to overcome them?

One of the main challenges as a township developer is the decision to open up a new township. This involves a huge financial commitment and requires us to be very certain of every aspect of the project, especially the marketability of the area. The "when" and "where" factors are the most crucial here.

Competitiveness. We have to be on our toes to remain competitive in terms of concept and design and be continuously innovative with our products. We also need to ensure that the products fit the market and the business is profitable to the company.

On top of that, we need to constantly comply with all the requirements of the local authorities.

### If you had three wishes, what would they be?

- Constantly providing quality products and services to our customers to create value for their money.
- That all Malaysians can one day own their own homes and we are their developer of choice.
- In order for the industry to thrive, we hope that all involved will continue to work together and get good support from financial institutions. So far, the industry has grown well and we hope that our industry partners will continue to innovate and create better products to support us.

### What would your ultimate/dream project be like?

It is our hope that our work satisfies the stakeholders, homeowners and various authorities governing the industry. It is our dream to leave a lasting legacy in the townships we create by providing all that the community needs, such as efficient infrastructure, planned and orderly environment, acceptable density, generous green spaces, timeless architecture, quality workmanship and all the positive attributes that will create value for their properties.

PICTURES BY SUNWAY CITY



The developer undertakes research to improve its offerings



Sunway Rymba Hills is one of the projects that incorporates the LOHAS philosophy

# SUNWAY

Sunway City Berhad has embraced the concept of LOHAS (Lifestyles of Health and Sustainability) in all its current and future developments. Sunway City Berhad is committed to the principle of green living by designing its development projects that encompasses a holistic approach to sustainable living. We are proud to hold an award-winning philosophy, encouraging social and environmental consciousness among

## Health and Fitness



### Sunway South Quay

Sunway City provides the tools for healthy living. Walkways, exercise equipments and meditation decks help promote self sustainability through the list of activities that can be done with the provided facilities.

## Personal Development



### Sunway University College

Sunway City promotes the belief in acquisition of knowledge and skills for the purpose of enhancing an individual's growth and personal development. Sunway University College provides a conducive environment where one can improve themselves and enhance their knowledge.

## The Environment



### The Banjaran Hot Springs Retreat

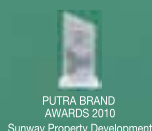
Sunway City is very committed in ensuring that green living is encouraged, by creating the perfect harmony of nature, embraced by a magnificent limestone cliff. This perfect oasis is rich with flora and fauna as well as hot springs, providing a green and healthy living.

## Sustainable Living



### MontBleu Residence

Sunway City encourages the community to be a part of LOHAS as they promote an environmentally friendly culture through this green building designed with energy, water efficiency and eco-friendly materials.



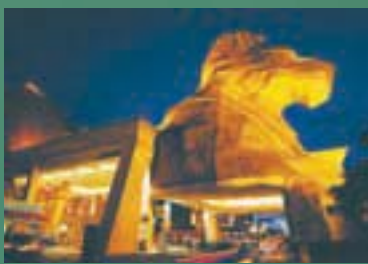
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# LOHAS

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## Social Justice



### *Sunway Pyramid Shopping Mall*

Sunway City is serious in providing a safe environment for the communities we build. Sunway Pyramid offers an avenue for tourists to obtain information and assistance from the Selangor Tourist Police Centre.

# Moving into a new phase of growth

Sunrise Bhd has entered Stage 3 of its growth plan, venturing beyond Mont'Kiara with its first launch overseas, an apartment complex on the west coast of Canada

BY Rosalynn Poh

Sunrise Bhd is busier than ever now. The developer, which is synonymous with the exclusive Mont'Kiara address in Kuala Lumpur, has embarked on its next stage of growth — developing projects beyond Mont'Kiara.

“As we grow our business, we are venturing into property development beyond Mont'Kiara. Sunrise is now entering into what we term ‘Stage 3 growth’, with a five-year strategic plan to move the company into a new phase of growth, with multi-products in multi-locations,” says Sunrise executive chairman Datuk Tong Kooi Ong in an email interview.

Just last month, the company soft-launched its first residential project in Canada. The first phase of the RM1.2 billion mixed development Quintet in Richmond, British Columbia, has been fully taken up.

Tower A was fully sold even before the sales gallery was completed and opened to the public. Over 90% were Chinese buyers, says Tong.

Quintet is located in the city centre of Richmond, just outside downtown Vancouver. Its 4.8-acre site has a total buildable area of 727,000 sq ft. Some 615 apartments with built-ups of 500 sq ft (one-bedroom) to over 1,500 sq ft (penthouses and townhouses) will be built.

The homes will have LEED-based sustainable measures and all units will be feng shui-certified. The project balances urban living and park-like serenity with two acres of landscaped rooftop gardens. It will also feature a large gym with a 75ft lap pool, Jacuzzi, sauna, yoga and Pilates studio as well as lounges, television rooms and karaoke facilities. There will also be two furnished dining rooms with professional-standard kitchens for residents to use to entertain their guests.

Another unique feature is the incorporation of a branch campus of a university and a community centre into the project. Continuing education programmes and a centre for cultural dialogue are expected to be made available. There are three major shopping malls (Richmond, Lansdowne and Aberdeen Centres) near Quintet.

“We began marketing the first one-third of the units in the first phase at an average price of C\$475 (RM1,425) psf. This price will be scaled upwards as we launch the subsequent batches of the first phase. This compares favourably with other nearby

## Sunrise

	2010	2009
Overall	4	9
Quantitative	12	15
Qualitative	2	1

projects on the market as well as the secondary market pricing of equivalent apartments. A number of projects nearby are priced at around C\$540 psf with one by the river nearby going for over C\$700 psf.

“About 80% of the units in the first phase were reserved for signing two days after a preview for VIPs. Tower B will be launched next and the indications are it will receive a similar response as Tower A. In fact, the spillover buyers from Tower A are equal to more than half of the units available for sale in Tower B,” says Tong.

The market can expect Sunrise to duplicate its success in Mont'Kiara in all its projects. “Planning has been ongoing for the last couple of years. Aside from Canada, we will also launch Menara Solaris in Kuala Lumpur this year. In the meantime, we are working on our Bukit Jelutong project with our JV partner and on several other parcels of land owned by Sunrise in various locations in the Klang Valley,” Tong adds.

Earlier this year, the developer announced a joint venture (JV) with Sime Darby Bhd to develop a 20.95-acre site in Bukit Jelutong into a RM1 billion integrated commercial property.

“It is a strategic option which creates a positive synergistic effect, enabling both JV partners to tap into each other's technical expertise, customer base and premium branding in building the Bukit Jelutong development. We will always review such alliances where opportunities arise in the future,” says Tong.

The RM480 million Menara Solaris office tower, situated off Jalan Sultan Ismail in Kuala Lumpur, is slated for launch soon. It will comprise 250 office suites, strata office suites and five retail areas. The project is just 500m from the Kuala Lumpur City Centre, directly behind Renaissance Hotel.

As Tong points out, there is a lack of quality strata office space in Kuala Lumpur as opposed to purpose-built offices for corporations and leasing. “Menara Solaris presents a rare opportunity for businesses to own instead of rent their own prime office space,” he says.



Tong: Our products cater for different market segments, complement the existing projects and enhance the strategic appeal of the entire community

## Stage 3 growth

So far, Sunrise has developed 118 acres in the Mont'Kiara-Dutamas area, with another 71 acres left to be developed.

Being the largest and earliest developer in the Mont'Kiara enclave, it remains a core location for Sunrise. “We will continue to commit to the development of the area,” says Tong.

“We were very much a single-product company, developing mainly residential condominiums in Mont'Kiara up until 2002. This was Stage 1 of the company's growth.

“We have moved on to Stage 2 and developed multiple products, both commercial and residential, mostly within Mont'Kiara to target a bigger market segment. Our products cater for different market segments, complement the existing projects and enhance the strategic appeal of the entire community,” he says, citing the Solaris range of commercial proper-

ties in the Mont'Kiara/Dutamas area that aims to add value, generate retail activities as well as enhance mobility and convenience within the thriving Mont'Kiara neighbourhood.

“Aside from diversifying our property development activities geographically, we are also venturing into hospitality — a new business that will add to our brand value. The primary objective is in the operation of serviced residences. This new unit also aims to assist our existing homeowners in generating yield and occupancy for their properties through medium to long-term leasing,” Tong explains.

“In the pipeline are several projects in Kajang, Mont'Kiara, Kuala Lumpur city centre and Dutamas, which will sustain the earnings of the company until the end of the decade.”

The developer's latest launch in Mont'Kiara is 28 Mont'Kiara. The RM1 billion project, with 460 units that are 2,535 to 3,000 sq ft in size and

priced at an average of RM780 psf, was launched in February. The penthouses offer luxurious built-ups of up to 6,465 sq ft. The development is currently 50% sold.

So, what sets Sunrise apart from the other developers? As a company, Tong says, it is committed to its business proposition of delivering sustainable and appreciating value to its customers, staff and shareholders. “Our premium branding, innovation and our commitment and ability to create value for all our stakeholders distinguish us from most other developers. Our track record speaks for itself. Our customers enjoy decent capital gains and rental yields on their properties and live within a safe and comfortable community with ample amenities.

“Our staff are part of a profitable and successful company, where there are good career prospects and rewards

CONTINUES ON PAGE 36

A property investment opportunity in Richmond, Vancouver



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Building Dreams, Creating Value

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## Sunrise

FINANCIAL YEAR-END JUNE 30 (RM '000)	2009	2008	2007	2006	2005
Revenue	803,922	685,830	558,098	359,185	367,723
Pre-tax profit	205,760	201,116	157,392	41,208	150,215
Paid-up capital	495,390	450,215	446,982	424,519	422,679
Shareholders' funds	974,468	758,628	609,323	506,156	562,175
Profit attributable to shareholders	156,197	160,046	108,109	6,570	104,692
Dividend payout ratio (%)	7.05	18.3	31.9	273.4	34.8

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
28 Mont'Kiara	Residential	460	998	Dec 2009	50

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV	EXPECTED LAUNCH
Menara Solaris, off Sultan Ismail	Stratified office suites	250 business suites, 5 retail areas	RM480 mil	2H 2010
Quintet, Canada	Mixed development	615	CS400 mil	2H 2010
MK 20, Mont'Kiara	Mixed Development	NA	NA	Early 2011
Bukit Jelutong, Shah Alam	Mixed Development	Commercial (80%) Residential (20%)	RM1bil	Mid 2011
Solaris 3, Mont'Kiara	Mixed Development	NA	NA	Mid 2011
Lot 149, KLCC	Office & residential	NA	NA	Mid 2011
Kajang	Landed residential	NA	NA	Mid 2011
MK 22, Mont'Kiara	Residential Development	NA	NA	Late 2011

PICTURES BY SUNRISE



An artist's impression of the soon-to-be-launched RM480 million Menara Solaris in Kuala Lumpur

## Bringing art and culture to the public space

### FROM PAGE 34

for our workforce. We have proved our ability to continue to make progress, find new markets and innovate to cater for the diverse and evolving needs of a bigger market segment," he says.

The developer's green initiative is noteworthy. "In all our condominium developments, from the earlier Mont'Kiara Pines to the latest offering of 28 Mont'Kiara, the tower footprint usually occupies only a maximum of 50% of the land. The balance is utilised for green, open spaces, thus permitting a high green plot ratio. We create sustainable communities that are well supported by a host of amenities, services and infrastructure," Tong says.

### Community development

In the last four years, Sunrise has been focusing on community development, evident from the regular community-based activities organised for its residents.

The developer further strengthened its community development imprint in May with the unveiling of its new 800,000 sq ft creative retail destination called Publika in the RM1.5 billion-mixed development of Solaris Dutamas, Kuala Lumpur. Making Art Public (MAP), situated within Publika, is designed to add a new dimension to the art and cultural platform of the creative retail concept.

"Art and culture are an extension of this. With MAP and our objective to 'make art public', we hope to play an increasingly active role in giving the local arts a home and an audience. It is part of our contribution not only to our residents, but society as well," says Tong.

"With today's hectic lifestyles, an appreciation of the finer things in life is one way to strike a balance between work and play. We are creating a living art and cultural hub where people can add art to their lei-

sure activities or be exposed to art by just being in an environment where art thrives. Not in a gallery, but in a public space."

MAP offers public spaces for activities such as art exhibitions, performances, lectures, seminars and workshops throughout the year.

"Publika offers a fresh experience that is not only about shopping but also leisure. It is about the community participating in arts and enrichment. This will set us apart from other shopping malls and is key to fuelling the popularity of Solaris Dutamas and Publika as the place to be," says Tong.

Sunrise is also working on the expansion of the Sunrise Fun Zone community centre to include more facilities and services for teenagers and adults. The developer may extend its shuttle bus service for residents in Mont'Kiara to the 17-acre Solaris Dutamas as well once it is completed at the end of this year.

## Q&A

### City & Country: Is Malaysia looking at a property bubble?

**Datuk Tong Kooi Ong:** No, the price appreciation of properties over the last decade has not been excessive and was in line with the inflation and wage increases. Moreover, property development is a very competitive sector with low barriers to entry. Thus, prices are reflective of the market.

### What's the outlook for the next 12 months?

There has been a fair supply in certain sectors and geographical locations and this could cap prices. However, the rising costs of construction also mean that prices will likely to hold up well.

The general outlook should still be strong due to low interest rates, ample liquidity, and the desire to own a home. The current low unemployment rate and stable population growth in the country are supportive of the home ownership programme.

