

# city&country

**THE EDGE**  
MALAYSIA

## Property Excellence Awards 2011



**THE EDGE-PEPS**  
Value Creation Excellence  
Award 2011 [Residential category]

Datuk Jamaludin Osman, Bandar Kinrara Phase B41



**THE EDGE-PAM**  
Green Excellence  
Award 2011

Datuk Teo Chiang Kok, 1 First avenue



left to right: Tan Sri Liew Kee Sin, S P Setia; Datuk Abdul Wahab Maskan, Sime Darby Property; Ho Hon Sang, Sunway City; Robert Tan, IGB Corp; Datuk Jamaludin Osman, I & P Group Sdn Bhd; Datuk Lee Yeow Chor, IOI Properties; Tan Sri Leong Hoy Kum, Mah Sing Group; Datuk Wan Abdullah Wan Ibrahim, Sunrise; Datuk Soam Heng Choon, IJM Land; Datuk Jagan Sabapathy, Bandar Raya Developments

### THE EDGE *Top Property Developers Awards 2011*

#### TOP 10

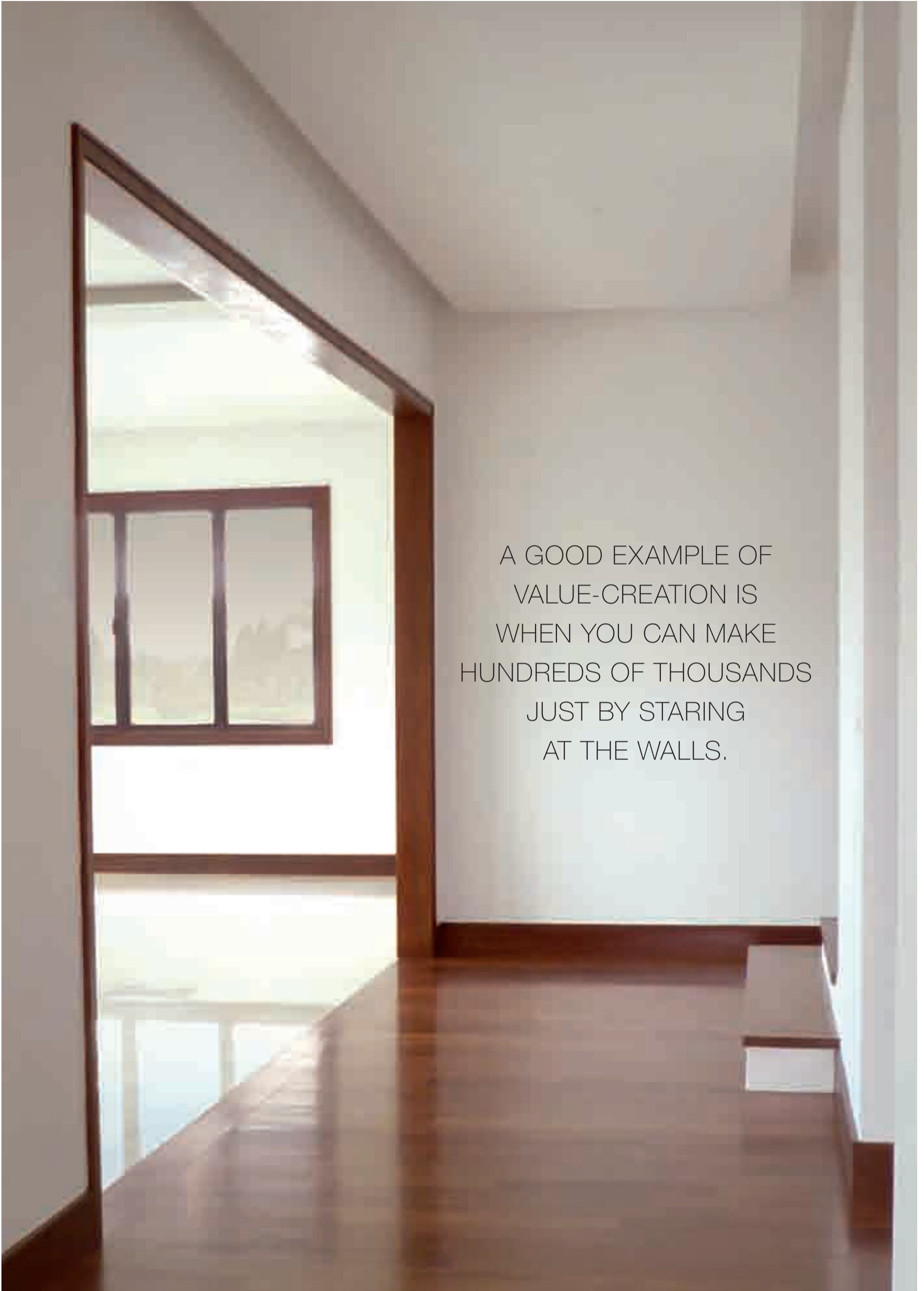
RANK	COMPANY	SIGNIFICANT PROJECTS
1	S P Setia Bhd	Setia Eco Park, Setia Alam, Setia Tropika (Johor), Setia Pearl Island (Penang), Setia Sky Residences
2	Sime Darby Property Bhd <sup>(N)</sup>	Ara Damansara, Putra Heights, Melawati, Bukit Jelutong, Denai Alam, Bandar Bukit Raja
3	Sunway City Bhd	Sunway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

#### TOP 11 – 30

RANK	COMPANY	RANK	COMPANY
11	Bandar Utama City Corp Sdn Bhd (N)	21	Malton Bhd
12	Eastern & Oriental Bhd	22	YNH Property Bhd
13	UEM Land Holdings Bhd	23	Hunza Properties Bhd
14	YTL Land & Development Bhd	24	Bolton Bhd
15	Al-Batha Bukit Kiara Holdings Sdn Bhd (N)	25	Plenitude Bhd
16	Glomac Bhd	26	Mulpha Land Bhd
17	Dijaya Corporation Bhd	27	Ivory Properties Group Bhd
18	Naza TTDI Sdn Bhd (N)	28	PJ Development Holdings Bhd
19	Paramount Corporation Bhd	29	Nadayu Properties Bhd (C)
20	Selangor Dredging Bhd	30	United Malayan Land Bhd

(N) Non-listed property developer  
(B) Sunrise voluntarily delisted on Jan 21, 2010 but released an annual report for FY2010  
(C) Nadayu Properties was previously known as Mutiara Goodyear Development Bhd





A GOOD EXAMPLE OF  
VALUE-CREATION IS  
WHEN YOU CAN MAKE  
HUNDREDS OF THOUSANDS  
JUST BY STARING  
AT THE WALLS.



**Chinta** Double Storey Bungalow | Bandar Kinrara



**Chinta** Double Storey Semi-Detached | Bandar Kinrara



**Qaseh** Double Storey Super Link | Bandar Kinrara



**Ava Sutera** Double Storey Semi-Detached | Alam Sutera



**8 Petaling** 8 - 11 Storey Apartment | Bandar Baru Seri Petaling



**Temurun** Double Storey Bungalow | Bayuemas

We enjoy watching paint dry. So that we know exactly when to apply the subsequent coat to avoid streaks and drips.

This near-obsessive attention to details is a huge part of what makes our homes much sought-after. This, and more – landscaping details, well-kept recreational facilities, sufficient yet uncluttered commercial precincts – are the very aspects of value-creation that have enabled our homeowners to enjoy immense gains on their investments time and time again.

A fiscal detail that has made many sat up and took notice.

Much like the craftsmanship and the care we employ on the final finishes to the houses we build. Not a crack on the cornice, not a mark on the marble flooring and certainly not an unsightly patch on the paint work.



**I & P Group**  
The Choice Developer for All

I&P Group Sdn. Berhad (688571-X) | 24-31 Jalan Setiawangsa 8, Taman Setiawangsa, 54200 Kuala Lumpur | T: 03 4259 7600 | F: 03 4259 7500 | www.inp.my

\*All the developer licenses and its sales and advertising permits for the projects are still valid.