### What are the growing challenges for a property developer today and how to overcome them?

Rising raw material and labour costs pose a challenge to developers. As prices increase, the ability to price them into sales will be increasingly difficult. The proposed release of huge tracts of government-owned land, such as the 400-acre Royal Malaysian Air Force land in Sungai Besi, 150 acres along Jalan Cochrane, the 62.5-acre Matrade land in Dutamas and the 3,300-acre Rubber

Research Institute land in Sungai Buloh may add huge potential supply in a very short time.

Hence, the differentiating factor that will determine the success of a developer is largely driven by factors other than price. In the case of Sunrise, our brand name, track record in value creation, reliable quality of product and services and commitment as a community developer are fundamental for our long-term success.

The scarcity of land in the Klang Valley also calls for 'eco-densification' or 'building up' to optimise land usage and ensure sustainability.

Bureaucracy and policy changes can reduce the efficiency of the industry as a whole and more transparent and consistent rules and policies would be lauded.

As business success depends on ideas, creativity and innovation, there is a need to review the education and remuneration system to attract and retain talent in Malaysia in order to prevent brain drain.

### If you had three wishes, what would they be?

- The economic prosperity of the nation, especially in terms of higher foreign investments and a higher-paid work force which would increase affordability.
- Improve traffic and the public transport system.
- Instead of immigration out of the country, we [would like to] see Malaysians returning home from abroad and foreigners migrating to Malaysia to call it their home.



Sunrise's first project in Richmond, Canada – the RM1.2 billion Quintet

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1	Bandar Kinrara, Puchong	6A3	2 Storey Shopoffice	3,057 – 4,893	22' x 80'	898,888 – 1,500,888
2	Bandar Kinrara, Puchong	9A9C	Double Storey Bungalow	3,485 – 4,360	8,013 – 16,249	2,091,888 – 3,327,888
3	Bandar Kinrara, Puchong	7A12	Double Storey Terrace	2,680 – 3,668	4,900 – 7,000	1,392,888 – 1,654,888
4	Seri Beringin, Bukit Damansara	2A1	Bungalow Lot	-	9,052 – 10,785	520 – 660 psf
5	Desa Damansara 2, Bukit Damansara	-	Condominium	1,421 – 4,166	-	787,913 – 3,112,600
6	Alam Damai, KL	7A1	Double Storey Terrace	2,566	28' x 70'	765,888 – 1,264,888
7	Alam Damai, KL	7A2	3 Storey Terrace, 2 & 3 Storey Semi-Detached	3,414 – 5,431	28' x 70', 50' x 80' & 50' x 90'	1,032,888 – 1,974,888
8	Alam Impian, Shah Alam	A1-03 (a) & (b)	Double Storey Terrace	2,924 – 5,010	24' x 80'	569,888 – 1,208,888
	Alam Impian, Shah Alam	A1-05 (c)	Double Storey Terrace	2,484 – 3,846	22' x 80'	495,888 – 1,041,888
9	Alam Sari, Bangi	3P3	Double Storey Semi-Detached	3,130 – 3,175	40' x 80'	914,888 – 982,888
10	Alam Sari, Bangi	4P1	Estate Lot	-	1 acre	35 psf
11	Alam Sutera, KL	S5B	2 Storey Semi-Detached	3,163	40' x 80'	1,309,888 – 1,469,888
12	Alam Sutera, KL	S7	2 & 3 Storey Shopoffices	2,965 – 7,239	22' x 75'	950,888 – 2,245,888
13	Bayuemas, Klang	A8A	Double Storey Terrace	1,911 – 1,931	22' x 70'	304,888 – 429,888
14	Petaling Heights, PJ	-	Bungalow Lot	-	7,341 – 32,076	From 100 psf
15	Bandar Baru Seri Petaling, KL	Zone K	Apartment	OPEN FOR REGISTRATION		



\*All the developers' licenses and its sales & advertising permits for the above projects are still valid.



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# Expanding at home and abroad

IGB Corp Bhd leverages on its investment property and hospitality divisions for growth

BY Wong King Wai

Over the past 15 years, Robert Tan, group managing director of IGB Corp Bhd, has seen the inside of airports at least once a week. His dealings have him traversing the world and today, IGB Corp has international dealings as well as a prominent presence at home.

Speaking to *City & Country* in one of the serviced apartments in The Gardens Hotel & Residences — the interiors of which Tan had a hand in designing — there is an unmistakable spark in his eyes as he talks about the work he does. The group he leads is involved in retail, hospitality, construction and property development.

“Our results for the second quarter of 2010 ended June 30 were announced on Aug 23. Group turnover and pre-tax profit were higher at RM170 million and RM63 million respectively compared with RM155 million and RM58 million in the same period in 2009. The higher contribution is mainly due to recurring income from property investment and hospitality,” Tan says.

He believes that passion has to be mixed with aspiration and inspiration to keep one motivated to do one’s best. This has been his mantra for many years and it has served him well. And one of his passions has led him to create one of the biggest shopping destinations in the country — Mid Valley Megamall and The Gardens Mall in Kuala Lumpur. They are also a testament to Tan’s fervour for retailing and continue to attract shoppers from all over the Klang Valley and beyond.

“Retail is my passion. I’m an avid shopper,” Tan says, adding that one of the first things he does when abroad is to visit the malls.

“I understand the desires of people, what people want and designed something to suit them.”

This understanding of the different aspects of what a mall should be has helped him create two that are easy to navigate, although they are big. “When one is building something big, it has to be simple and uncomplicated,” Tan says succinctly. For example, the naming of the different areas of Mid Valley Megamall — North Court, South Court and so on — makes it easy for shoppers to get around.

Tan is always on the lookout

## IGB Corp

	2010	2009
Overall	5	4
Quantitative	6	5
Qualitative	4	5

for new opportunities. The group is looking to invest in or acquire malls abroad in countries like the UK, although nothing is in the bag yet, he says.

Away from retailing, IGB Corp is involved in construction via its division Ensignia Construction Sdn Bhd (ECSB). ECSB is the supporting arm of IGB Corp, and its main focus has been Mid Valley City. ECSB was also responsible for the construction of The Gardens at Mid Valley, which comprises The Gardens Mall, The Gardens Hotel and Residences and The Gardens North and South Towers.

“Only the fitout of the top seven floors of The Residences remains to be done and should be completed in the next six months,” Tan says.

The construction of the last phase of the Mid Valley City development, a commercial block, is due to start in January next year, with an estimated construction cost of RM250 million, excluding infrastructure works. The design of the block will include space for either a car showroom or a small convention centre, although nothing has been finalised.

ECSB also recently completed the construction of U-Thant Residences for Tan & Tan Development Bhd, IGB’s property development subsidiary, at a contract value of RM80 million, and is refurbishing Menara Tan & Tan on Jalan Tun Razak for RM20 million. The refurbishment is scheduled for completion next year.

Although IGB Corp seems to be focusing on recurring income from its properties, it has not lost interest in property development. In fact, by next year, investors and homebuyers will see its property division, handled by its wholly-owned subsidiary Tan & Tan Development launching projects in Desa Pandan and on Jalan Tun Razak. Both these projects will have a combined gross development value (GDV) of RM426 million.

The project in Desa Pandan will feature 475 apartments with a GDV of RM282 million while the one in Jalan Tun Razak will feature 166



Tan believes that passion has to be mixed with aspiration and inspiration to keep one motivated to do one’s best

apartments with a GDV of RM144 million. “The city-sized apartments should appeal to the market at large,” Tan says, adding that further details about the projects will be announced later.

He believes that the Desa Pandan project has promise, thanks to new highways that have made the location accessible to the Jalan Imbi and Jalan Sultan Ismail area. “The proximity has encouraged us to vary the development to be largely residential,” Tan says.

Ongoing projects under the property development division include Hampshire Place in KLCC, Sierramas Garden Manor and Seri Ampang Hilir. At the time of writing, Sierramas Garden Manor was fully sold while Seri Ampang Hilir and Hampshire Place were 85% and 94% sold respectively.

Sierramas Garden Manor comprises 41 freehold 3 and 4-storey strata villas in Sungai Buloh, Selangor. It sits on 3.59 acres and the units are priced from RM1.4 million to RM2.7 million each. The unit sizes average 3,500 sq ft. The project has a GDV of RM67 million and was launched in January.

Seri Ampang Hilir in Ampang, meanwhile, is a 10-storey condominium project on a 0.95-acre tract with a GDV of RM40 million. There are only 40 units of 2,229 to 3,918 sq ft that are priced from RM1.83 million to RM4.48 million. The project was launched in May.

Hampshire Place in the KLCC area is a twin-tower block development of 30 storeys. Launched in December 2008, the project with 186 units sits on 1.6 acres and has a GDV of RM157 million. The unit sizes range from

764 to 3,918 sq ft and the prices are RM530,000 to RM3.9 million.

The group does not have a large landbank at present, although it does have about 500 acres of land in Kundang, near Rawang, and 850 acres in Labu, Negeri Sembilan.

“The value of these sites is small in comparison with our urban holdings such as those on Jalan Stonor in Kuala Lumpur,” Tan says. “The acreage is suitable for our Sierramas-type developments while the urban properties remain our core development focus. Locally, we do look at all proposals while overseas, we prefer to look at commercial propositions and assets.”

Meanwhile, the hospitality division is doing well. In 1HFY2010, total turnover was 23% higher at RM164 million compared with RM134 million in the previous corresponding



PICTURES BY IGB CORP

An artist's impression of Seri Ampang Hilir with its hanging gardens and swimming pool



## IGB Corp

FINANCIAL YEAR-END DEC 31 (RM '000)	2009	2008	2007	2006	2005
Revenue	642,442	688,224	673,931	718,961	619,677
Pre-tax profit	221,536	208,363	204,189	202,028	173,357
Paid-up capital	745,148	745,148	744,862	732,523	730,277
Shareholders' funds	2,856,493	2,688,381	2,639,601	2,477,603	2,382,386
Profit attributable to shareholders	158,978	154,960	136,851	135,915	105,458
Dividend payout ratio (%)	5	5	5	5	5

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Hampshire Place	Apartments	186	157	Dec 2008	94
Sierramas Garden Manor	Villas	41	67	Jan 2010	100
Seri Ampang Hilir	Condo	40	82	May 2010	85
Desa Pandan	Apartments	475	282	April 2011	—
Jalan Tun Razak	Apartments	166	144	June 2011	—
Sierramas	Villas	41	112	Dec 2011	—

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Melawati	Villas	160	480	2011
Office Tower, Mid Valley	Offices	50 storeys	560	2011
Kundang, Selangor	Township	2,000 units	1,200	2012-2020
6 Stonor	Condo	110 units	350	2012
3 Lorong Stonor	Apartment	70 units	140	2012

PICTURES BY IGB



Top: Hampshire Place's twin towers  
Right: Sierramas Garden Manor's façade and spacious living room



## Q&A

### City & Country: Is Malaysia looking at a property bubble?

**Robert Tan:** In our opinion, no. Most of the recent hyped-up price increases are in localised brownfield urban locations, which reflects scarcity and new products in desirable locations. Certainly, some prices have been beyond expectation and prices in their neighbourhoods. The bulk of units in the RM250,000 range has seen an increase but not by a large percentage.

### What's the outlook for the next 12 months?

Our outlook is that property prices will continue to rise in most locations. In the Klang Valley, prices will likely increase by 10%, and more in selected areas. This is driven by inflation, an expected reduction in subsidies, low interest rates and a better economic outlook.

### What are the challenges faced by a property developer today and how to overcome them?

The challenges continue to be the replacement of suitable plots for development and the continuing increase in regulatory compliance. Although generally the laws have been provided, there have been

varying interpretations, resulting in an uneven approval landscape. A process of transparent release of lands for development should be introduced, together with up-to-date property statistics. Plans for infrastructure, including transport, should be provided and the schedule of delivery adhered to for better overall planning and delivery.

### If you can be granted three wishes what would they be?

We wish that the overall skills in the property development can be upgraded. This would involve the whole delivery system. There are moves by the authorities to provide meaningful steps towards this and we hope to see them carried through.

### What would your ultimate/dream project be like?

Our ultimate project would be one where all residents can live in harmony and in a green eco-friendly development. This development would be integrated with its neighbours and have great interactive spaces for all ages. Some of our earlier developments contain some of these elements; we will source a suitable parcel for this project.

period. In tandem with the growth, the division's pre-tax profit was 23% higher at RM32.7 million from RM26.6 million previously.

"There were two recent overseas additions with a total of 832 rooms," says Tan. A 320-room four-star hotel in New York was acquired by an associate company for US\$82 million (roughly RM253.2 million) in April. This was followed in July by the soft opening of the group's 512-room three-star St Giles Makati in the Philippines. The US\$30 million hotel, which was built from the ground up, will officially open next month.

Work is also in progress on more hotels in Malaysia, including the 438-room St Giles Penang and 260-room Cititel Express Penang. These are expected to increase the group's room inventory to 6,698 by 2012, Tan

says. Currently, the group has 14 hotels with a total of 6,000 rooms, of which 4,500 rooms are self-managed. The Renaissance Kuala Lumpur and New World Saigon are managed by a third party.

Tan has studied every aspect of his trade — be it retail, hotels or property development and construction — so no one can pull the wool over his eyes.

This do-it-yourself attitude is being passed on to his children. "Everything matters, every experience matters," he observes.