THE EDGE *Top Property Developers Awards 2011*

THE EDGE-PEPS  
Value Creation Excellence  
Award 2011

THE EDGE-PAM  
Green Excellence  
Award 2011

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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 Malayan 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	Pelangi 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	Pelangi 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	Pelangi 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
	Pelangi 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	Pelangi 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



## 2008 RANKINGS

### TOP 30 OVERALL (2008)

RANKING	COMPANY	RANKING	COMPANY	RANKING	COMPANY	RANKING	COMPANY	RANKING	COMPANY
1	S P Setia Bhd	7	Bandar Utama City Corp Sdn Bhd	13	Eastern & Oriental Bhd	19	YNH Property Bhd	25	Selangor Dredging Bhd
2	IGB Corp Bhd	8	Sunrise Bhd	14	Dijaya Corp Bhd	20	Plenitude Bhd	26	WCT Land Sdn Bhd
3	Sunway City Bhd	9	E & O Property Devt Bhd	15	Paramount Corp Bhd	21	Naza TTDI Sdn Bhd	27	Bolton Bhd
4	Island & Peninsular Sdn Bhd	10	Boustead Properties Bhd	16	Glomac Bhd	22	PJ Devt Holdings Bhd	28	Metro Kajang Holdings Bhd
5	IOI Properties Bhd	11	Mah Sing Group Bhd	17	Malton Bhd	23	Naim Cendera Holdings Bhd	29	GuocoLand (M) Bhd
6	Bandar Raya Devt Bhd	12	YTL Land & Devt Bhd	18	Selangor Properties Bhd	24	United Malayan Land Bhd	30	Mulpha Land Bhd

### Quantitative Attributes 2008

#### BEST 30

RANKING	COMPANY
1	S P Setia Bhd
2	IGB Corporation Bhd
3	Sunway City Bhd
4	Island & Peninsular Sdn Bhd (N)
5	IOI Properties Bhd
6	Eastern & Oriental Bhd
7	Bandar Raya Devt Bhd
8	Boustead Properties Bhd
9	Selangor Properties Bhd
10	E&O Property Devt Bhd
11	Mah Sing Group Bhd
12	Naim Cendera Holdings Bhd
13	Bandar Utama City Corp Sdn Bhd (N)
14	Daiman Development Bhd
15	Dijaya Corporation Bhd
16	Sunrise Bhd
17	Paramount Corp Bhd
18	Malton Bhd
19	United Malayan Land Bhd
20	Krisassets Holdings Bhd
21	PJ Development Hldgs Bhd
22	Plenitude Bhd
23	KSL Holdings Bhd
24	MK Land Holdings Bhd
25	YNH Property Bhd
26	Matrix International Bhd
27	Metro Kajang Holdings Bhd
28	GuocoLand (M) Bhd
29	Asia Pacific Land Bhd
30	TAHPS Group Bhd

#### Shareholders Funds

RANKING	COMPANY
1	IGB Corporation Bhd
2	Island & Peninsular Sdn Bhd (N)
3	IOI Properties Bhd
4	S P Setia Bhd
5	Selangor Properties Bhd
6	Bandar Raya Devt Bhd
7	Sunway City Bhd
8	Boustead Properties Bhd
9	Matrix International Bhd
10	MK Land Holdings Bhd
11	Bandar Utama City Corp Sdn Bhd (N)
12	Krisassets Holdings Bhd
13	Daiman Development Bhd
14	Karambunai Corp Bhd
15	United Malayan Land Bhd
16	E&O Property Devt Bhd
17	GuocoLand (M) Bhd
18	Asia Pacific Land Bhd
19	PJ Development Hldgs Bhd
20	Country Heights Hldgs Bhd
21	YNH Property Bhd
22	IJM Land Bhd (prev. RB Land Hldgs)
23	Johor Land Bhd
24	Ekran Bhd
25	Mah Sing Group Bhd
26	Sunrise Bhd
27	Eastern & Oriental Bhd
28	Dijaya Corporation Bhd
29	KSL Holdings Bhd
30	Metro Kajang Holdings Bhd

#### Turnover

RANKING	COMPANY
1	S P Setia Bhd
2	Sunway City Bhd
3	Eastern & Oriental Bhd
4	Island & Peninsular Sdn Bhd (N)
5	IOI Properties Bhd
6	E&O Property Devt Bhd
7	IGB Corporation Bhd
8	Bandar Raya Devt Bhd
9	Naim Cendera Holdings Bhd
10	Mah Sing Group Bhd
11	Sunrise Bhd
12	Malton Bhd
13	PJ Development Hldgs Bhd
14	Boustead Properties Bhd
15	Matrix International Bhd
16	United Malayan Land Bhd
17	Bandar Utama City Corp Sdn Bhd (N)
18	Bolton Bhd
19	Asian Pac Holdings Bhd
20	Encorp Bhd
21	Metro Kajang Holdings Bhd
22	Paramount Corp Bhd
23	Glomac Bhd
24	AMDB Bhd
25	LBS Bina Group Bhd
26	YNH Property Bhd
27	KSL Holdings Bhd
28	Dijaya Corporation Bhd
29	Country Heights Hldgs Bhd
30	WCT Land Sdn Bhd (N)

#### Profit Before Tax

RANKING	COMPANY
1	IOI Properties Bhd
2	S P Setia Bhd
3	Sunway City Bhd
4	Tanco Holdings Bhd (F)
5	IGB Corporation Bhd
6	E&O Property Devt Bhd
7	Krisassets Holdings Bhd
8	Island & Peninsular Sdn Bhd (N)
9	Bandar Utama City Corp Sdn Bhd (N)
10	Sunrise Bhd
11	Eastern & Oriental Bhd
12	KSL Holdings Bhd
13	Boustead Properties Bhd
14	Naim Cendera Holdings Bhd
15	Mah Sing Group Bhd
16	Encorp Bhd
17	YNH Property Bhd
18	Selangor Properties Bhd
19	WCT Land Sdn Bhd (N)
20	Bolton Bhd
21	Plenitude Bhd
22	Country Heights Hldgs Bhd
23	Metro Kajang Holdings Bhd
24	Bandar Raya Devt Bhd
25	United Malayan Land Bhd
26	Dijaya Corporation Bhd
27	Paramount Corp Bhd
28	Naza TTDI Sdn Bhd (N)
29	GuocoLand (M) Bhd
30	Hunza Properties Bhd

#### Cash

RANKING	COMPANY
1	Sunway City Bhd
2	IGB Corporation Bhd
3	S P Setia Bhd
4	Eastern & Oriental Bhd
5	Island & Peninsular Sdn Bhd (N)
6	Land and General Bhd
7	Selangor Properties Bhd
8	Encorp Bhd
9	E&O Property Devt Bhd
10	WCT Land Sdn Bhd (N)
11	Mah Sing Group Bhd
12	Golden Plus Hldgs Bhd
13	Daiman Development Bhd
14	Krisassets Holdings Bhd
15	IOI Properties Bhd
16	Boustead Properties Bhd
17	Dijaya Corporation Bhd
18	Bandar Raya Devt Bhd
19	IJM Land Bhd (prev. RB Land Hldgs)
20	MK Land Holdings Bhd
21	Paramount Corp Bhd
22	Glomac Bhd
23	YTL Land & Devt Bhd
24	LBS Bina Group Bhd
25	TAHPS Group Bhd (D)
26	Malton Bhd
27	Naim Cendera Holdings Bhd
28	Sunrise Bhd
29	Asia Pacific Land Bhd
30	Plenitude Bhd

#### Gearing

RANKING	COMPANY
1	TAHPS Group Bhd (D)
2	Daiman Development Bhd
3	Oriental Interest Bhd
4	Petaling Tin Bhd
5	Asia Pacific Land Bhd
6	Keladi Maju Bhd
7	FIMA Corporation Bhd
8	KSL Holdings Bhd
9	Tebrau Teguh Bhd
10	Hua Yang Bhd
11	Paramount Corp Bhd
12	A & M Realty Bhd
13	Plenitude Bhd
14	MUI Properties Bhd
15	Asas Dunia Bhd
16	Bandar Utama City Corp Sdn Bhd (N)
17	Perduren (M) Bhd
18	Naim Cendera Holdings Bhd
19	Dijaya Corporation Bhd
20	IOI Properties Bhd
21	Mulpha Land Bhd
22	Gromutual Bhd
23	Ekran Bhd (a)
24	GuocoLand (M) Bhd
25	Boustead Properties Bhd
26	Bertam Alliance Bhd
27	Island & Peninsular Sdn Bhd (N)
28	Selangor Properties Bhd
29	EUPE Corporation Bhd
30	Crescendo Corporation Bhd