Tan relies on what he has learnt in the past — he has survived five to six economic downturns — and his gut feeling that has been nurtured over the years while leading IGB Corp to not only gain greater local prominence but also an international foothold. **E**

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# Change is the only constant

For IOI Properties Bhd, continuously improving on product quality, customer service and community development efforts are what define a top player

BY Sreerema Banoo

A lot can happen in 12 months. Just ask IOI Properties Bhd's general manager (marketing and business development) Lee Yoke Har. In tandem with the improving economy and return of confidence to the property sector, IOI Properties notched record-breaking sales for FY2010 ended June 30. Revenue hit an all-time high of RM969 million, up from RM699 million recorded in the previous year. Pre-tax profit for FY2010 was RM641.3 million, up from RM218 million previously.

The developer has been busy, having embarked on a new township development in Puchong and launching its much-anticipated upmarket condominium project in Singapore. And while its stellar financial performance — attributed to pent-up demand owing to sluggish sales in 2009 — is cause to celebrate, Lee says, IOI Properties is focused on improving the qualitative attributes of what makes a top property developer.

For Lee, the fact that IOI Properties has been ranked one of the top 10 developers in the country for the eighth consecutive year (it is at sixth place this year) is a source of encouragement. Accolades like *The Edge* Top Property Developers Awards, she adds, serve to motivate the company to do better. "Internally, we have set targets pertaining to the qualitative attributes to move forward in terms of rankings. We are always looking for ways to improve; as they say, change is the only constant," says Lee.

More than simply a matter of survival, she adds, improving on product quality, customer service and community development efforts are what define a top property developer.

## Reinforcing the brand

Since end-2009, the company has made concerted efforts to reinforce the IOI Properties brand, in particular in customer service. "We've started service ownership workshops, aimed at getting our staff to take ownership of providing good service," Lee says, adding that the developer is benchmarking itself against the best, not only within the property sector but also across other sectors such as banking and hospitality.

"The objective of the workshops is to communicate the message to our staff that if we want to be better, we have to improve our service levels."

## IOI Properties

	2010	2009
Overall	6	6
Quantitative	5	6
Qualitative	10	11

To this end, the company has come up with customer service statements — dubbed IOI Branded Customer Service — that, among others, encompass the types and levels of service that can be uniquely identified with the developer.

While Lee recognises that a mindset change, crucial to any customer-service improvement endeavour, will not happen immediately and the improvements will take a few years before they are reflected in the company's financials, its efforts on bettering product quality appear to be paying off.

She discloses that its semi-detached project in Puchong, Skyville Residences, recently scored a rating of 78.4 under the Construction Quality Assessment System or CONQUAS. "Only two developers in Malaysia have exceeded that," she says, visibly pleased, pointing out that this is the first time IOI Properties has had any of its projects rated under CONQUAS.

IOI Properties also sees itself as playing an important role in community development. "We are a township developer; we build the community so we see it as our duty to maintain the community and make it sustainable," Lee explains.

To that end, besides embarking on a series of activities — such as its "Go Green" events aimed at educating and encouraging communities to reduce waste — the developer is also steadfast in ensuring that there are open channels of communication between the residents and itself. This, Lee says, is achieved by working closely with resident associations at its various townships.

Beyond ensuring the sustainability of the township, by building a relationship with the property owners and residents, the developer is also building on its following. "Keeping the channels of communication open allows us [buyer and developer] to understand each other, and once they know us and our values, then the greater the likelihood is that they will buy houses from us again," Lee comments.



Lee: We are a township developer; we build the community so we see it as our duty to maintain the community and make it sustainable

## Product innovation is key

Beyond these initiatives, which Lee describes as fundamental in sharpening its edge to stay ahead of the competition, the developer also recognises the importance of product innovation. In this respect, two areas — product design and the creation of conducive environments — are especially important.

"In terms of finishes, we've always exceeded expectations. In terms of design and creating green environments, we are still leading the way," says Lee, pointing to the theme gardens created in its latest township Sierra 16 in Puchong.

To be innovative, the IOI Properties conducts bi-monthly study tours to check out of the cutting-edge ideas and designs that have been implemented at various developments. "We take the positives and improvise ... it's a continuous process," Lee says, adding that the product development team is also encouraged to read and keep abreast of the latest trends.

"We've been in the market for 25 years, but it's only in the last two to three years that the market has seen a lot of innovation. It's been an exciting few years especially where green products are concerned."

Moving forward, she says, all of IOI Properties' purpose-built office towers will be rated based on the Green Building Index. "It will no longer be a choice, but the way forward."

On the residential front, while it may be too prohibitive to build housing units that meet the Green Building Index criteria, due consideration will be given to the environment in terms of design and material selec-

tion. "In time to come, rainwater harvesting and solar panels will be standard features in our residential projects," says Lee.

## What's ahead

As IOI Properties focuses on building on its strengths, what's clear is the fact that the next few years will be an exciting time for Lee and her team. On the residential front, the developer will be training its sights on its latest township — 16 Sierra. "While the bulk of our activity will be in 16 Sierra, we still want to pace the launches," says Lee. Some of the upcoming offerings here include 446 units of townhouses that will be launched this month. Boasting built-ups ranging from 1,700 to 2,200 sq ft, the units are pegged at RM339,000 to RM439,000. In addition, the developer expects to launch terraced units and semidees next year.

Lee is also excited about the upcoming commercial developments, in particular boutique bungalows and semidee offices called the Cube in Bandar Puteri Puchong. She says what's unique about the development is the fact that each of the units will have its own parking space, making such properties ideal for bridal houses, F&B outlets and corporate offices for small and medium enterprises. The 41 units of the Cube are expected to be launched in 2Q2011 with an indicative pricing of RM5 million each.

The developer will also be embarking on a niche retail development, also in Bandar Puteri Puchong, featuring high-rise offices, serviced apartments and office parks, in 2012.

The fact that this upcoming development and the Cube are markedly different from the developer's current stable of commercial offerings is not lost on Lee. "We need to deliver a different value proposition to our investors," she explains. "While the 3 and 4-storey shopoffices have been doing well in terms of sales, in time to come things will reach a saturation point."

The trend, she adds, is to offer specialised retail developments. To that end, it's crucial that the developer has its finger on the pulse of the market. "You have to look at the market and decide on what's suitable."

Lee does not discount the importance of feedback from customers — underscoring the importance of maintaining open channels of communication with buyers — and points out that many of the buyers of its first commercial offerings (3 and 4-storey shopoffices) have since expanded their business, developed more sophisticated tastes and thus demand more sophisticated products.

On the property investment front, the developer is on track to growing the segment's contribution to overall revenue from the current 18% to 20% to 30%. It hopes to achieve this with the completion of the two remaining office towers in its Puchong Financial Corporate Centre as well as embarking on a new commercial development at IOI Resort.

The first phase of the new development, comprising a mall with a net lettable area of 1.3 million sq ft (called IOI City Mall), two office towers and a hotel, sits on a 41-acre site. The project, which is currently at



## IOI Properties

FINANCIAL YEAR-END JUNE 30 (RM '000)	2009	2008	2007	2006	2005
Revenue	699,086	787,915	704,878	609,197	591,044
Pre-tax profit	218,603	550,183	555,174	426,442	325,509
Paid up capital	406,393	333,809	332,958	332,668	332,668
Shareholders' funds	3,278,664	2,361,011	2,165,704	1,905,717	1,753,647
Profit attributable to shareholders	—	—	—	—	—
Equity holders of the company	113,718	390,269	396,988	325,048	237,489
Minority Interests	5,699	21,117	25,686	4,813	6,450
Dividend payout ratio (%)*	—	50	53	65	69

\* Dividend payout ratio = gross dividend per share/basic earnings per share

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP(%)
<b>Bandar Puteri Puchong</b>					
Puteri Central	4-storey shopoffice	58	176	Aug 10	40
Prima Avenue 2	4-storey shopoffice	20	40	April 10	80
Adenia / 16 Sierra	2-storey terraced houses	147	74	Jan 10	50
Areca / 16 Sierra	2-storey terraced houses	104	55	Jan 10	50
Odora / 16 Sierra	3-storey townhouses	223	98	Oct 10	—
<b>Bandar Putra, Kulai, Johor</b>					
Tanjung Indah	1-storey terraced houses	196	26.04	Oct 09	90
Alicia	2-storey terraced houses	131	24.73	Aug 09	90
Kristal	1-storey terraced houses	56	8.94	Feb 10	99
Alicia 2	2-storey terraced houses	106	22.93	July 10	10
Tanjung Indah 2	1-storey terraced houses	131	21.97	Sept 10	—
<b>Taman Kempas Utama, Johor</b>					
2 S Terrace - Cyberia	2-storey terraced houses	72	31.08	Aug 09	55
2 S Terrace - Indahria	2-storey terraced houses	110	42.90	Aug 09	59
Semidee factories		20	18.92	Nov 09	100
Semidee factories		20	24.19	Dec 09	95
Detached factories		7	14.82	Dec 09	100
3 Shopoffice - Atria 2	3-storey shopoffice	20	12.59	March 10	95
2 Shopoffice - Atria 1	2-storey shopoffice	28	14.16	March 10	100
<b>Taman Legenda Putra Kulai, Johor</b>					
Jelita	1-storey terraced houses	49	7.9	June 09	92
Jelita 2	1-storey terraced houses	51	8.5	Nov 09	75
<b>Penang</b>					
Fettes Residences, Tanjung Tokong	Condo	195	173.5	1Q2009	73

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Puteri Palma Condo 3 / IOI Resort City	Condo	180	120	Oct 2010
<b>Bandar Puteri Puchong</b>				
The Cube	Boutique office	41	220	1Q 2011
280 Apartment	Apartment	280	77	1Q 2011
Skypod	Condo	580	260	3Q 2011
Prima Avenue 3	4-storey shopoffice	15	37	2Q 2011
16 Sierra	Terraced	228	117	April 2011
16 Sierra	Semidee houses	35	23	April 2011
<b>Bandar Putra, Kulai, Johor</b>				
Tropics 2	2-storey terraced houses	55	17.6	Feb 11
GolfVue Twin Villas	Semidee houses	32	22.4	Nov 10
Terraced - Crystal 2	1-storey terraced houses	126	19.53	March 11
Shops	1-storey shopoffice	24	5.73	May 11
Shops	2-storey shopoffice	10	2.99	May 11
2-storey terraced	2-storey terraced houses	159	41.34	May 11
<b>Taman Kempas Utama, Johor</b>				
Detached factories	Detached factory	8	20.73	Sep 10
Terraced factories	2-storey terraced factory	56	33.04	Dec 10
Semidee houses	Semidee houses	82	56.58	Dec 10
Shops	Low cost shop	58	8.7	Mar 11
2-storey terraced	2-storey terraced houses	47	16.92	Mar 11
<b>Taman Legenda Putra Kulai, Johor</b>				
Inspira	1-storey terraced houses	96	14.88	Nov 10
	2-storey terraced houses	42	2.10	March 11
Phase 3A01	1-storey cluster	12	2.85	June 11
Phase 3B01	1-storey cluster	12	2.85	June 11
<b>Penang</b>				
Stramax, Desaria	Terraced	107	90	TBC
Lot 5460, Desaria	Shopoffice	22	28.6	TBC
Lot 200, T. Kumbar	Condo	96	40	TBC
Cypress II, Desaria	Semidee houses	52	65	TBC

earthworks stage, is scheduled for completion in 2013.

In line with its objective to boost its property investment activities, the developer is also looking at investing abroad. One market that has caught its attention is the UK office segment. Lee says, however, that the developer is still scouting around for opportunities. "We're not rushing because we think the situation is still

not stabilised yet ... We'll only go in when we can see where the market is heading."

IOI Properties is also looking at its third project in Singapore, following its Seascape Collection that was launched this year, and Pinnacle, on which construction has commenced but which has yet to be launched.

The new development is called Cityscape at Farrer Park and is lo-

cated in District 8, a short distance from Orchard Road. Comprising 250 condos, it will be launched on Oct 16. The units, with built-ups of 970 to 1,300 sq ft, are pegged at S\$1,500 (RM3,528) psf.

As for future projects in the island republic, Lee says the developer is keeping an open mind. "If there are opportunities, we will seize them." ■



Above: The Cube is an upcoming boutique bungalow and semidee office development

Right: Puteri Palma in IOI Resort is one of the projects in the pipeline



## Q & A

### City & Country: Is Malaysia looking at a property bubble?

**Lee Yoke Har:** Malaysia is not looking at a property bubble. The price increase of between 10% and 30% as reported in the recent six to eight months is not broad-based and only limited to a few locations. Besides, such a rate of increase is not alarming compared with the escalation in prices experienced in Singapore, Hong Kong and other major cities in China. Foreign speculation in the market here is relatively low. The price increase seen recently is mainly due to pent-up demand and cost increase and not so much due to speculative activities. The local property market is very much driven by owner-occupiers and serious investors who prefer property as a safer and more stable investment instrument compared with equity shares and other financial instruments.

There is concern that the price increase does not commensurate with the general income level. It may be true for certain areas only; the majority of products are within the reach of the majority population. Land is getting very scarce in choice locations and when the supply is low, prices will increase in tandem with the demand. There are always locations further away from the city that could fulfil social needs. On the other hand, if we were to interfere with market forces at a premature stage and impose measures to suppress the market when it is just at the infancy stage of an upward trend, it will be difficult for Malaysia to attract the interest of regional and international investors, and that will impact negatively on the nation's aspiration of attaining a high-income economy.