### Qualitative Attributes 2008

#### BEST 30

RANKING	COMPANY
1	S P Setia Bhd
2	Sunrise Bhd (H)
3	Bandar Utama City Corp Sdn Bhd (N)(H)
4	IGB Corporation Bhd
5	Bandar Raya Devt Bhd
6	E&O Property Devt Bhd
7	Sunway City Bhd (H)
8	Glomac Bhd (H)
9	YTL Land & Devt Bhd
10	Island & Peninsular Sdn Bhd (N)
11	IOI Properties Bhd
12	Boustead Properties Bhd
13	Selangor Dredging Bhd
14	Mah Sing Group Bhd
15	Naza TTDI Sdn Bhd (N)
16	YNH Property Bhd
17	Paramount Corp Bhd
18	Dijaya Corporation Bhd
19	Malton Bhd
20	WCT Land Sdn Bhd (N)
21	Bolton Bhd
22	Mulpha Land Bhd
23	Plenitude Bhd
24	Palam Mesra Sdn Bhd (N)
25	Hunza Properties Bhd
26	Embassy Court Sdn Bhd (N)
27	PJ Development Hldgs Bhd
28	United Malayan Land Bhd
29	SHL Consolidated Bhd
30	Eastern & Oriental Bhd

#### Product Quality

RANKING	COMPANY
1	Sunrise Bhd (H)
2	Bandar Raya Devt Bhd
3	S P Setia Bhd
4	IGB Corporation Bhd
5	E&O Property Devt Bhd
6	Bandar Utama City Corp Sdn Bhd (N)(H)
7	Island & Peninsular Sdn Bhd (N)
8	Glomac Bhd (H)
9	Sunway City Bhd (H)
10	IOI Properties Bhd
11	YTL Land & Devt Bhd
12	Boustead Properties Bhd
13	Selangor Dredging Bhd
14	Mah Sing Group Bhd
15	Naza TTDI Sdn Bhd (N)
16	Bolton Bhd
17	Mulpha Land Bhd
18	Palam Mesra Sdn Bhd (N)
19	Hunza Properties Bhd
20	Malton Bhd
21	Paramount Corp Bhd
22	WCT Land Sdn Bhd (N)
23	Dijaya Corporation Bhd
24	Plenitude Bhd
25	SHL Consolidated Bhd
26	YNH Property Bhd
27	PJ Development Hldgs Bhd
28	Embassy Court Sdn Bhd (N)
29	GuocoLand (M) Bhd
30	United Malayan Land Bhd

#### Innovation & Creativity

RANKING	COMPANY
1	S P Setia Bhd
2	Sunrise Bhd (H)
3	IGB Corporation Bhd
4	E&O Property Devt Bhd
5	YTL Land & Devt Bhd
6	Bandar Raya Devt Bhd
7	Glomac Bhd (H)
8	Selangor Dredging Bhd
9	Sunway City Bhd (H)
10	IOI Properties Bhd
11	Boustead Properties Bhd
12	Bandar Utama City Corp Sdn Bhd (N)(H)
13	Mah Sing Group Bhd
14	YNH Property Bhd
15	Island & Peninsular Sdn Bhd (N)
16	Palam Mesra Sdn Bhd (N)
17	Mulpha Land Bhd
18	Naza TTDI Sdn Bhd (N)
19	Dijaya Corporation Bhd
20	Malton Bhd
21	Paramount Corp Bhd
22	Plenitude Bhd
23	WCT Land Sdn Bhd (N)
24	Bolton Bhd
25	Embassy Court Sdn Bhd (N)
26	Hunza Properties Bhd
27	PJ Development Hldgs Bhd
28	United Malayan Land Bhd
29	Country Heights Hldgs Bhd
30	Eastern & Oriental Bhd

#### Value Creation for Buyers

RANKING	COMPANY
1	Bandar Utama City Corp Sdn Bhd (N)(H)
2	Sunrise Bhd (H)
3	S P Setia Bhd
4	Bandar Raya Devt Bhd
5	IGB Corporation Bhd
6	YTL Land & Devt Bhd
7	Glomac Bhd (H)
8	Sunway City Bhd (H)
9	IOI Properties Bhd
10	Island & Peninsular Sdn Bhd (N)
11	E&O Property Devt Bhd
12	Embassy Court Sdn Bhd (N)
13	Mah Sing Group Bhd
14	Naza TTDI Sdn Bhd (N)
15	Boustead Properties Bhd
16	Paramount Corp Bhd
17	Selangor Dredging Bhd
18	Dijaya Corporation Bhd
19	WCT Land Sdn Bhd (N)
20	Hunza Properties Bhd
21	Malton Bhd
22	Palam Mesra Sdn Bhd (N)
23	YNH Property Bhd
24	PJ Development Hldgs Bhd
25	Plenitude Bhd
26	Bolton Bhd
27	Metro Kajang Holdings Bhd (H)
28	Mulpha Land Bhd
29	SHL Consolidated Bhd
30	United Malayan Land Bhd

#### Image

RANKING	COMPANY
1	Bandar Utama City Corp Sdn Bhd (N)(H)
2	S P Setia Bhd
3	Sunrise Bhd (H)
4	IGB Corporation Bhd
5	Island & Peninsular Sdn Bhd (N)
6	Sunway City Bhd (H)
7	IOI Properties Bhd
8	E&O Property Devt Bhd
9	YTL Land & Devt Bhd
10	Glomac Bhd (H)
11	Bandar Raya Devt Bhd
12	Naza TTDI Sdn Bhd (N)
13	Mah Sing Group Bhd
14	Boustead Properties Bhd
15	YNH Property Bhd
16	Dijaya Corporation Bhd
17	Malton Bhd
18	Paramount Corp Bhd
19	Plenitude Bhd
20	WCT Land Sdn Bhd (N)
21	Selangor Dredging Bhd
22	Bolton Bhd
23	Hunza Properties Bhd
24	Mulpha Land Bhd
25	Eastern & Oriental Bhd
26	Embassy Court Sdn Bhd (N)
27	PJ Development Hldgs Bhd
28	United Malayan Land Bhd
29	Selangor Properties Bhd
30	Palam Mesra Sdn Bhd (N)

#### Expertise

RANKING	COMPANY
1	S P Setia Bhd
2	IGB Corporation Bhd
3	Bandar Utama City Corp Sdn Bhd (N)(H)
4	Sunrise Bhd (H)
5	Bandar Raya Devt Bhd
6	Sunway City Bhd (H)
7	Glomac Bhd (H)
8	E&O Property Devt Bhd
9	Boustead Properties Bhd
10	IOI Properties Bhd
11	Island & Peninsular Sdn Bhd (N)
12	YTL Land & Devt Bhd
13	Mah Sing Group Bhd
14	Selangor Dredging Bhd
15	Naza TTDI Sdn Bhd (N)
16	Paramount Corp Bhd
17	YNH Property Bhd
18	Dijaya Corporation Bhd
19	WCT Land Sdn Bhd (N)
20	Plenitude Bhd
21	Bolton Bhd
22	Malton Bhd
23	Mulpha Land Bhd
24	Palam Mesra Sdn Bhd (N)
25	United Malayan Land Bhd
26	Metro Kajang Holdings Bhd (H)
27	Hunza Properties Bhd
28	PJ Development Hldgs Bhd
29	SHL Consolidated Bhd
30	Embassy Court Sdn Bhd (N)

(N) Non-listed property developer  
(H) The average score for these companies is divided by 6 instead of 7 as one of the judges may have an interest in the co. & abstained

(a) Ekran Bhd – PN 17 on 8 May 2006  
(F) Tanco Bhd – regularised from PN17 status on Jan 16, 2008  
(D) TAHPS Bhd was formerly known as Ayer Hitam Planting Syndicate Bhd



## 2009 RANKINGS

### TOP 30 OVERALL (2009)

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

### Quantitative Attributes 2009

#### BEST 30

RANKING	COMPANY
1	Sime Darby Property Bhd (N)
2	Sunway City Bhd
3	S P Setia Bhd
4	Island & Peninsular Sdn Bhd (N)
5	IGB Corp Bhd
6	IOI Properties Bhd (D)
7	Eastern & Oriental Bhd
8	Bandar Raya Devt Bhd
9	Selangor Properties Bhd
10	Krisassets Holdings Bhd
11	Bandar Utama City Corp Sdn Bhd (N)
12	Naim Holdings Bhd
13	Gamuda Bhd — Property Div (N)
14	Plenitude Bhd
15	Sunrise Bhd
16	PJ Devt Holdings Bhd
17	Dijaya Corp Bhd
18	Paramount Corp Bhd
19	Mah Sing Group Bhd
20	IJM Land Bhd (C)
21	Metro Kajang Holdings Bhd
22	Selangor Dredging Bhd
23	UEM Land Holdings Bhd (G)
24	Naza TTDI Sdn Bhd (N)
25	Guocoland (M) Bhd
26	Matrix International Bhd
27	YTL Land & Devt Bhd
28	United Malayan Land Bhd
29	Mutiara Goodyear Devt Bhd
30	Encorp Bhd

#### Shareholders Funds

RANKING	COMPANY
1	Sime Darby Property Bhd (N)
2	IGB Corp Bhd
3	Island & Peninsular Sdn Bhd (N)
4	IOI Properties Bhd (D)
5	S P Setia Bhd
6	Selangor Properties Bhd
7	Sunway City Bhd
8	Bandar Raya Developments Bhd
9	UEM Land Holdings Bhd (G)
10	Matrix International Bhd
11	Bandar Utama City Corp Sdn Bhd (N)
12	Krisassets Holdings Bhd
13	MK Land Holdings Bhd
14	Daiman Devt Bhd
15	Cyberview Sdn Bhd
16	Guocoland (M) Bhd
17	Karambunai Corp Bhd
18	United Malayan Land Bhd
19	PJ Devt Holdings Bhd
20	Sunrise Bhd
21	Eastern & Oriental Bhd
22	Asia Pacific Land Bhd
23	IJM Land Bhd (C)
24	Mah Sing Group Bhd
25	Country Heights Holdings Bhd
26	YNH Property Bhd
27	Johor Land Bhd
28	KSL Holdings Bhd
29	Ekran Bhd (A)
30	Dijaya Corp Bhd

#### Turnover

RANKING	COMPANY
1	Sime Darby Property Bhd (N)
2	S P Setia Bhd
3	Sunway City Bhd
4	Bandar Raya Developments Bhd
5	Island & Peninsular Sdn Bhd (N)
6	IOI Properties Bhd (D)
7	Eastern & Oriental Bhd
8	IGB Corp Bhd
9	Sunrise Bhd
10	PJ Devt Holdings Bhd
11	Mah Sing Group Bhd
12	Naim Holdings Bhd
13	UEM Land Holdings Bhd (G)
14	Gamuda Bhd — Property Division (N)
15	AMDB Bhd
16	Paramount Corp Bhd
17	Malton Bhd
18	YNH Property Bhd
19	Plenitude Bhd
20	Bandar Utama City Corp Sdn Bhd (N)
21	Metro Kajang Holdings Bhd
22	YTL Land & Devt Bhd
23	Glomac Bhd
24	Matrix International Bhd
25	Bolton Bhd
26	IJM Land Bhd (C)
27	Sagajuta (S) Sdn Bhd (N)
28	Encorp Bhd
29	Bina Darulaman Bhd
30	LBS Bina Group Bhd

#### Profit Before Tax

RANKING	COMPANY
1	Sunway City Bhd
2	IOI Properties Bhd (D)
3	Sime Darby Property Bhd (N)
4	S P Setia Bhd
5	Eastern & Oriental Bhd
6	IGB Corp Bhd
7	Sunrise Bhd
8	Island & Peninsular Sdn Bhd (N)
9	Gamuda Bhd — Property Div (N)
10	Mah Sing Group Bhd
11	Selangor Properties Bhd
12	Bandar Utama City Corp Sdn Bhd (N)
13	KSL Holdings Bhd
14	PJ Devt Holdings Bhd
15	Krisassets Holdings Bhd
16	Naza TTDI Sdn Bhd (N)
17	YNH Property Bhd
18	Plenitude Bhd
19	Selangor Dredging Bhd
20	Naim Holdings Bhd
21	Bandar Raya Developments Bhd
22	Sagajuta (S) Sdn Bhd (N)
23	Dijaya Corp Bhd
24	UEM Land Holdings Bhd (G)
25	WCT Land Sdn Bhd (N)
26	Metro Kajang Holdings Bhd
27	Encorp Bhd
28	Hunza Properties Bhd
29	SHL Consolidated Bhd
30	Bolton Bhd

#### Cash

RANKING	COMPANY
1	Sime Darby Property Bhd (N)
2	IGB Corp Bhd
3	S P Setia Bhd
4	Sunway City Bhd
5	Island & Peninsular Sdn Bhd (N)
6	Selangor Properties Bhd
7	Eastern & Oriental Bhd
8	Cyberview Sdn Bhd
9	Bandar Raya Devt Bhd
10	Gamuda Bhd — Property Div (N)
11	Land & General Bhd
12	IOI Properties Bhd (D)
13	Glomac Bhd
14	Mah Sing Group Bhd
15	Naza TTDI Sdn Bhd (N)
16	Krisassets Holdings Bhd
17	Plenitude Bhd
18	Dijaya Corp Bhd
19	Asia Pacific Land Bhd
20	United Malayan Land Bhd
21	Paramount Corp Bhd
22	Selangor Dredging Bhd
23	YTL Land & Devt Bhd
24	IJM Land Bhd (C)
25	TAHPS Group Bhd
26	Metro Kajang Holdings Bhd
27	Triplc Bhd (F)
28	Encorp Bhd
29	WCT Land Sdn Bhd (N)
30	MK Land Holdings Bhd

#### Gearing

RANKING	COMPANY
1	Asas Dunia Bhd
2	Oriental Interest Bhd
3	Bandar Utama City Corp Sdn Bhd (N)
4	Petaling Tin Bhd
5	Dijaya Corp Bhd
6	Krisassets Holdings Bhd
7	Lien Hoe Corp Bhd
8	Villamas Sdn Bhd (N)
9	Prime Utilities Bhd
10	Emerald Capital Devt Sdn Bhd (N)
11	Hua Yang Bhd
12	A & M Realty Bhd
13	Ibraco Bhd
14	Mutiara Goodyear Devt Bhd
15	Island & Peninsular Sdn Bhd (N)
16	Naim Holdings Bhd
17	Triplc Bhd (F)
18	Ekran Bhd (A)
19	IJM Land Bhd (C)
20	Asian Pac Holdings Bhd
21	Guocoland (M) Bhd
22	Selangor Dredging Bhd
23	Plenitude Bhd
24	Capital Land Sdn Bhd (N)
25	Fountain View Devt Bhd
26	Menang Corp (M) Bhd
27	Metro Kajang Holdings Bhd
28	Paramount Corp Bhd
29	Farlim Group (M) Bhd
30	Furqan Business Organisation Bhd

### Qualitative Attributes 2009

#### BEST 30

RANKING	COMPANY
1	Sunrise Bhd (X)
2	S P Setia Berhad
3	Sunway City Bhd (X)
4	Bandar Raya Devt Bhd
5	IGB Corp Bhd
6	Bandar Utama City Corp Sdn Bhd (N)(X)
7	Eastern & Oriental Bhd
8	YTL Land & Devt Bhd
9	Gamuda Bhd — Property Div (N)
10	Sime Darby Property Bhd (N)
11	IOI Properties Bhd (D)
12	IJM Land Berhad (C)
13	Island & Peninsular Sdn Bhd (N)
14	Glomac Bhd (X)
15	Naza TTDI Sdn Bhd (N)
16	Selangor Dredging Bhd
17	Paramount Corp Bhd
18	Mah Sing Group Bhd
19	YNH Property Bhd
20	Malton Bhd
21	Mulpha Land Bhd
22	WCT Land Sdn Bhd (N)
23	Sagajuta (S) Sdn Bhd (N)
24	Dijaya Corp Bhd
25	UEM Land Holdings Berhad (G)
26	Hunza Properties Bhd
27	Ivory Associates Sdn Bhd (N)
28	Capital Land Sdn Bhd (N)
29	United Malayan Land Bhd
30	PJ Devt Holdings Bhd