### What is the outlook for next 12 months?

Demand for lifestyle housing with innovative concepts and features at strategic locations will continue to increase. Demand for gated homes will increase in direct proportion to

the increase in crime rate (actual or perceived). Retail yields may stabilise but demand for standalone retail outlets and offices will be strong as there is increasing preference for own identity, convenience and security.

### What are the growing challenges faced by a property developer today, and how to overcome them?

Depleting land in good locations, increasing cost of doing business, slow approval process and outflow of talents. How to overcome this? More efficient use of limited land resources; adding value in terms of product concept, design, quality of finishes and the service level provided to customers; and emphasising talent management and sharpening the skill sets and competence levels of the existing workforce.

### If you were granted three wishes, what would they be?

- That the government will succeed in its economic transformation programme and achieve the national goal of creating a high-income economy;
- A more efficient delivery system by local authorities, government agencies, Tenaga Nasional and Syabas; and
- Fairness and transparency in formulating and implementing development guidelines and in tendering out state land.

### What would your ultimate/dream project be like?

A development where residents and workers arrive via a mass transport line and where people can thereafter take a leisurely walk to their destinations along covered walkways lined with parades of swaying trees and colourful flora, and be greeted intermittently by dancing butterflies and bees and the sweet melodies of birds' chirping. This will be an almost 'smoke-free' city where all the conveniences are within walking distance and the buildings are low-energy buildings with ultra-modern façades and facilities.



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# Going from strength to strength

I&P Group Sdn Bhd seeks to create better environments in its townships

BY E Jacqui Chan

“We can do it!” laughs Datuk Jamaludin Osman, I&P Group Sdn Bhd managing director.

Looking relaxed and well rested after the Raya Holidays, Jamaludin goes on to say the staff often tease him when he gives them this line.

But he takes the good-natured ribbing in stride, saying, “This is my philosophy, I firmly believe that there is nothing we cannot do if we want to. You don’t always get it right, but you learn. Then you analyse what went wrong and try again.”

Looking at I&P’s track record, which consists of successful townships such as Bandar Kinrara, Setia-wangsa, Alam Impian in the Klang Valley and Taman Perling in Johor, one can conclude that Jamaludin and his team more often than not “got it right”.

Jamaludin gets excited as he talks about the company’s current and future projects. With 11 launches of various projects thus far and about another 21 in the works before the end of the year, he is confident of ending the financial year on a positive note.

The 11 launches, which include properties in Bandar Kinrara, Puchong and Alam Impian, Shah Alam, have an average take-up of 78% with sales of RM298 million so far.

I&P’s strategy, says Jamaludin, is about understanding the market.

Jamaludin, who started his career as a civil engineer before venturing into property development in 1985, says many questions need to be answered before the company puts a product out in the market.

“How will the product look? Where will it be? Will people buy? How much can I sell it for? What is the profit margin?” he says, hence the need to study the market.

“We gather all the facts and put them on paper. Innovation is also important, be it in terms of design or other elements. Only when we are sure we have everything in order, do we implement the plan,” he says.

Of equal importance is knowing when to launch a project, which again requires an intimate knowledge of the market.

“Our launches are planned to strike the market when it’s hot. That way, we can bring in as much revenue as possible,” he says.

## I&P Group

	2010	2009
Overall	7	5
Quantitative	2	4
Qualitative	13	13

### Making customers feel good

Long queues are a common sight at I&P launches, particularly in Bandar Kinrara, Puchong and Tesmasya Glenmarie.

“I believe buyers feel they are putting their money in the right place. We have steadily increased our prices and people still buy. That shows that buyers believe in us, in our products, and see future value in our townships. It is as simple as that,” says Jamaludin.

It is that “good feeling” that he wants to create with customers.

Buyers, be they owner-occupiers, investors or first-time home owners will always feel good if they know their properties have sustainable value and will appreciate over time, he reasons.

However, even though strong demand has allowed the company to increase its prices, I&P is careful not to overprice its products.

“Most properties appreciate in value, depending on the developer’s reputation, location and environment. The question is how much? We know how to set the price so we leave room for future capital appreciation for the buyers,” explains Jamaludin.

Perhaps, of all of its developments, Bandar Kinrara is the best known, partly thanks to reports of people camping outside the sales office for days to buy a unit.

Bandar Kinrara won *The Edge*-PEPS Value Creation Excellence Award 2010 for residential development. Encorp Bhd’s Encorp Strand mixed commercial development in Kota Damansara won the award in the non-residential category. The award aims to help consumers discover which properties have the greatest value creation in terms of capital appreciation and to recognise the property developer whose properties have achieved the highest value creation.

Sitting on 1,904 acres, the township was first launched in 1991, and has an estimated gross development



Jamaludin: We want to create that ‘good feeling’ with our customers

value (GDV) of RM3 billion. About 611 acres remain to be developed, which Jamaludin estimates will be completed in another seven to eight years.

The prices for all product types have appreciated by 40% to more than 300% since 1991, while the more recent transactions show an average capital appreciation of 51.55% over an average period of 1.96 years.

Upon full completion the township will have an estimated 16,779 residential units.

In Shah Alam, I&P has the 1,235-acre Alam Impian. Conceived as a “Township of the Arts”, the homes are designed with art in mind and the township features art pieces, landscaping and street art, as well as an art gallery, linear parks, a 31-acre central town park and an amphitheatre.

Launched in 2006, it comprises a selection of bungalows, semi-detached and link houses, townhouses, apartments and commercial lots. The GDV for Alam Impian is RM4.5 billion.

Prices here have appreciated as well, semidees sold at RM550,000

per unit in 2006 can now command RM1.1 million, an appreciation of 100% in three years.

“We are planning to launch another four phases before the end of the year. It’s another popular township, suitable for those who want more space,” says Jamaludin.

But the development he is most excited about is Temasya Glenmarie, a mixed development covering 610.92 acres.

“We have just received the revised layout approval from the authorities and are in the process of ironing out land matters but we are looking to launch a few phases next year,” he says.

Expected to be launched are 60 units of semi-detached houses (GDV of RM258 million), 174 superlinks (GDV of RM261 million), 35 units of shop offices (GDV of RM129.5 million) and about 100 units of apartments facing the Glenmarie golf course. Boasting large sizes of 2,520 sq ft upwards, the homes will cater to the medium to high-end market.

“The designs have a bit of a retro

feel to them and are more suitable to the local climate. I think it will be one of those properties people buy for capital appreciation,” says Jamaludin.

The GDV of the entire township is RM1.5 billion

Other ongoing developments include the RM1.4 billion Bayuemas in Klang, the RM201 million Alam Sutera in Bukit Jalil and the RM1.3 billion Alam Damai in Cheras.

A rarer development for I&P is Seri Beringin in Bukit Damansara. Covering only 42 acres, the high-end, low-density development offers 54 semi-detached homes, 74 bungalow lots and six exclusive bungalows. Seri Beringin also offers a gated and guarded precinct of eight semi-detached homes and 14 bungalows for leasing.

The development has a GDV of RM500 million.

First launched in 2005, the resale value of Seri Beringin semi-detached homes has risen to RM3.1 million from the developer’s price of RM1.7 million. The bungalow lots have also increased in value with the latest transaction

## Q&A

### City & Country: Is Malaysia looking at a property bubble?

**Datuk Jamaludin Osman:** I don't think there will be a property bubble. There's still fairly strong demand for property in choice locations – Bandar Kinrara, Temasya Glenmarie will continue to do well regardless of the market or economic situation.

### What's the outlook for the next 12 months?

Looking at the current economic scenario, the many plans the government is undertaking to spur growth in the industry I am certain that the property industry in Malaysia will continue to grow.

### What are the growing challenges faced by a property developer today and how to overcome them?

One of the main challenges as a township developer is the decision to open up a new township. This involves a huge financial commitment and it requires us to be very certain of every aspect of it especially the marketability of the area. The 'when' and 'where' factor is the most crucial here.

Competitiveness. We have to always be on our toes to remain competitive in terms of concept and design and continuously be innovative in our products. We need to also ensure the products are according to the market demand and the business is profitable to the company. On top of that we need to constantly comply with all the

requirements of the local authorities.

### If you could have three wishes, what would they be?

- Constantly providing quality products and services to our customers so as creating value for their money.
- It is our hope that eventually all Malaysians will own their own homes and we are their developer of choice.
- In order for the industry to thrive further we wish that all those involved in the industry will continue to work together. For example, with good support from financial institutions so far the industry has grown well and we wish that these industry partners will continue to innovate and create better products to support us.

### What would your ultimate/dream project be like?

It is our hope that our work satisfies everyone, namely the stakeholders, home owners and the various authorities governing the industry and the public at large.

It is our dream to leave a lasting legacy in all the township that we create by providing all that the community would need such as efficient infrastructure, planned and orderly environment, acceptable density, generous green spaces, timeless architecture, quality workmanship and all the positive attributes that will create value for their properties.

## I&P Group Sdn Bhd

FINANCIAL YEAR-END (RM'000)	Dec 31, 2009	Dec 31, 2008	Jan 31, 2008	Jan 31, 2007	Jan 31, 2006	Jan 31, 2005
Revenue	1,073,196	764,282	779,879	745,034	574,087	541,521
Pre-tax profit	263,410	167,756	222,868	173,429	159,951	675,952
Paid-up capital	1,000,000	867,880	867,880	834,850	833,136	832,736
Shareholders' funds	2,668,767	2,467,991	2,440,925	2,384,477	2,181,630	3,353,635
Profit attributable to shareholders	142,508	63,517	89,450	82,637	93,428	620,301
Dividend payout ratio (%)	—	57.4	70.5	51.1	19.3	6.1

Note: On May 1, 2009 I&P Group Sdn Berhad emerged following a rationalisation exercise and merger of Island & Peninsular Sdn Bhd, Petaling Garden Sdn bhd and Pelangi Sdn Bhd.

### ONGOING LAUNCHES FOR 2010

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV(RM MIL)	LAUNCH DATE	TAKE-UP (%)
<b>Alam Sari, Bangi</b>					
Ph 3P3 – Ilmu 1	2-storey semidee houses	20	17.40	Dec 09	45
Ph 3P2 – Iltizam 1	2-storey terraced houses	37	17.61	March 10	95
<b>Bandar Kinrara, Puchong</b>					
Ph 9A9C – Butik3	2-storey bungalow	25	61.00	April 10	62
Ph 7A12 – Emerald	2-storey terraced houses	63	56.40	May 10	91
<b>Bayuemas, Klang</b>					
Ph A8A – Parcel A	2-storey terraced houses	94	28.8	March 10	53
<b>Alam Impian, Shah Alam</b>					
A1-05(B)(ii) – Canting 2 Parcel B	2-storey terraced houses	48	22.71	Jan 10	100
A1-05(C)(i) – Canting 3 Parcel A&B	2-storey terraced houses	97	52.97	April 10	92
A1-03(A)(i) – Ukiran Parcel A & B	2-storey terraced houses	94	56.65	April 10	90
<b>Petaling Heights, PJ</b>					
	Vacant lots	15	31.3	Aug 10	50
<b>Seri Beringin, Bukit Damansara</b>					
	Bungalow lots	9	49.9	April 10	55

### IN THE PIPELINE FOR 2010

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Bandar Kinrara, Puchong	2-storey semidee houses, shopoffices, 2-storey terraced houses, bungalows	213	356.61	Oct–Dec 10
Bayuemas, Klang	2-storey semidee houses, 2-storey bungalows	54	47.50	Nov–Dec 10
Alam Impian, Shah Alam	2-storey terraced houses & bungalows, shopoffices	148	94.90	Oct–Dec 10
Alam Sari, Bangi	Estate lot	6	10.00	Oct 10
Alam Damai, KL	3-storey semidee houses, 2-storey terraced houses	107	103.50	Oct 10
Alam Sutera, KL	2-storey shopoffices, 2-storey semidee houses	25	30.30	Oct 10
Bdr Baru Sri Petaling, KL	Condos, 2- and 3-storey shopoffices	196	190.90	Nov–Dec 10
Desa Damansara 2	Condos	24	33.99	Oct 10
Taman Rinting – Johor	2-storey semidee houses, 2-storey terraced houses	33	12.40	Oct–Nov 10

PICTURES BY I&P



at RM715 psf from the initial RM250 psf in 2006.

Jamaludin expects prices to increase further to between RM800 psf and RM900 psf.

"We are also about to start work on seven luxury bungalows and eight 3-storey semi-detached homes with facilities and a public library. The public library is a corporate social responsibility project for the community," says Jamaludin.

Despite being the developer of one of the earliest townships in the heart of Johor Baru – Taman Pelangi in 1974 – and with several other successful townships such as Taman Perling, Taman Rinting and Taman Pelangi Indah under its belt, I&P is more cautious about developing in Johor.

"The market is a bit slow and satu-

rated, so we are more cautious about putting out products there. But we do have projects waiting for approval at the moment," says Jamaludin.

I&P has a strong land bank of about 5,000 acres, the bulk of which is in the Klang Valley.

In the pipeline are several projects, which Jamaludin hopes to launch next year, including a greenfield development of about 400 acres in Klang and 333 acres in Johor near to Iskandar Malaysia.

"All these projects are still in the very early planning stages," shares Jamaludin.

However, the main concentration of future developments will be the Klang Valley as Jamaludin see this as the growth area.

"The demand is here, the job op-

portunities are here and the population growth is here," explains Jamaludin.

While there are no plans to purchase more land at present, Jamaludin does not rule an acquisition if there is good potential for development.

### The road ahead

This is the eighth year I&P has made *The Edge* Top 10 Property Developers list, which Jamaludin says is all due to a combination of hard work from the staff and support from the customers.

"We are very grateful to be still in the top 10 after all these years. It is really an honour," he smiles.

He acknowledges that the industry is very competitive. It is a juggling

**Left: Cahaya 2-storey terraces**  
**Right: Majestika 2-storey semi-detached houses**

act, creating products that meet the market demand, while still remaining profitable, plus the constant need to comply with the requirements of the local authorities.

Jamaludin is enjoying the challenge, saying the company will keep on developing and exploring new concepts that the market will accept. Something that he holds dear to his heart is creating a better environment in the townships.

Taking Bandar Kinrara as an example, he says the township was designed to be uncluttered with plenty of open spaces to ensure a high level of livability. He foresees a more sophisticated, competitive and stressful life in the future, which is why an environment such as

Bandar Kinrara's is important.

Asked about overseas expansion plans, Jamaludin says that I&P is still bullish on Malaysia and has no plans for the time being to venture abroad.

Venturing abroad comes with a lot of considerations, he says, such as culture, processes and environment to name a few.

"However, we would not completely discount the possibility if we come across good opportunities. Any opportunity however, will be analysed especially in terms of risk management before we make a decision," he says.

While he cannot predict the future of the company, Jamaludin does believe that with the stream of launches in the works for next year, the road ahead is promising. **E**

PATRICK GOH/THE EDGE

# Building on its brand name

Bandar Raya Developments Bhd aims in a five-year plan, to strengthen its reputation as a builder of high quality homes and launch projects that will rake in RM7 billion to RM8 billion in revenue

BY Racheal Lee

“I’m at your disposal,” responds Bandar Raya Developments Bhd (BRDB) CEO Datuk Jagan Sabapathy with a big grin when asked to pose for the camera at the developer’s new office in Menara BRDB, located adjacent to the Bangsar Shopping Centre in Kuala Lumpur.

No one could have told the man had returned less than 48 hours ago from a two-week business trip abroad.

“Trips are tiring but new technologies allow people to communicate anywhere they are. The business world today works very fast and things have to be dealt with almost immediately. The key to success in a fast-moving environment is people. People make things happen, people are the ones we do business with. So our people are our strength,” he says.

Property development continues to be the major contributor to the group’s revenue, churning out RM721.2 million or 80% of the total in 2009.

Among the developer’s recent launches are 6 CapSquare in Kuala Lumpur and The Straits View Residences in Permas Jaya, Johor Baru. The former is a 27-storey residential project of 176 units that will be developed in two phases. Private viewing by existing customers, coupled with sales trips to Singapore and Hong Kong at the end of August and in early September, led to a 75% take-up of the 77 units — priced from RM1.3 million to RM1.5 million — in Phase 1.

Launched in July, The Straits View Residences is the only strata-titled gated and guarded development in Johor Baru. Built on 32 acres of freehold land, the low-density community of semi-detached houses and bungalows boasts only six units to an acre, featuring sophisticated infrastructure and grounds with tree-lined streets, landscaped gardens, breezeways and a private clubhouse on a two-acre central park. The first phase of 36 units priced at RM898,000 to RM2.8 million is 84% sold. To be developed in six phases, the project is expected to be completed in 2012.

The developer handed over The Troika and Menara BRDB this year. CapSquare Office Tower 2 will also be handed over to Union Investment Real Estate AG, one of Europe’s leading real estate investment management companies, before the year is out. The 40-storey Grade A office tower

## Bandar Raya Developments

	2010	2009
Overall	8	7
Quantitative	7	8
Qualitative	5	4

was sold in early 2008 at a record of RM439 million.

### Five-year plan

BRDB has a five-year plan (2011 to 2015) under which it aims to build on the strength of its brand name that is associated with high quality and intends to launch projects targeted to bring in RM7 billion to RM8 billion in revenue.

The developer, synonymous with the exclusive Bangsar address, is looking to unlock by next year the value of its landbank outside Bangsar, including two 12-acre parcels in Segambut Dalam and Taman Duta.

It is finalising plans for a premium high-rise development in Segambut Dalam, which the developer refers to as the north of Mont’Kiara. Featuring 698 condos, the project will be launched in Q12011.

In Taman Duta, BRDB is planning a high-end, low density residential development. It is scheduled for launching in Q32011.

Also planned for launch next year are two 8-storey office blocks in CapSquare in Jalan Munshi Abdullah in Kuala Lumpur with net sellable area of 320,000 sq ft; 176 semidees and bungalows in The Straits View Residences; and 113 units in Straits View Condominium, also in Permas Jaya, Johor Baru.

It hopes to get approval for a project on a six-acre plot in Bukit Bandaraya in the next year as well. In the pipeline is a mixed development on a 30-acre piece of land in Subang Jaya, Selangor, located before the Batu Tiga toll. Then, there are still the 300 acres of undeveloped land in Johor Baru.

BRDB, says Jagan, will be rejuvenating its presence in Permas Jaya with a series of launches as interest in Iskandar Malaysia has been reignited by a resurgence in the Singapore market.

Leveraging its brand as a premier luxury developer in Kuala Lumpur, BRDB is looking forward to replicating its success in Johor with a world-class marina development.

“For Medini Iskandar, we expect



Jagan: Our challenge is to make sure that our designs are innovative enough to excite people

PICTURES BY BRDB

to complete the acquisition of a 60% stake in a joint-venture deal with UEM Land Bhd, the master developer of Iskandar Malaysia, this month. This high-end residential enclave, comprising canal front bungalows, townhouses and condominiums, is set on 111 acres of prime land located within Puteri Harbour. We firmly believe this development will be an ideal opportunity for us to showcase our expertise in high-end residential developments,” Jagan comments.

Also, BRDB inked an agreement with Multi-Purpose Holdings Bhd in July to jointly develop land totalling 670 acres in Penang, Rawang and Gombak as part of its business strategy to enlarge its development landbank via joint ventures.

“It involves a lot of planning and our challenge is to make sure that our designs are innovative enough to excite people. We also want to make those associated with BRDB proud of its achievements. That is our philosophy,” Jagan says.

BRDB is also looking at expanding in Kota Kinabalu, Sabah, and is keen to get involved in projects under the National Economic Transformation Programme (ETP).

### Property investment

In 2004, BRDB set itself a target of building over one million sq ft of premium retail and commercial space. This was achieved with the recent completion of the expansion of Bangsar Shopping Centre, the adjacent Menara BRDB and The Troika’s commercial component this year, besides CapSquare and Permas Jusco Mall in Johor Baru.

These assets are valued at close to RM1 billion and the developer sees earnings from property invest-



One Menerung in Bangsar

ment to contribute a steady recurring gross rental income of RM80 million per annum within the next two to three years.

The BSC’s expansion led to an increase of 30% in the mall’s net lettable space to 320,000 sq ft, some 95% of which has been leased out. The 12-storey Menara BRDB, meanwhile, houses the group’s headquarters from Levels 10 to 12. The building is now 50% leased out.

Currently, its property investment portfolio accounts for 20% of group revenue. In the next five years, a mixed development with residential, retail and office space in Subang Jaya will be added to it.

### New challenge

Overseas, BRDB is developing projects in Pakistan besides waiting for approvals for another project in Oman. In fact, Jagan’s recent trip was to explore business opportunities overseas. “The world is becoming smaller and we can be anywhere. The question is whether we can manage the execution of the project, get good returns and longer-term interest.”

Applying its prudent business model, the developer is mulling ventures in developed countries where, Jagan points out, the risk factors are lower. Under its five-year plan, the developer is targeting revenue contribution of 15% to 20% from its overseas operations.

“We have investments in what we call developing countries like Oman, but I think it would be nice to have some investments in more developed countries. The returns may not be so high but the risk factor is not so high either. That is why we are looking at London. The market planning regulation there is very clear. In some emerging markets, the regulations seem to change daily. Although emerging markets will give you super profits, they carry more risk than a stable developed economy,” Jagan says.

At its Defence Raya Golf Resort development in Pakistan, the 18-hole golf course has been completed while 174 luxury villas in its Phase 1 have been sold and handed over. The developer recently launched Phase 2

CONTINUES ON PAGE 48



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## Q & A

### City & Country: Is Malaysia looking at a property bubble?

**Datuk Jagan Sabapathy:** We do not see a property bubble forming in the foreseeable future. The fact that local properties have not appreciated drastically in the past few years, like those in countries such as Singapore and Hong Kong, has turned out to be a blessing. Property prices in Kuala Lumpur and other parts of the country are much lower than those in neighbouring high-cost cities. Relatively speaking, the local property market is more stable and more resilient than in other parts of the world, partly because the country has not been severely affected by the global economic crisis. As property prices have not escalated in a frenzied manner over the last few years, the threat of an oversupply has been kept in check.

As the global economy gradually recovers, foreigners are returning to Malaysia to buy properties because we have among the highest quality and affordable properties to offer in Asia. The removal of the 30% bumiputera equity quota for companies seeking to list on Bursa Malaysia will encourage more domestic and foreign direct investment, which will further

stimulate the property industry.

Property prices in Malaysia are forecast to increase by 5% to 10% this year against last year in line with the recovering economy. As economic conditions improve and household income gradually increases, Malaysians will be prepared to commit to more capital spending such as buying houses.

### What's the outlook for the next 12 months?

We expect sentiments for properties to improve. The US economy is seeing signs of stabilisation from 4Q2009. Since 3Q2009, the stock market, a leading indicator, has shown signs of recovery and has begun to generate some positive wealth effects.

The emerging economies of Asia are in far better shape than the US and Europe and will recover faster from the crisis. Malaysia has been less affected so far due to our better economic fundamentals (current account surplus, low external borrowings), healthy corporate sector with large earnings buffer (from high average commodity buffers, locked in earnings, unbilled sales and order books) and most importantly a very strong banking system. Our banking

system is unimpaired by toxic assets or the presence of preceding credit or property bubbles.

Against this background and with the help of government initiatives aimed at softening the impact of an economic downturn, we began to see a pickup in demand from the middle of last year. We are confident this will remain until next year.

Another positive highlight is the RM1.3 trillion investment road map under the government's Economic Transformation Programme which aims to power the nation towards becoming a high-income economy by 2020. We look forward to the implementation of the Greater Kuala Lumpur Plan, a major part of the road map aimed at making Kuala Lumpur one of the top 20 cities in the world.

While these incentives are very welcome, we recognise that, like in any other economic downturn, markets may remain volatile for some time – more so because the present crisis is one of global proportions. So even with the stimulus package, it may take a while before these measures kick in and the market fully recovers again. But we remain confident of steady market growth over the next year.

### What are the growing challenges for a property developer today and how to overcome them?

Some of the key challenges for the industry will surface from the relentless pace of globalisation. International developer interest in the city is intensifying with many desirable and attractive residential and commercial projects coming up. The challenge would be for local

developers to compete with these new entrants who are likely to have considerable financial, technical and marketing resources, expertise and experience to call upon. Nonetheless, I am confident that Malaysia's leading developers are on a par with most of the foreign developers who are looking at Malaysia. And it would be nice if we are also given a substantive role in some of the government's ETP real estate projects.

Three key challenges would be to:

- i) Stay relevant to customers. We need to engage with our customers, listen to them and deliver quality developments and signature designs;
- ii) Stay affordable. Rising interest rates and cost of delivery due to removal of subsidies will impact customer affordability. We have to be proactive with innovative financing packages to help that purchase decision; and
- iii) Have a skilled, knowledgeable and sensitive workforce. We must invest in developing talent locally, and not be overly dependent on foreign expertise.

For BRDB to position itself in this highly competitive environment, our design, our ideas and our products must be environmentally sensitive, cost competitive and meet the highest standards and expectations of our buyers. We are consistently pushing the boundaries of design and quality, in our aspiration for innovative yet timeless design. Just being innovative will no longer be sufficient. A developer must have the right ideas, and the talent to see, believe and execute its vision just to keep up with the highest global standards.

### If you could have three wishes, what would they be?

Improved delivery processes and consistent and clear policies governing the property development sector. I think a quick resolution to the draft KL Structure Plan will be very helpful.

Friendlier foreign investment policies and more incentives to establish Malaysia as a preferred destination for foreign investors. This in turn will lead to increased demand for commercial and residential space.

A skilled local work force, particularly in the construction industry as this will lower our dependence on foreign workers and help us grow Malaysian talent and remain competitive in the global marketplace.

### What would your ultimate dream project be like?

A 21st century urban mixed-use development in the heart of KL to complement KLCC. The objective of this new development would be to be a catalyst to grow the heart and soul of KL and the creative capacities within us. So, aside from having offices, residential and retail components, we would add theatres for the performing arts, art galleries and museums and artist colonies. We'd like to bring the buzz of Broadway in New York and the cultural consciousness of London's Soho and Paris into this unique development. By adding the "soft side" to this development, we think we would make KL a much more interesting city to Malaysians and foreigners alike.



Menara BRDB houses the group's headquarters

### FROM PAGE 46

which comprises 207 semidees and villas. These are 30% taken up.

This project in Lahore was launched in 2008 and is a seven-year development. BRDB entered Oman via a joint venture in July last year with Amouage Hotels & Resorts LLC for the development of an integrated real estate tourism project on about 99 acres of land in Muscat.

Called Naseem A'Sabaa, this development will comprise residential villas, condominiums, hotels, restaurants, a marina and commercial buildings on a parcel located next to the biggest tourism development in the country. It is 10 minutes from the Muscat Airport. Approval is expected by Q12011.