#### Product Quality

RANKING	COMPANY
1	Sunrise Bhd (X)
2	Bandar Raya Devt Bhd
3	Sunway City Bhd (X)
4	Eastern & Oriental Bhd
5	S P Setia Berhad
6	IGB Corp Bhd
7	YTL Land & Devt Bhd
8	Gamuda Bhd — Property Div (N)
9	Selangor Dredging Bhd
10	IJM Land Berhad (C)
11	Paramount Corp Bhd
12	Bandar Utama City Corp Sdn Bhd (N)(X)
13	Island & Peninsular Sdn Bhd (N)
14	Glomac Bhd (X)
15	IOI Properties Bhd (D)
16	Sime Darby Property Bhd (N)
17	Naza TTDI Sdn Bhd (N)
18	Mulpha Land Bhd
19	Mah Sing Group Bhd
20	Malton Bhd
21	Capital Land Sdn Bhd (N)
22	Hunza Properties Bhd
23	YNH Property Bhd
24	United Malayan Land Bhd
25	Dijaya Corp Bhd
26	Sagajuta (S) Sdn Bhd (N)
27	WCT Land Sdn Bhd (N)
28	UEM Land Holdings Berhad (G)
29	Ivory Associates Sdn Bhd (N)
30	Cyberview Sdn Bhd (N)

#### Innovation & Creativity

RANKING	COMPANY
1	S P Setia Berhad
2	Sunway City Bhd (X)
3	Sunrise Bhd (N)(X)
4	YTL Land & Devt Bhd
5	Eastern & Oriental Bhd
6	IGB Corp Bhd
7	Bandar Raya Devt Bhd
8	Selangor Dredging Bhd
9	Bandar Utama City Corp Sdn Bhd (N)(X)
10	Gamuda Bhd — Property Div (N)
11	Naza TTDI Sdn Bhd (N)
12	Sime Darby Property Bhd (N)
13	IJM Land Berhad (C)
14	Glomac Bhd (X)
15	Mulpha Land Bhd
16	Island & Peninsular Group Sdn Bhd (N)
17	IOI Properties Bhd (D)
18	Mah Sing Group Bhd
19	Paramount Corp Bhd
20	YNH Property Bhd
21	Malton Bhd
22	Sagajuta (S) Sdn Bhd (N)
23	Cyberview Sdn Bhd (N)
24	Hunza Properties Bhd
25	Ivory Associates Sdn Bhd (N)
26	UEM Land Holdings Berhad (G)
27	Bolton Bhd
28	Dijaya Corp Bhd
29	United Malayan Land Bhd
30	WCT Land Sdn Bhd (N)

#### Value Creation for Buyers

RANKING	COMPANY
1	S P Setia Berhad
2	Sunrise Bhd (X)
3	Bandar Utama City Corp Sdn Bhd (N)(X)
4	Bandar Raya Devt Bhd
5	Eastern & Oriental Bhd
6	IGB Corp Bhd
7	IOI Properties Bhd (D)
8	Sime Darby Property Bhd (N)
9	Sunway City Bhd (X)
10	Island & Peninsular Sdn Bhd (N)
11	YTL Land & Devt Bhd
12	Gamuda Bhd — Property Div (N)
13	Glomac Bhd (X)
14	IJM Land Berhad (C)
15	Paramount Corp Bhd
16	Selangor Dredging Bhd
17	WCT Land Sdn Bhd (N)
18	Naza TTDI Sdn Bhd (N)
19	Malton Bhd
20	YNH Property Bhd
21	Hunza Properties Bhd
22	Mah Sing Group Bhd
23	Mulpha Land Bhd
24	Sagajuta (S) Sdn Bhd (N)
25	Metro Kajang Holdings Bhd (X)
26	Capital Land Sdn Bhd (N)
27	Dijaya Corp Bhd
28	Ivory Associates Sdn Bhd (N)
29	United Malayan Land Bhd
30	Crystalville Sdn Bhd (N)

#### Image

RANKING	COMPANY
1	Sunrise Bhd (X)
2	S P Setia Berhad
3	Bandar Utama City Corp Sdn Bhd (N)(X)
4	Bandar Raya Devt Bhd
5	IGB Corp Bhd
6	Sunway City Bhd (X)
7	Sime Darby Property Bhd (N)
8	IOI Properties Bhd (D)
9	Eastern & Oriental Bhd
10	Island & Peninsular Sdn Bhd (N)
11	YTL Land & Devt Bhd
12	IJM Land Berhad (C)
13	Gamuda Bhd — Property Div (N)
14	Glomac Bhd (X)
15	Mah Sing Group Bhd
16	Naza TTDI Sdn Bhd (N)
17	Paramount Corp Bhd
18	YNH Property Bhd
19	UEM Land Holdings Berhad (G)
20	WCT Land Sdn Bhd (N)
21	Dijaya Corp Bhd
22	Malton Bhd
23	Mulpha Land Bhd
24	Sagajuta (S) Sdn Bhd (N)
25	Ivory Associates Sdn Bhd (N)
26	PJ Devt Holdings Bhd
27	United Malayan Land Bhd
28	Capital Land Sdn Bhd (N)
29	Hunza Properties Bhd
30	Metro Kajang Holdings Bhd (X)

#### Expertise

RANKING	COMPANY
1	Sunrise Bhd (X)
2	IGB Corp Bhd
3	S P Setia Berhad
4	Bandar Raya Devt Bhd
5	Bandar Utama City Corp Sdn Bhd (N)(X)
6	Sunway City Bhd (X)
7	Gamuda Bhd — Property Div (N)
8	IJM Land Berhad (C)
9	IOI Properties Bhd (D)
10	Sime Darby Property Bhd (N)
11	Eastern & Oriental Bhd
12	YTL Land & Devt Bhd
13	Glomac Bhd (X)
14	Mah Sing Group Bhd
15	Selangor Dredging Bhd
16	Island & Peninsular Sdn Bhd (N)
17	Paramount Corp Bhd
18	WCT Land Sdn Bhd (N)
19	YNH Property Bhd
20	Naza TTDI Sdn Bhd (N)
21	Malton Bhd
22	Sagajuta (S) Sdn Bhd (N)
23	Dijaya Corp Bhd
24	Capital Land Sdn Bhd (N)
25	Ivory Associates Sdn Bhd (N)
26	Mulpha Land Bhd
27	UEM Land Holdings Berhad (G)
28	Hunza Properties Bhd
29	Metro Kajang Holdings Bhd (X)
30	PJ Devt Holdings Bhd

NOTES  
 (A) Ekran Bhd — PN 17 on 8 May 2006 & amended PN17 on 18 May 2009. Bursa Malaysia's Listing Committee is in the process of deciding whether to delist the company.

(C) Changed name from RB Land Holdings Bhd to IJM Land Bhd on 1 Jul 2008.  
 (D) Delisted on 28 Apr 2009. Released annual report for financial year 2008.  
 (F) Triplc Bhd — PN17 on 8 May 2006 & amended PN17 on 18 May 2009.

(G) UEM Land Holdings was listed on 18 Nov 2008.  
 (N) Non-listed property developer.  
 (X) The average score for these companies is divided by 6 instead of 7 as one of the judges may have an interest in the co. & abstained.



## 2010 RANKINGS

### TOP 30 OVERALL (2010)

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

### 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

#### 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

#### 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

### 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
16	Dijaya Corp. Bhd
17	Bolton Bhd
18	Malton Bhd
19	Plenitude Bhd
20	YNH Property Bhd
21	UEM Land Holdings Bhd
22	Metro Kajang Holdings Bhd
23	Hunza Properties Bhd
24	Naza TTDI Sdn Bhd(N)
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



# 2011 RANKINGS

## Quantitative Attributes 2011

### BEST 30

RANKING	COMPANY
1	Sime Darby Property Bhd (N)
2	IOI Properties Bhd (N)
3	S P Setia Bhd
4	Sunway City Bhd
5	I & P Group Sdn Bhd (N)
6	IGB Corporation Bhd
7	UEM Land Holdings Bhd
8	Krisassets Holdings Bhd
9	Bandar Utama City Corp. Sdn Bhd (N)
10	Mah Sing Group Bhd
11	Berjaya Assets Bhd
12	Paramount Corporation. Bhd
13	Naim Holdings Bhd
14	Selangor Properties Bhd
15	Sunrise Bhd (B)
16	Naza TTDI Sdn Bhd (N)
17	TA Global Bhd
18	Plenitude Bhd
19	IJM Land Bhd
20	PJ Development Holdings Bhd
21	Dijaya Corporation Bhd
22	Bandar Raya Developments Bhd
23	Wing Tai Malaysia Bhd (E)
24	United Malayan Land Bhd
25	KSL Holdings Bhd
26	SHL Consolidated Bhd
27	Daiman Development Bhd
28	Eastern & Oriental Bhd
29	Glomac Bhd
30	Malton Bhd