In its early days, the bulk of BRDB's income and profit came from Mico Chipboard Bhd, boosted by the then high demand for particleboard. One of the largest chipboard makers in Asia-Pacific, the chipboard maker, however, has been struggling since 2005, posting a loss for the first time that year since its listing on the Main Board in 1998.

To recap, Mico became a part of BRDB's group of companies following a restructuring exercise in the MPH group in the early 1990s. BRDB announced in July that it was in a preliminary and exploratory discussion with a Chinese party to sell its stake in Mico. This is to enable BRDB to focus on the more lucrative business of property development.

A chartered accountant by profession, the 53-year-old Jagan joined BRDB in 1999. "Back then, somebody just called me and asked if I was interested in working for BRDB and I said yes. I gave it a go and was thinking of being with the company for only two years. But it is coming to 12 years now," he laughs.

When Jagan joined the company in 1999, the group was going through a restructuring exercise and he was picked to help take the company through the process.

"A solid management team and supportive shareholders with a vision of what they want BRDB to be, we are able to do the things we are doing and be who we are today," he concludes. ■

## BRDB

FINANCIAL YEAR END DEC (RM '000)	2009	2008	2007	2006	2005
Revenue	906,938	1,006,637	663,695	561,523	429,633
Pre-tax profit	155,719	98,881	72,037	19,526	(64,138)
Paid-up capital	476,392	476,378	476,378	476,378	476,378
Shareholders' funds	1,601,060	1,494,940	1,420,986	1,379,260	1,148,936
Profit attributable to shareholders	115,524	103,294	69,350	1,177	(67,151)
Dividend payout ratio (%)	31	14	51	2,500	-7

### CURRENT PROJECTS AND ONGOING LAUNCHES IN 2010

PROJECT/LOCATION	TYPE	UNITS AS AT	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Troika, KL	Condos	50	258	June 05	79
One Menerung, KL	Condos	16	76	June and Oct 05	93
Phase 1, Lahore, Pakistan	Villas and semidees	13	14	Nov 06	97
Straits View Residences, Phase 1 & 2, JB	Semidees and bungalows	78	85	May 10	32
6 CapSquare, KL	Condos	176	270	Aug 10	NA
Phase 2, Lahore, Pakistan	Villas and semidees	207	166	Aug 10	NA
Straits View Residences, Phase 3, JB	Semidees and bungalows	28	35	Nov 10	NA

### IN THE PIPELINE

PROJECT / LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE
Kiara North, KL	Condos	698	914	March 2011 and March 2012
Bukit Bandaraya, KL	Condos	121	836	January 2012
Taman Duta, KL	Villas	146	1,159	September 2011
CapSquare North Tower, KL	Office	1 block	131	September 2011
CapSquare South Tower, KL	Office	1 block	147	September 2011
Subang Jaya land, Selangor	Mixed development	4.4 million sq ft	1,936	July 2012 – March 2015
Bandar Baru Permas Jaya, Johor Baru	Condos, Apartments, detached homes, semidees, superlink development, cluster houses and 2, 3 & 4-storey shopoffices	3,967	2,394	May 2011 – August 2020
Residential North, Puteri Harbour, Nusajaya, Johor	Condos, bungalows and townhouses	1,674	2,338	March 2012 – September 2016
Naseem A'Sabaa Water Front Development, Al-Seeb, Muscat, Oman	Semidees, townhouses, condos, villas, retail, office suites and hotel	1,078	3,238	3Q2012 to 2019



# IJM LAND USHERING IN THE WIND OF CHANGE



At IJM Land, we are confronting the 21st century's most pressing problems by making bold and innovative changes to achieve sustainable development. Our approach prioritizes the protection of our environment's ecosystems, waterways and atmosphere as well as the spread of social and economic opportunities for all. To achieve sustainable development, we have set in motion innovative approaches to address the many issues that not only serve the present but the future generations as well. At IJM Land, we consult with environmental experts and professionals to combine the fields of architecture and engineering to understand and improve the dynamic interactions between people and ecosystems in urban settings. The challenges ahead are massive but we hope our efforts to **bring life to ordinary spaces** will make our world a better place to live.

Bringing LIFE to Ordinary SPACES



Northern Region



THE LIGHT WATERFRONT @ PENANG



SUMMER PLACE @ PENANG



MARITIME @ PENANG



AMPERSAND @ KLCC



BUKIT MANDA'RINA @ KL



VILLA 33 @ KL



LAMAN GRANVIEW @ SELANGOR



SEREMBAN 2 - GREATER KLANG VALLEY



NUSA DUTA @ JOHOR BAHRU



BANDAR UTAMA @ SANDAKAN



SAPPHIRE @ KUCHING

Central Region

Southern Region

Eastern Region

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KL - Villa 33 • Developer: Manda'rina Sdn Bhd (311874-V) • Developer's License: 6928-7/09-2013/1032 • Validity Period: 08/09/2010 - 07/09/2013 • Advertising & Sales Permit No. 6928-7/1784/2011(09) • Validity Period: 08/09/2010 - 07/09/2011 • Building Plan Approving Authority: DBKL • Building Plan Reference No.: BPS2 QSC 20070146 A01 • Tenure of Land: Leasehold 99 Years (Expiring On: 25/11/2109) • Expected Completion Date: October 2012 • Land Encumbrances: Nil • Land Restriction: Nil • Type Of Property: 2 1/2 Storey Semi-D Homes & 3 Storey Bungalow Homes • Total No of Units: 2 1/2 Storey Semi-D Homes: 10, 3 Storey Bungalow Homes: 23 • Selling Price: 2 1/2 Storey Semi-D Homes Min. RM 2,406,800, Max. RM5,838,800, 3 Storey Bungalow Homes: Min. RM 3,485,800, Max. RM5,838,800. Selangor - Laman Granview • Developer: IJM Properties Sdn Bhd (100180-M) • Developer's License: 8326-6/09-2012/1066 • DL Validity Period: 24/09/2010 - 23/09/2012 • Advertising & Sales Permit No. 8326-6/1829/2011(09) • AP Validity Period: 24/09/2010 - 23/09/2011 • Approving Authority: Majlis Perbandaran Subang Jaya • Approved Building Plan No.: BGN/KWD-9/6 • Tenure of Land: Leasehold 99 Years (Expiring On: 12/06/2091) • Expected Completion Date: October 2012 • Land Encumbrances: Nil • Restriction In Interest: Tanah ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri. • Type Of Property: Semi-Dees & Zero Lot Bungalow • No. Of Units: Semi-Dees - 39 units, Zero Lot Bungalow - 19 units • Selling Price: Semi-Dees (Min) RM1,542,840 (Max) RM1,645,540, Zero Lot Bungalow (Min) RM1,951,040 (Max) RM1,984,840 (Max) • Bumiputera Discount 7%. Johor Bahru - Nusa Duta • Developer: Tarikan Abadi Sdn. Bhd. (701887-U) • Developer's License: 10919-2/09-2012/958 • Validity Period: 30/09/2009-29/09/2012 • Advertising Permit: 10919-2/2119/2010(10) • Validity Period: 19/10/2009 - 18/10/2010 • Approval Authority: MPJB • Building Plan Approval No.: MPJB/E1/JOSCI/177(19)/2007(RP/B6/2007(3)) • Expected Date of Completion: 24 months from SPA date • Land Tenure: Freehold • Land Encumbrance: CIMB • No. Of Units: 48 • Selling Price: RM953,600 (Min) RM1,005,600 (Max). Sandakan - Sri Utama Condominiums • Developer: IJM Properties Sdn Bhd (100180-M) • Developer's License: (100-24/839/29)08-2013/03669 • Validity Period: Tipe (3) • Advertising Permit No. (100-24/839/29)08-2013/03677 • Validity Period: 09/08/2010 - 08/08/2013 • Type Of Property: Condominium • Total No of Units: Condominium Block A, B, 248, Condominium Block C: 194. All renderings contained in this advertisement are artist's impressions only. The information contained herein is subject to change without notification as may be required by the relevant authorities or developer's project consultant. Whilst every care is taken in providing this information, the owner, developers and managers cannot be held responsible for any variations. For avoidance of doubt on the specifications, please always refer to the sale and purchase agreement. \*Terms & conditions apply. Selected properties only.

# Having a vision

Mah Sing Group Bhd's success boils down its founder's vision to create a sought-after property brand – one that stands for iconic concepts, quality standard of design, customer service and track record – and the strength of its team

BY Sreerema Banoo

The word “vision” is one Mah Sing Group Bhd managing director and chief executive Tan Sri Leong Hoy Kum uses often to describe his journey in the property development industry. “Without a vision, we would not be where we are today,” says the 53-year-old entrepreneur. Indeed, his tale is a testament to the fact that if you have a clear and compelling vision, and the courage and determination to pursue your dreams, then the possibilities really are endless.

For Leong, who started his plastics manufacturing business in 1979 and later listed it on the Kuala Lumpur Stock Exchange (today's Bursa Malaysia) in 1992, the vision had always been to grow the company. “I knew that plastics could only take us so far; to grow, we needed our own product,” he says. Inspired by the story of billionaire Li Ka-shing, who from manufacturing plastics developed his company into a leading property investment firm in Hong Kong, Leong decided to take the same route. The move, he says, took a lot of courage, but that, he adds, is part and parcel of being an entrepreneur. “You need to be daring to go from one industry to another... and you must have the vision to do so. I dared to change and that was a turning point in my life.”

That milestone moment was in 1994, and the rest, as they say, is history. Sixteen years since its first foray into property development, Mah Sing has gone from strength to strength; having completed five projects, the developer currently has 15 ongoing projects and a further 10 in the pipeline in the Klang Valley, Penang and Johor.

“It's been a very challenging, interesting and exciting journey,” Leong says. “Along the way, I've encountered some nightmares, but I've always believed that if you never try, then you'll never know. I've always been confident that I would succeed, because I believe just as in sitting for an exam, if you are well prepared, then passing isn't an issue – the only question is if you'll get a distinction.”

Judging by the company's financials, it looks like Leong's positive attitude and business acumen have paid off. In the last seven years alone, Mah Sing's revenue has quadrupled to

## Mah Sing Group

	2010	2009
Overall	9	16
Quantitative	9	19
Qualitative	9	18

RM701.6 million and net profit risen nearly 18-fold to RM94.3 million (as at Dec 31, 2009).

For the first seven months of 2010, Mah Sing recorded RM1.02 billion in property sales, exceeding its RM1 billion full-year target. The company is confident of achieving the revised target of RM1.5 billion, based on the continued good response for its upcoming projects. A preview of Kinrara Residence in late August attracted over 1,000 visitors, while during a preview of M Suites@Jalan Ampang last month, some 300 units were booked within two hours.

### Building the brand

Over the years, the company has also received multiple awards for its properties. In this year's edition of *The Edge* Top Property Developers Awards, Mah Sing enjoys an inaugural top 10 listing, coming in at No 9. These accolades and the group's success over the years is, Leong says, a testament to the Mah Sing brand. “The Mah Sing brand encapsulates the concept, product, quality, standard of design, customer service and track record. We package all that with the right location and strategic marketing.”

He attributes the company's achievements to its business model, dedicated employees, good and experienced pool of contractors, architects and suppliers and a loyal customer base. “Our key success factor is our business model that, for the past 10 years, has hinged on fast turnaround. Land acquisition in multiple locations and quick launches allowed us to tap immediate market demand and enjoy good take-up,” he says, adding that within three to six months of acquiring the land, Mah Sing would usually be ready to market the project. “Depending on the status of approval, we would be ready to either preview or launch the properties.”

R&D is also a priority, Leong says, and “we have a strong R&D team to ensure that we come up with market-driven products”.



Leong: The Mah Sing brand encapsulates the concept, product, quality, standard of design, customer service and track record

He acknowledges that Mah Sing's success was not achieved overnight. “It has taken us years to be what we are today and our success is a collective effort. I attribute it to our great team [of] dedicated, skilled and loyal professionals.”

He adds, “Good people are what makes a company; when I first started in this business I knew nothing about property, and choosing the right people for my team has made all the difference. I can rely on them to execute what has been planned. Trust is very important and my management team knows that I trust them to do their job.”

Equally important, he points out, is having a panel of trusted contractors and a strong customer base. “We do have a substantial number of repeat buyers for our projects; many of our customers also learn about us through word of mouth, which is why branding is so important. We cannot tarnish our image ... quality has to be maintained – it's our soul.”

Leong believes his experience in the manufacturing sector has also been an asset, and points out that R&D, quality control, marketing and sales and customer service contribute to the success of a manufacturing enterprise. “Those days I moulded plastic, these days I mould houses,” he quips.

### From humble beginnings

Recalling the company's first developments, Leong says these were small projects, owing to the company's small capital base and lack of experience. “Although we were just getting to know the industry at the time, I knew we had to succeed despite the

fact that these projects were small and located in the outskirts.”

Indeed, determination and perseverance are Leong's key traits. “If we want to achieve something, then no one can stop us,” he says.

In 2000, six years after the company went into property development, Mah Sing was redesignated to the property sector of Bursa to better reflect its core business. In that year, the company ventured into its maiden lifestyle project, Sri Pulai Perdana in Skudai, Johor. “That was the beginning of our medium-end Perdana township series. But I realised that if we continued with only building medium-end properties, we would head nowhere.”

So when the opportunity presented itself, the company bought a 17-acre tract of freehold land in Petaling Jaya and entered the high-end segment. The launch of Damansara Legenda, says Leong, marked a milestone in Mah Sing's journey towards being a branded developer. Given the project's address – in the vicinity of Tropicana Golf and Country Resort – and that this was its debut in the high-end market, the company pulled out all the stops to attract buyers. “I recall customers being amazed by the design and the quality of the project, as we were relatively new then.”

Two years later, the company entered the mid-to-high-end segment with its Residence series, through Perdana Residence in Selayang. “This allowed us to complete the whole series for landed residential properties, from medium, to medium-high and high-end,” says Leong.

“In 2007, we entered the commercial segment with The Icon Jalan Tun

Razak. We also popularised en-bloc sales for offices. In 2009, we saw the demand for industrial properties and started marketing semidee factories that looked like houses,” he adds.

This year is another milestone for the company, as it delves into high-rise developments with the Icon Residence in Mont'Kiara and M Suites@Jalan Ampang.

### Exporting the brand overseas

Mah Sing is now keen to take its brand abroad, and one market it's eyeing is China. “China offers a big opportunity, given its robust economic growth, rising consumer purchasing power and huge population base,” says Leong.

And, he is very keen on the company's project in Changzhou city, located in Jiangsu province. The first phase of the 87-acre mixed development of retail units and serviced apartments is scheduled for launch next year. “The market is excited, as we will be introducing the gated and guarded community concept,” says Leong.

Knowing the risks in overseas ventures, the company is selective in its project choices. “We look into the long-term potential by assessing the economic fundamentals of the country. We also consider factors such as sound legal system, stable political environment and the dynamics of the country's demographics,” Leong explains.

To mitigate the risks, the company is tapping second-tier cities like Changzhou, where there are pools of potential first-time homebuyers and upgraders. In addition, he points out that Jiangsu is the third-richest province in China.

## Mah Sing Group

FINANCIAL YEAR-END DEC 31 (RM MIL)	2009	2008	2007	2006	2005
Revenue	701.6	651.6	573.4	495.6	473.5
Pre-tax profit	144.2	136.0	117.7	93.3	69.6
Paid-up capital	346.5	313.4	310.7	152.0	145.1
Shareholders' funds	845.7	690.3	630.3	315.8	256.1
Profit attributable to shareholders	94.3	93.2	81.1	65.4	48.3
Dividend payout ratio (%)	43	41	46	42	26

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV(RM MIL)	LAUNCH/ PREVIEW DATE	TAKE-UP (%)
Southgate	Lifestyle retail and modern office suites	292	458	1H2008	97
StarParc	Shopoffices and retail lots	156	129	1Q2009	96
Residence@Southbay, Penang	Landed residential	284	234	2Q2009	92
iParc@Bukit Jelutong	Semidee designer factories	42	116	1Q2010	95
iParc2@Shah Alam	Semidee designer factories	64	167	1Q2010	84
Garden Residence, Cyberjaya	Landed residential	719	775	1Q2010	76*
Perdana Residence 2, Selayang	Landed residential	268	243	1Q2010	97

\*Take-up as at July 31, 2010, for launches at Precinct 1,2 and 3 (with total launched units at 520 units)

\*\*Besides the above, it has ongoing township projects located in Klang Valley (Aman Perdana), and Johor (Sri Pulai Perdana 2 and Sierra Perdana)

### IN THE PIPELINE (2H2010)

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MILLION)	EXPECTED PREVIEW
Icon Residence Mont' Kiara	High-rise residential	260	408	3Q2010
Kinrara Residence	Landed residential	836	830	3Q2010 and 4Q2010 (in phases)
M Suites Jalan Ampang	High-rise residential	442	305	3Q2010
One Legenda, Cheras	Landed residential	26	92	3Q2010
Legenda@Southbay	Landed residential	76	335	3Q2010
Austin Suites, Johor Baru	High-rise residential	460	106	3Q2010
Garden Villa, Hijauan Residence (Phase 3)	Landed residential	78	225	4Q2010 (in phases)
Garden Plaza Cyberjaya	Serviced suites	TBA	288	4Q2010 (in phases)
Star Avenue, Sungai Buloh	Commercial	80	280	4Q2010 (in phases)
Icon City Petaling Jaya	Mixed development	TBA	838	4Q2010 (in phases)
Bayu Sekamat, Hulu Langat	Residential	42	22	4Q2010
Southbay Plaza, Penang	High-rise residential	226	150	4Q2010
i-Parc3@Bukit Jelutong	Industrial	26	82	1H2011
Icon Residence, Penang	High-rise residential	290	280	1H2011

PICTURES BY MAH SING



The developer is building a lifestyle brand through projects like Garden Residence

The company is also evaluating opportunities in Vietnam, Indonesia, Singapore and Australia. "In the next five years, we target overseas developments to contribute about 30% of group sales," says Leong.

### Managing success

Given the pace at which the company has grown and continues to grow, is there concern that Mah Sing may be expanding too fast, too soon? Leong doesn't think so. "As a listed developer, we strive to enhance shareholders' value by delivering sustainable earnings growth. Over the past seven years (2002-2009), our net profit has a compound annual growth rate of 51%."

To ensure continued growth at a pace that doesn't compromise the brand's attributes, managing people is

crucial, says Leong. "We ensure they are rewarded, we pay attention to career advancement — so that our people can see a future in the company — and we ensure we get the employees' buy-in in whatever we do."

Its upcoming projects include Garden Plaza in Cyberjaya, which it plans to launch by year-end; Star Avenue@D'sara in Sungai Buloh; iParc3@Bukit Jelutong; and Icon City in Petaling Jaya, which is awaiting approval from the authorities.

Located on the site formerly occupied by Matsushita Group of Co in Sungei Way, demolition work for Icon City is to be completed by year-end. Leong says: "We envision it to be a world-class integrated commercial development with extraordinary architecture and landscaping built within a sustainable environment."

Preliminary plans include shop offices, residences, SOHOs, office towers, a hotel and mall.

Mah Sing currently has a total gross development value and unbilled sales of about RM7.4 billion from its remaining landbank of 720 acres, which according to Leong, will provide sustainable earnings and growth for five to seven years. He also doesn't discount the possibility of setting up a real estate investment trust once the company has a stable of investment properties.

As you would expect of a man with vision, Mah Sing's target is to achieve market capitalisation of RM5 billion within five years, through quick turnaround, acquiring large tracts of land in the medium term and by being a regional player in the longer term. ■



Mah Sing looks to further improve on its designs and layout with each new launch. Pictured here is Kinrara Residence.

## Q&A

### City & Country: Is Malaysia looking at a property bubble?

**Tan Sri Leong Hoy Kum:** We believe there is no bubble, as price increases have only been for properties with good concepts by branded developers, in good locations. New launches are concept- and lifestyle-driven, and have been designed to fit current market needs. The strong demand and housing prices reflect the location, unique concepts and exclusive features of the projects. With higher construction and land cost as well as to recoup the investment in R&D, certain new launches have to be priced at a slight premium. Buyers are willing to pay for the right address, a good overall concept and a well-landscaped and maintained environment.

### What's the outlook for the next 12 months?

We are optimistic about the Malaysian property market. A steady employment market and low mortgage rates as well as tax incentives are encouraging more first-time homeowners and upgraders to buy property. Malaysia's strong economic growth, high savings rates and sound financial system with good liquidity have also encouraged home purchases. Low deposit rates will also drive property demand.

We expect to see sustained property demand for residential, commercial and industrial segments, while well-located properties with good concepts by branded developers should continue to attract buyers. Barring any external shocks, we are cautiously optimistic that the property market should continue to do well in the short and medium term.

### What are the growing challenges faced by a property developer today and how could they be overcome?

Landbanking in prime locations, construction cost, access to labour and competition.

We have positioned ourselves as a branded, medium to high-end developer, and our landbank needs to be prime, easily accessible and close to amenities. Due to our fast turnaround business model, any

land we buy should be ready for immediate development. This is why we evaluate new [pieces of] land every day and have a healthy balance sheet, which will allow us to tap landbanking opportunities. We must be ready to meet landbanking challenges abroad as well.

To manage construction costs, developers need to focus on more efficient designs and value engineering. Mah Sing Group was an early proponent of Industrialised Building Systems, or IBS, which increases the turnaround time for our projects and reduces dependency on foreign workers. Concerns about access to a steady pool of skilled and unskilled labour can be mitigated by having a panel of good, experienced and trusted contractors. We believe in investing in R&D to continuously create healthy, sustainable and eco-friendly lifestyle developments.

### If you were granted three wishes, what would they be?

- We would like to see greater foreign participation in our property sector. Both the private and public sectors should capitalise on their experience in value creation to enrich and improve the standard of living of both local and foreign investors.
- We hope the country can attract more talent — for example, architects to contribute their skills and infuse Malaysia's real estate landscape with more excitement. This will allow more industry benchmarks, such as in innovation and design, to be set.
- A higher standard of living and high-income society will definitely bring property prices on a par with international standards.

### What would your ultimate/dream project be like?

We would love to create an iconic, world-class project, where the concept, design, state-of-the-art facilities and beautiful landscape would not just appeal to buyers, but would be sustainable and allow the community to flourish. It can even become a tourist attraction!

# Upping the ante

IJM Land Bhd adopts new corporate philosophy of 'ever improving' its products

## IJM Land

	2010	2009
Overall	10	12
Quantitative (not in top 30)		20
Qualitative	7	12

BY Lam Jian Wyn

**D**atuk Soam Heng Choon is not one to rest on his laurels. The 51-year-old CEO and managing director of IJM Land Bhd firmly believes in constant development, which underscores the property developer's new corporate ethos of "ever improving".

"I believe in our products getting better each time," he tells *City & Country* in Kuala Lumpur a day before making a trip up north to Penang to visit the developer's various projects there.

IJM Land is not a new kid on the block as far as working experience goes — it was born through a merger between RB Land Holdings Bhd and IJM Properties Sdn Bhd in a rationalisation exercise completed in 2008.

Apart from combining IJM Properties' talent for developing niche, upscale homes with RB Land's experience in building townships, the exercise saw their total landbank reach 10,000 acres with an estimated gross development value (GDV) of RM20 billion at the time, enough to keep them occupied for the next two decades.

IJM Land currently boasts a sizeable landbank of 5,183 acres across the country with a GDV estimated at RM18.2 billion. It has made its presence felt in the Klang Valley, Penang, Negeri Sembilan, Johor, Sabah and Sarawak. It also has a foothold in Vietnam, China and India, the latter under the ambit of parent group IJM Corp Bhd.

Appearing modest about his group's debut on *The Edge's* Top 10 list of property developers this year, Soam says the company is slated to embark on a corporate communications campaign beginning this month to spread the word about its new philosophy.

He hopes to kick-start the campaign by inculcating the virtues of continuous progress in his own staff members.

"Our first step is to internalise communications, so we can improve and do things better. Then we tell people on the outside that we are always trying to improve and do things better.

"Most importantly, we want to get the staff to rise to the occasion. The people make the company. If we all go in the same direction, it should be successful," he says.

Certainly, a constantly evolving line of products is necessary for the group



Soam: Just as different diseases need different medication, different houses need different incentives

to beat its record sales of RM1.26 billion for FY2010 ended March 31, which is no mean feat.

The strong sales are just some of the highlights of FY2010 — the group also recorded revenue of RM1.1 billion, up by 64% from RM671 million a year ago while its profit before tax more than doubled to RM149 million from RM64 million. The better performance was attributed to improved profit margins as well as gains of RM10 million arising from the disposal of a subsidiary.

The impressive sales levels came on the back of launches throughout the year, such as the Light Linear condominiums featuring 328 units with built-ups of 1,475 to 1,539 sq ft.

The condominiums are part of the first phase of the ambitious landmark mega-project known as The Light Waterfront Penang, which spans 61.5ha and has an estimated GDV of RM5.2 billion.

Buyers had reportedly queued up for three nights, a sure sign of pent-up demand within the market. The units averaged RM400 psf, equivalent to a GDV of RM202.4 million.

Other notable launches include the medium-cost Summer Place apartments, also in Penang. The RM181.6 million project was one of IJM Land's earliest launches last year as the group sought to get back in the saddle in the aftermath of the global financial crisis in 2008.

The overwhelming interest in the project — people queued for several

nights to get units here as well, he says — is likely a sign that the market is hungry for products, Soam says. The market was bereft of launches during the crisis as developers were afraid projects would not take off.

"What we do is to pre-empt. We did not rest during the financial crisis; we got approvals for project launches over the next six to nine months. Every few months, we had new projects all over the country," Soam observes.

To encourage sales, IJM Land introduced a variety of packages specific to different types of products. For instance, under its home ownership My Space Plan, which ended on Sept 30, 2009, buyers of The Light residential units were offered a 5:95 payment scheme while shopoffices priced under RM250,000 in its Seremban 2 township developments were available via instalments. Other offers included rebates and waived stamp duties and legal fees, depending on the product in question.

"Just as different diseases need different medication, different houses need different incentives," Soam comments.

While the marketing plan has since ended, there are no signs of buying interest waning. If anything, Soam says the company is on track to achieve its target sales of over RM1 billion, "barring unforeseen circumstances" such as another economic downturn in the West.

Based on its first quarter results



Laman Granview in Puchong

for the three months ended June 30, the group posted revenue of RM364.96 million, 28% higher than RM284.8 million a year ago, underpinned by more robust property sales since April 2009 on the back of improved buyer sentiment.

"The higher cost of materials eroded our margins, for instance, higher prices of crude oil and steel bars ... but the projects from that time have ended and costs were controlled," says Soam.