### Turnover

RANKING	COMPANY
1	Sime Darby Property Bhd (N)
2	S P Setia Bhd
3	Mah Sing Group Bhd
4	Sunway City Bhd
5	I & P Group Sdn Bhd (N)
6	IJM Land Bhd
7	IOI Properties Bhd (N)
8	IGB Corporation Bhd
9	PJ Development Holdings Bhd
10	Naza TTDI Sdn Bhd (N)
11	Bandar Raya Developments Bhd
12	Naim Holdings Bhd
13	Sunrise Bhd (B)
14	UEM Land Holdings Bhd
15	Paramount Corporation. Bhd
16	Bandar Utama City Corp. Sdn Bhd (N)
17	Berjaya Assets Bhd
18	Wing Tai Malaysia Bhd (E)
19	Eastern & Oriental Bhd
20	Plenitude Bhd
21	Malton Bhd
22	LBS Bina Group Bhd
23	United Malayan Land Bhd
24	Glomac Bhd
25	MK Land Holdings Bhd
26	Dijaya Corporation Bhd
27	MKH Bhd (A)
28	Sapura Resources Bhd
29	Encorp Bhd
30	WCT Land Sdn Bhd (N)

### Notes:

- (A) MKH Bhd was previously known as Metro Kajang Holdings Bhd. Changed name on April 8, 2011.  
 (B) Sunrise voluntarily delisted on Jan 21, 2011 but released an annual report for FY2010 while still listed on the Property Sector of Bursa Malaysia. As such the Company is automatically considered for TPDA2011.  
 (C) Nadayu Properties was previously known as Mutiara Goodyear Development Bhd. Changed name on June 20, 2011.  
 (D) Triplc was declared PN17 on May 8, 2006 & amended PN17 since May 18, 2009. Triplc was reclassified from the Property Sector to the Construction Sector on Bursa Malaysia on July 11, 2011.  
 (E) Wing Tai Malaysia Bhd was previously known as DNP Holdings Bhd. Changed name on Nov 19, 2010.  
 (N) Non-listed company.

### Shareholders Funds

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

### Profit Before Tax

RANKING	COMPANY
1	IOI Properties Bhd (N)
2	Sunway City Bhd
3	Sime Darby Property Bhd (N)
4	S P Setia Bhd
5	Berjaya Assets Bhd
6	IGB Corporation Bhd
7	Krisassets Holdings Bhd
8	I & P Group Sdn Bhd (N)
9	UEM Land Holdings Bhd
10	Sunrise Bhd (B)
11	Bandar Utama City Corp. Sdn Bhd (N)
12	Mah Sing Group Bhd
13	Paramount Corporation. Bhd
14	KSL Holdings Bhd
15	Bandar Raya Developments Bhd
16	IJM Land Bhd
17	Naim Holdings Bhd
18	Naza TTDI Sdn Bhd (N)
19	Plenitude Bhd
20	Eastern & Oriental Bhd
21	WCT Land Sdn Bhd (N)
22	Glomac Bhd
23	Wing Tai Malaysia Bhd (E)
24	United Malayan Land Bhd
25	PJ Development Holdings Bhd
26	Selangor Properties Bhd
27	YNH Property Bhd
28	Hunza Properties Bhd
29	TA Global Bhd
30	Dijaya Corporation Bhd

### Cash/Net Gearing

RANKING	COMPANY
1	Trinity Group Sdn Bhd
2	Land & General Bhd
3	Plenitude Bhd
4	Paramount Corporation. Bhd
5	TAHPS Group Bhd
6	Keladi Maju Bhd
7	I-Bhd
8	Oriental Interest Bhd
9	SHL Consolidated Bhd
10	I & P Group Sdn Bhd
11	MUI Properties Bhd
12	Selangor Properties Bhd
13	A & M Realty Bhd
14	Khor Joo Saik Sdn Bhd
15	LBI Capital Bhd
16	Farlim Group (M) Bhd
17	Tebrau Teguh Bhd
18	Bertam Alliance Bhd
19	Daiman Development Bhd
20	Bandar Utama City Corp. Sdn Bhd
21	Dijaya Corporation Bhd
22	Krisassets Holdings Bhd
23	Petaling Tin Bhd
24	Asas Dunia Bhd
25	Ibraco Bhd
26	UEM Land Holdings Bhd
27	South Malaysia Industries Bhd
28	Hunza Properties Bhd
29	Triplc Bhd (D)
30	TA Global Bhd

## Qualitative Attributes 2011

### BEST 30

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

### Innovation & Creativity

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

### Image

RANKING	COMPANY
1	S P Setia Berhad
2	Sunway City Bhd
3	Sime Darby Property Bhd (N)
4	IJM Land Berhad
5	Mah Sing Group Bhd
6	Bandar Raya Developments Bhd
7	IGB Corporation Bhd
8	Sunrise Bhd (B)
9	Eastern & Oriental Bhd
10	Bandar Utama City Corp. Sdn Bhd (N)
11	YTL Land & Development Bhd
12	I & P Group Sdn Bhd (N)
13	Al-Batha Bukit Kiara Holdings Sdn Bhd (N)
14	Naza TTDI Sdn Bhd (N)
15	Glomac Bhd
16	UEM Land Holdings Berhad
17	Selangor Dredging Bhd
18	IOI Properties Bhd (N)
19	Dijaya Corporation Bhd
20	Ivory Properties Group Bhd
21	Paramount Corporation Bhd
22	Malton Bhd
23	YNH Property Bhd
24	Hunza Properties Bhd
25	Mulpha Land Bhd
26	Bolton Bhd
27	Nadayu Properties Bhd (C)
28	Plenitude Bhd
29	MKH Bhd (A)
30	OSK Property Holdings Bhd

### Product Quality

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

### Value Creation for Buyers

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

### Expertise

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

### City&Country Editorial Team

EDITOR-IN-CHIEF | Dorothy Teoh

DEPUTY EDITOR-IN-CHIEF | Kevin Khoo DEPUTY EDITOR | Sharon Kam  
 WRITERS | Rosalynn Poh, Wong King Wai, E Jacqui Chan, Lam Jian Wyn

### Advertising & Marketing

Aznita (603) 7721 8006 / Norma (603) 7721 8005  
 email: marketing@bizedge.com

We welcome your comments and criticism. Send your letters to The Edge, PO Box 8348, Pejabat Pos Kelana Jaya, 46788 Petaling Jaya  
 fax (603) 7721 8018 e-mail editor@bizedge.com  
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### Malaysia Property Incorporated

Unit 6-03A, Level 6  
Menara UAC, No 12  
Jalan PJU 7/5, Mutiara Damansara  
47800 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Tel +603-7724 1878  
Fax +603-7724 1877

[info@malaysiapropertyinc.com](mailto:info@malaysiapropertyinc.com)

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The Edge Top Property Developers Awards 2011 judges (from left): Datuk Eddy Chen, Kumar Tharmalingam, Datuk Richard Fong, The Edge chief marketing officer Au Foong Yee, Datuk Alan Tong, Datuk Jeffrey Ng and Datuk Teo Chiang Kok

LEE LAY KIN/THE EDGE



# Reaping success in a booming market

BY Sharon Kam

Strong demand for properties, especially landed homes, spurred the Malaysian property market after a slowdown in the aftermath of the 2008/09 global financial crisis. Local developers rode the “hot” market to achieve good sales at their launches. The current low interest rate environment continues to fuel sales despite renewed concerns over a deepening global economic crisis and fears of a recession.

Having ridden the crest of the recent property boom in the country, the top 10 developers in *The Edge* Top Property Developers Awards 2011 are now keeping a close eye on the global economy and tightening measures at home.

S P Setia Bhd, which was No 1 from 2005 to 2008 and in 2010, topped the chart again this year. It achieved its overall pole position by coming in first in all five qualitative attributes of product quality, innovation and creativity, value creation, image and expertise.

The developer of the 2,525-acre Setia Alam township and eco-themed Setia Eco Park in Shah Alam was third in the quantitative ranking behind Sime Darby Property Bhd and IOI Properties Bhd but its FY2010 ended Oct 31 performance was by no means less impressive — it posted record sales of RM2.31 billion, which was a 40% increase from FY2009's sales.

S P Setia is in the midst of developing the 240-acre Setia City commercial precinct in Setia Alam, which includes the Setia City Mall, a joint venture with Lend Lease that is expected to open its doors next year. Its upcoming projects are Setia Eco Glades in Cyberjaya, KL Eco City in Bangsar and Setia Eco Cascadia in Johor. The developer also recently acquired a 1,011-acre parcel in Semenyih. In June this year, the group launched the first phase of Fulton

Lane in Melbourne, Australia, on a 46,715 sq ft site it acquired in 2010. It is also in the midst of acquiring another site in Melbourne — a 0.9ha freehold plot for an apartment project with an estimated gross development value (GDV) of RM777.5 million.

S P Setia's Vietnam projects, including EcoLakes at My Phuoc in the Binh Duong province, continue to see encouraging sales. As at press time, in a new development, S P Setia had received a notice of a takeover offer from Permodalan Nasional Bhd, a major shareholder of S P Setia.

Runner-up once again is Sime Darby Property, which leads in the quantitative ranking with the largest shareholders' funds and highest turnover (RM1.812 billion) in FY2010. The property division of conglomerate Sime Darby Bhd that is known for its township developments such as Subang Jaya, Ara Damansara and Bukit Jelutong is developing high-end homes in its townships, including Seri Pilmoor in Ara Damansara and The Glades in Putra Heights. Future developments include the Bukit Jelutong Commercial Centre (BJCC) with an estimated GDV of RM3.2 billion. Meanwhile, the masterplan development Sime Darby Vision Valley, which will cover 1.2 million acres and stretch from Kuala Selangor in the north to Seremban and Port Dickson in the south, of which Sime Darby owns 126,000 acres will be developed in phases. Sime Darby Vision Valley has been classified as one of the 12 NKEAs (National Key Economic Areas) under the 10th Malaysia Plan.

Sunway City (SunCity), the developer of Sunway Integrated Resort City and Sunway City Ipoh, emerged third for the fourth consecutive year. It, however, moved up to second place in the qualitative ranking this year. Among its notable projects launched recently are the 22-acre integrated development Sunway Velocity in Cheras and Sunway Rymba Hills — a gated and guarded residential enclave in Sunway Damansara. Upcoming is the

25-storey The Pinnacle office tower in Bandar Sunway. In China, SunCity is developing 102 acres of the 7,400-acre Sino-Singapore Tianjin Eco-City project.

To streamline the group's property and construction businesses and to achieve synergy within Sunway Group, a merger exercise was initiated between Sunway City and Sunway Holdings Bhd and on Aug 23, the merged entity Sunway Bhd was listed on the Main Market of Bursa Malaysia. Sunway Bhd has total assets of over RM7 billion and a landbank of close to 2,200 acres with a potential GDV of about RM23 billion.

In fourth place is IGB Corp Bhd, the developer of Mid Valley City. As in previous years, property investment continues to be the main contributor to the group's revenue as occupancy at Mid Valley Megamall has reached 99.86% while that at The Gardens Mall is 98%. In FY2010, the group's property investment and management division contributed RM425.8 million to revenue, the hotel division RM202.5 million and the property development division RM71.3 million.

The developer of Sierramas in Sungai Buloh continues to enjoy good take-ups for its launches there while it is preparing to develop the last phase of Mid Valley City. IGB is also expanding its St Giles and Cititel hotel brands.

I & P Group Sdn Bhd came in fifth, rising two notches from last year. A wholly-owned subsidiary of Permodalan Nasional Bhd (PNB), I & P Group was formed two years ago as a result of a rationalisation exercise of Island & Peninsular Sdn Bhd, Petaling Garden Sdn Bhd and Pelangi Sdn Bhd.

Its Bandar Kinrara township in Puchong won *The Edge*-PEPS Value Creation Award 2011 in the residential category, repeating its win last year. The developer is working on various phases of development in its 12 townships, including Bandar Baru Sri Petaling, TemasyaGlenmarie, Alam Impian in the Klang Valley and

Taman Rinting and Taman Perling in Johor. The group has a total landbank of about 2,200ha in the Klang Valley and Johor.

IOI Properties Bhd retained its sixth position this year. Although it dropped to 16th place in the qualitative ranking, its financials were impressive. It was runner-up to Sime Darby and above S P Setia in the quantitative ranking. FY2010 was a good year for the property division of plantation giant IOI Corp as its operating profit of RM602.9 million was 29% higher than in the previous year. Revenue exceeded RM1 billion due to strong sales and higher pricing.

Following encouraging sales for its Singapore projects, namely Seascape condo in Sentosa Cove and Cityscape @ Mergui Road, IOI Properties plans to launch a third project there in FY2012. The group is also drawing up plans for a 7.7-acre site in Xiamen, Fujian province, in China. The developer of the 930-acre Bandar Puteri Puchong and the 800-acre IOI Resort City in Putrajaya, has begun work on one of its most iconic projects to date — the IOI City Development in IOI Resort City that comprises a two million sq ft shopping mall, office blocks, a hotel and serviced residences.

Mah Sing Group Bhd, which debuted at ninth place last year, moved up two rungs this year followed by Sunrise Bhd in eighth place.

Mah Sing did remarkably well in its qualitative standing, coming in fourth. IJM Land was third while Sunrise and Bandar Raya Developments Bhd came in fifth and eighth respectively in the qualitative ranking.

In FY2010, Mah Sing breached the RM1 billion sales mark, registering RM1.5 billion. The developer, which is known for its quick turnaround strategies, was on a land-buying spree in 2010, making 10 acquisitions in the year for projects with an estimated GDV of RM4 billion. It acquired another site early this year in Iskandar Malaysia, Johor. It has come up with a mixed portfolio

of products in recent times in the Klang Valley, Penang Island and Johor Baru. Among notable launches are Garden Residence in Cyberjaya, M-Suites @ Jalan Ampang, Residence@ Southbay in Batu Maung, Penang, i-Parc @ Bukit Jelutong and Star Avenue@D'sara.

In eighth position is Sunrise Bhd. Although it voluntarily delisted on Jan 21 this year and is now part of UEM Land Holdings Bhd following a corporate exercise, Sunrise released an annual report for FY2010 while still listed in the property sector. Hence, it was automatically considered for the awards this year.

Sunrise's FY2010 revenue was 26% lower at RM590.7 million while unbilled sales were down to RM861 million. New sales slowed due to planning and approval processes, market conditions and the global financial crisis. Pre-tax profit fell by 12% or RM24.9 million.

Its latest unbilled sales for 28 Mont'Kiara (MK28), Quintet in Richmond, Vancouver, and Summer Suites (formerly Menara Solaris) in Jalan Sultan Ismail, Kuala Lumpur, are said to be around RM1.2 billion. Slated for launch next are Arcoris (MK20) and MK22 in Mont'Kiara while the mixed-use development on the Wisma Angkasa Raya site in KLCC and in Bukit Jelutong are in the works.

With Sunrise now a part of UEM Land, which is the property arm of UEM Group which in turn is wholly owned by Khazanah Nasional Bhd, one can expect a lot more from both developers as they tap each other's strengths.

IJM Corp Bhd's listed property arm IJM Land Bhd — the result of a merger between RB Land and IJM Properties Sdn Bhd — moved up a notch to ninth position this year. IJM Land is known for developing a mixed variety of products in various locations throughout the country — from townships such as Seremban 2 to luxury high-rises such as Ampersand @ Kia Peng to iconic developments such as The Light waterfront devel-



opment in Penang. It emerged third in the qualitative ranking.

In FY2010 ended March 31, the developer achieved record revenue of RM1.1 billion (2009: RM671.01 million) and profit before tax of RM148.92 million (2009: RM68.30 million). The improved performance was due in part to the unprecedented property sales of RM1.26 billion recorded during the year.

Bringing up the rear is Bandar Raya Developments Bhd (BRDB), which made the headlines recently for its decision to draft its prime assets, including Bangsar Shopping Centre, Menara BRDB, CapSquare Retail Centre in Kuala Lumpur and Permas Jusco Mall in Johor Baru.