The group marked its entry into Vietnam via a share sale agreement in May with existing shareholders of Sova Holdings Sdn Bhd (SHSB) to acquire 210,000 shares representing a 70% stake in the company for RM18

million cash, or RM85.71 per share.

Under the deal, IJM Land will undertake the development of a 2.85ha parcel in Phu Hoi commune, Nhon Trach City Centre (NTCC), Dong Nai Province, Vietnam, jointly with state-owned Thai Duong Co-Sunco (Sunco), the landowner.

The project is a mixed development comprising four apartment blocks with retail and commercial elements within NTCC, which is close to six large industrial parks and four world-class golf clubs. Under the agreement, Sunco is entitled to 15% of the GDV of the project, as consideration of the land cost.

CONTINUES ON PAGE 54



# PIONEERING A GREEN TOWNSHIP



We began our green journey in 1988 and Bandar Utama has never looked back since. Pioneering the concept of a Green Township, the masterplan for Bandar Utama was designed with notable green aspects such as the creation of neighbourhood clusters - each housing about 300 residential units served by a neighbourhood park - with access via 2 or 3 entrances to keep through traffic from entering residential streets; the implementation of greenbelt buffers on both sides of all Main Arterial Roads together with raising the building platforms of residential homes from 10 to 12ft above the levels of the Main Arterial Roads that effectively creates a relief from sound and dust generated by passing traffic; the introduction of Central Park, Westlake Sanctuary and Suburban Park within its vicinity- the lush expanse of greenery for the Bandar Utama community to exercise and interact at; the township's network of jogging, walking and cycling tracks that have been carefully put together to allow residents to access amenities without having to drive, and the creation of 10 lakes that act as retention ponds for storm waters, to name a few.

Boasting the pioneering and introduction of energy-efficient technologies such as the iced-storage and chilled water air conditioning, treatment for recycling sewer water and rainwater harvesting, Bandar Utama adds to its already green reputation a 25-storey office tower, 1 First Avenue, built with sustainability in mind that has been awarded a GOLD (Design Assessment) recognition under the Private Sector Office Building category.

Having always been an advocate for a greener future, Bandar Utama is dedicated to continuing our efforts in energy conservation and most importantly, transforming mindsets.



**ENERGY EFFICIENCY**

Aluminum & Glazing Works	Glass / Live-e Glass	Chilled Water Storage Plant / Building Automation System	CSR ALC Block	Motion & Daylight Sensor	Lift Services	Pump Equipment	Insulations Works	Landscape Lightings		

**REUSE & RECYCLE SYSTEMS & METIERS**

Structural Steel	Roof Tensioning	Stainless Steel Work

**REGIONALLY SOURCED MATERIALS**

Stainless Steel Lift Architrave / Aluminium Works for External Facade	Aluminium Supplier	Raised Floor Systems	Tatt Yow Building Systems Sdn. Bhd.	Makal Indah Sdn. Bhd.	Concrete Inprint	Ready-mix Concrete	Tiles Adhesive Supplier	Tiles Supplier	Steel Bars / Mesh Supplier	Waterproofing Works	Fire Rated Doors

**LOW VOC PAINTS**

Painting Works	Spray Coating

**WATER EFFICIENCY FEATURES**

Addington Sdn Bhd

**RAINWATER HARVESTING**

Rain Water Down Pipe System

**OTHERS**

Signage	Ceiling Works	Air conditional & Mechanical Ventilation	Electrical Works	Telephone Services	Internal & External Stoneworks

Brickworks & Paving	Mild Steel Railing & Glazing Work	Electrical Items	Steel Reinforcement Works	Floor Decking / Cold Water & Sanitary Plumbing	External Water Reticulation Works	Sewerage Treatment Plant	Fire Protection System / Irrigation System	Aluminium Works	Concreting Works	EIV	Lift Interior Finisher	Fireproofing Works	External Sewerage Works	Granite / Tiles Supplier	Hardware	Electrical Items



## IJM Land

FINANCIAL YEAR-END MARCH 31 (RM)	2010	2009	2008
Revenue	1,101,058,100	671,010,124	295,204,901
Pre-tax profit	148,921,331	68,302,504	54,892,411
Paid-up capital	1,103,273,751	1,103,267,871	568,186,606
Shareholders' funds	1,655,446,793	1,547,550,655	692,960,434
Profit attributable to shareholders	108,663,261	51,127,686	41,713,006
Dividend payout ratio (%)	20.30	-	-

### ONGOING LAUNCHES

PROJECT NAME	TYPE	LAUNCHED DATE	NO OF UNITS	GDV (RM'000)	TAKE-UP RATES
<b>Northern</b>					
Summer Place	Medium cost apartment	March 09	531	181,609	98
The Light Linear	Luxury condo	July 09	328	202,043	85
The Light Point	Luxury condo	Dec 09	88	126,103	70
The Light Collection 1	Luxury condo	May 10	176	202,474	40
Platino	Luxury condo	Nov 07	228	188,136	94
<b>Central</b>					
Laman Granview, Ph. 2B	Semidee houses & bungalows	Oct 09	22	32,935	30
Laman Granview, Ph. 3	Semidee houses & bungalows	Oct 09	24	27,213	70
Pusat Perniagaan Bukit Raja (Phase 2)	2- & 3-storey shopoffice	May 10	65	56,981	90
Laman Baiduri - Menara A	Condo	June 08	114	62,187	90
Laman Baiduri - Menara B	Condo	Aug 09	114	64,657	95
<b>Seremban/Malacca</b>					
Seremban 2	Mixed development	Various	342	172,638	70
S2 Heights	Mixed development	Various	420	130,494	65
1 Lagenda Melaka	2- & 3-storey shopoffice	Dec 09	201	152,093	65
<b>East Malaysia</b>					
Bandar Utama Sandakan	Mixed development	Various	1098	428,439	80

### IN THE PIPELINE

PROJECT	TYPE	GDV (RM MIL)	EXPECTED LAUNCH DATE
<b>Northern - FY2011</b>			
Sanctuary Ridge Ph 1	Semidee houses	35	Feb 11
Sanctuary Ridge Ph1	Link semidee houses	35	Feb 11
The Address	Condo & loft	113	Jan 11
The Light Collection II	Condo	254	Nov 10
Maritime	Commercial suites	146	Oct 10
<b>Central - FYE 2011</b>			
Shah Alam 2 Phase 5A2	2-storey terraced houses	41	Oct 10
SS2	3-storey shops	27	March 11
Laman Granview Ph 4	2-storey semidee houses	24	Oct 10
Villa 33 Mandarina	Semidee houses & bungalows	64	Sept 10
Platinum Park Seremban 2	2-storey semidee houses	101	Oct 10
S2 Heights, Seremban	Mixed development	64	Various
<b>Southern - FYE 2011</b>			
Nusa Duta PH2a2 and PH2b2	2-storey cluster houses and semidees houses	74	Jan 11 & Nov 10
<b>East Malaysia - FYE 2011</b>			
Sapphire	Condo	91	Oct 10
Bandar Utama Sandakan	Mixed development	112	Various
Borneo Sky	Condo	131	March 11
Yen Yen Park	Semidee houses	18	Nov 10

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"It is a highly modern industrialised area, with banks, government offices ... foreign direct investments are in Vietnam now," Soam says, explaining the choice of location.

The project is expected to generate GDV of US\$150 million (RM466 million). It is scheduled to be launched this quarter.

Meanwhile, in China, Soam says the group is trying to revive its mixed development in automotive hub Changchun, China. The group has a 50% interest in the project, valued at an estimated RM500 million, which is undertaken by Talam Corp Bhd. It aims to launch the project next year.

"We are looking at Indonesia as well," Soam adds.

His other goal is to make IJM Land the preferred choice of institutional investors. He intends to stimulate interest from foreign research houses, putting the group on their radar. So far, the group is covered by four foreign research houses which include Credit Suisse Research & Analytics, CLSA Asia-Pacific Markets and JP Morgan. At home, the group is widely covered by local research houses.

"We will be holding more analyst briefings and meeting more foreign fund managers and so forth," Soam says.

He notes that sometimes these foreign fund managers end up becoming IJM Land customers. "They have deep pockets," he says.

Moving forward, the group has over RM1.3 billion projects in the pipeline slated for launch in FY2011. While these projects are located across the country, most, largely residential, are located in Penang and notably centred around The Light.

Other projects that are expected to contribute substantially to IJM Land in future include Sebana Cove in Johor and Canal City in Shah Alam, Selangor.

The 1,188-acre Sebana Cove, acquired in August 2008, is intended to be redeveloped into an upscale residential development targeted at expatriates, especially Singaporeans.

Canal City is a property development with flood mitigation components with a total GDV of around RM10 billion. Spanning 2,500 acres, the project is being undertaken by Radiant Pillar Sdn Bhd, a 50:50 joint

venture (JV) by the group and Kumpulan Europlus Bhd (K-Euro).

The JV company is currently in the process of negotiating with a state agency to terminate the flood mitigation part of the project, as the new state government which took over after March 2008 saw no need for it.

Under the original terms of agreement with the previous state government, the company would be awarded the land in exchange for developing a 18km canal connecting Sungai Klang and Sungai Langat.

Products aside, Soam has plans for his group's branding and staff.

"In the longer term, we want to work on our branding and positioning, and create market-driven products, for example, what does the market want, what makes them want to buy your product?"

"We aim to deliver quality products and also strive for hands-on management. I want to make sure the staff know the products they are responsible for in great detail. Make sure they walk the site often."

"At the end of the day, you should do it right the first time, with the quality that people expect," he says. ■

## Q&A

### City & Country: Is Malaysia looking at a property bubble?

**Datuk Soam Heng Choon:** This has been a hot question for the last few weeks. I don't think we're looking at a property bubble because we are more demand-driven and prices have been increasing only in specific locations and in specific projects, like landed properties.

Are the prices running everywhere? It looks like prices are running only in specific projects in the Klang Valley and certain parts of Penang, and these are landed properties.

Property prices have come off the post-financial crisis levels in 2008, but it hasn't reached the previous levels yet. Even in Johor, the property market is not yet hot. I would say the market is stable.

People are buying products with new features such as green features and gated concepts which entail a greater cost to construct. Definitely the developers will sell it at a higher price. A lot of these buyers are upgraders who are looking for better properties with new and better features.

It is also location-specific because some of these buyers know that in the location they want to buy, there won't be anymore landed properties.

For example, in areas in the Klang Valley like Desa Park City terraced homes are going for over RM1 million, because the features are different, and there are not many landed properties anymore. So if you don't buy, you may not be able to get it anymore.

In Penang, the waterfront products are moving because people are looking to upgrade. These would be places along Gurney Drive, the Jelutong area where we have projects and Southbay where our competitors are. These areas command a premium over projects located further inland, because of the view and location.

In IJM Land, we have projects in Penang, all the way to Johor and East Malaysia. We find that from the middle of 2009, buyers are coming back for various other reasons. It's because of lower interest rates. Inflation is higher than their interest from the banks. So if they are adverse to investing their money in the equity market, the best other instrument is actually landed property or condominiums. That's why people are shifting from putting money in the bank to buying property.

### What's the outlook for the next 12 months?

The market is going to be stable, barring external factors. The market should do well, there should be continuous interest from buyers, especially residential, in this case both landed properties and condominiums in selective locales.

Landed properties are doing better, because I think Malaysians like houses with land. Given a choice, even people in Hong Kong and Singapore would like to stay in landed properties but land there is scarce.

However, in Malaysia, security is also a concern, so some may want to live in condominiums. Their main concern is address, security and facilities.

### What are the growing challenges for a property developer today and how to overcome them?

There are many challenges. You see,

as a property developer, if you have a huge landbank, what we want to do is to turn the land bank around and develop it into products very quickly, so one of the challenges is to get our projects approved.

By removing hurdles to the approval process, we will be able to put more units into the market. If the people know that there will be more units, they won't have to be so concerned about not getting homes. Malaysia is now selling about 300,000 units a year.

If things are not transparent, we cannot tell the public when we will launch our products. If the process were transparent, I can say I have this product and I can launch it within this time frame.

Buyers, meanwhile, are demanding better products. We must think out of the box, reinvent ourselves, be innovative, improve, think about how to top ourselves.

Other challenges include rising land cost in prime areas where land is increasingly scarce. So one of the challenges is to buy land at reasonable price, so we can turn it around. We must also look at the topline and bottomline of a company. For us to take care of the bottom line, the costs must be controlled.

### If you had three wishes, what would they be?

We hope the government or the approving authorities can be more transparent so that hurdles impeding the approval process for our projects will be removed or reduced.

The government should also take over low-cost housing projects, and leave us to focus on other projects. Currently, there is a cross-subsidy between the normal product and low-cost product. An avenue for the government to take over low-cost housing should be studied in detail.

We want the process of getting approvals and releasing of bumiputera units to be transparent. The government should come up with a transparent, nationwide release mechanism to allow developers to quickly sell off unsold bumiputera units. At present, some states have this mechanism, some don't. States like Perak, Johor and Penang have these mechanisms ... of course some people bring in politics but the thing is the policies have always been there. Because land is a state matter, the state government has more power over it but the federal government should tell the state governments to have a transparent mechanism so that the capital locked in these units can be better utilised. This is because the government is always talking about the private sector driving the economy.

### What would your ultimate/dream project be like?

I would want to build a carbon-neutral city, as an advocate of sustainable development. We need to incorporate all the good features, innovate to come up with something that will not harm the environment.

It will be a long-term, carbon-neutral city with safe city concept and features.

There are many places in the world working with this concept, but for IJM Land, we are going step by step to come up with products.

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