Besides these assets, BRDB is known for its luxury lifestyle developments, including One Menerung in Bangsar and the Foster & Partners-designed Troika in Kuala Lumpur. It dropped significantly in the quantitative ranking from seventh place last year to 22nd this year. Group revenue in FY2010 declined 31% y-o-y to RM627.4 million while revenue from the property division dropped 37% y-o-y to RM453.2 million. Group profit before tax was RM151.1 million for the year under review, 3% less than in FY2009. BRDB recently launched condominium project Verdana at Kiara North in Dutamas, setting a new standard in the location for design, quality and pricing. It is gearing up to launch Taman Duta in Kuala Lumpur, which will feature ultra-luxurious low-rises on 12 acres of freehold land with a GDV of about RM1 billion.

Worth noting in the qualitative ranking is unlisted developer Al-Batha Bukit Kiara Holdings Sdn Bhd, which is more popularly known as Bukit Kiara Properties. It submitted an entry for the awards for the first time this year and came in at ninth place. Bukit Kiara Properties was founded by group chairman Datuk Alan Tong and has carved a name for itself as an innovative niche developer with projects such as Hijauan Kiara and Verve Suites, both in Mont'Kiara. It made an impressive debut, adjudged No 15 overall.

Another unlisted developer that just missed out on appearing on the overall Top 10 list by coming in at 11th place is the developer of the Bandar

Utama township — Bandar Utama City Corp Sdn Bhd. 1 First Avenue, a green office building developed by the group in the township won this year's *The Edge*-PAM Green Excellence Award.

### Quality first

Since last year, *The Edge* Top Property Developers Awards has come under the banner of *The Edge* Property Excellence Awards which encompasses *The Edge*-PEPS Value Creation Excellence Award and *The Edge*-PAM Green Excellence Award.

The *The Edge* Top Property Developers Awards ranking is based on a developer's FY2010 results. Data on the quantitative attributes of listed companies in the property sector of Bursa Malaysia is derived from published sources compiled by Interactive Data Systems Sdn Bhd while unlisted companies are 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.

Since last year, greater weightage has been given to qualitative attributes (65% compared with 50% previously), namely product quality, innovation and creativity, value creation for buyers, image and expertise. For this year, these were judged by industry experts and veteran property developers Datuk Alan Tong, Datuk Richard Fong, Datuk Jeffery Ng, Datuk Teo Chiang Kok, Kumar Tharmalingam, Datuk Eddy Chen and *The Edge* chief marketing officer Au Foong Yee.

The respective judges abstained from the deliberation and judging of companies in which they have direct or indirect interests. They are Fong (for Glomac Bhd where he is group executive vice-chairman), Ng for Sunway City (he is CEO of Sunway REIT Management Sdn Bhd), Chen for MKH Bhd (he is the managing director), Tong for Bukit Kiara Properties (he is the chairman), Teo for Bandar Utama City Corp (he is a director), Kumar for Sime Darby Property (he is a director) and Au for Sunrise (the chairman of *The Edge* is also a director of Sunrise Bhd). The results were audited by Deloitte Malaysia. ■

### Bandar Kinrara wins again

Having won the inaugural *The Edge*-PEPS Value Creation Excellence Award in the residential category last year, I & P Group Sdn Bhd's Bandar Kinrara township in Puchong won again this year for another phase of its terraced homes.

I & P submitted the 2-storey Desiran homes in Phase B41 that saw an average annual appreciation of 32.38%.

This award was initiated in collaboration with the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector (PEPS) to recognise property developments that have rewarded their purchasers in terms of capital appreciation in an outstanding manner.

Last year's winner in the non-residential category was Encorp Bhd's Encorp Strand — a commercial development in Kota Damansara, Selangor. There were no entries in this category this year.

The judges this year were PEPS president Choy Yue Kwong, PEPS immediate past president James Wong, PEPS exco member Foo Gee Jen, *The Edge* chief marketing officer Au Foong Yee and *The Edge* deputy editor of *City & Country* + *haven* Sharon Kam.



WINNER (RESIDENTIAL) COMPANY  
Bandar Kinrara I&P Group Sdn Bhd  
Phase B41 (Desiran)

### 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.

### 1 First Avenue receives green award

1 First Avenue, a 25-storey Grade A office building in the thriving township of Bandar Utama, is the winner of *The Edge*-PAM Green Excellence Award 2011.

Developed by Bandar Utama City Sdn Bhd, the building's above-industry-standard green features and initiatives impressed this year's five-member jury panel.

The Energy Commission Building in Putrajaya received a jury's commendation.

The judges this year were Malaysian Institute of Architects (PAM) immediate past president Boon Chee Wee, PAM president Saifuddin Ahmad, Green Building Index accreditation panel member Serina Hijjas, *The Edge* chief marketing officer Au Foong Yee and *The Edge* deputy editor of *City & Country* + *haven* Sharon Kam.

Introduced in collaboration with PAM, the award aims to recognise projects that demonstrate sustainable design innovation while contributing positively to the community.

The inaugural award last year was accorded to Ken Bangsar, a redevelopment project undertaken



WINNER COMPANY  
1First Avenue Bandar Utama City Sdn Bhd

### METHODOLOGY

This award is open to all Malaysian property developers — both listed and unlisted — with projects in the country as well as corporate members of PAM with projects in Malaysia. The projects — of any size and type — must be fully completed.

A total of six entries were received this year.

One of the judging criteria for the green award is that the project must showcase innovation beyond the industry standard required by the Green Building Index, LEEDs, Singapore's Building and Construction Authority's Green Mark or other recognised green building certification.

The five-member judging panel also deliberated over the design, sustainability, implementation, cost efficiency and relevance of the project to the community.



## AWARDS METHODOLOGY

**T**he *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% 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 2011 awards are for FY2010.

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. The respective judges 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 MKH Bhd, Datuk Alan Tong for Al-Batha Bukit Kiara Holdings, Datuk Teo Chiang Kok for Bandar Utama City Corp Sdn Bhd, Kumar Tharmalingam for Sime Darby Property Bhd and Au Foong Yee for Sunrise Bhd (the chairman of *The Edge* is also a director of Sunrise Bhd).

### Results audited

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

# What the judges say



## Datuk Alan Tong

Tong is the first and only Malaysian to have held the post of Fiabci (The International Real Estate Federation) World president (2005 to 2006) and it was during his term that Fiabci's Kuala Lumpur-based Asia-Pacific regional secretariat, which he now chairs, was set up. Also a past president of Fiabci Malaysia (1994 to 2000), Tong founded Sunrise Sdn Bhd in 1968. The property development company was subsequently listed as Sunrise Bhd on the Main Board of the local bourse in 1995. Tong exited the company in early 1997, just before the Asian financial crisis, and is now group chairman of Bukit Kiara Properties Sdn Bhd, a private company he formed in 2000 with his son N K Tong to undertake niche property development. He was also named Property Man of the Year 2010 by Fiabci Malaysia.

"This year again, we saw healthy competition among the developers to be at the top of the property development

industry in the country. Healthy competition augurs well for the country, industry players as well as homebuyers and investors.

It is heartening to see many of the country's top developers continuing to do well both qualitatively and quantitatively to meet the expectation of customers. They have set a high standard for the industry and I believe many of them may even compete internationally and give international players from other countries a run for their money — such is the standard of Malaysian property developers these days."



## Kumar Tharmalingam

A past president of Fiabci Malaysia and a past board member of Fiabci International, Kumar is a registered real estate valuer and property consultant. He has been active both as a property consultant and a property developer and has, over the past 35 years, observed the growth of local real estate. Kumar is currently CEO of Malaysia Property Inc.

"The local property market is more resilient than people realise. Malaysia has never seen the kind of runaway values seen, for example, in the US since 1974. However, a tightening of credit by Bank Negara is in place as it seems to think we have inflation in house prices. This is a persistent perception although available data does not show any shift to runaway values. But while there is real demand, there is also a shift to smaller homes and housing in clusters where services are geared towards the Y generation or to an impending retiring X generation.

Both generations have opposing needs. X needs to be near hospitals and supermarkets with no steep stairs, for example, and close to the city where they grew up, with security. They will pay a premium for these.

Y needs lifestyle entertainment. They have no problems being located further away from the city and have no use for land lines since they are on permanent WiFi.

Savvy developers are already gearing for this shift. And our Top 10 developers are on the ball in this aspect. In this year's awards, we have the same faces we saw previously, playing musical chairs, and certainly quality and excellence once again win the day."



## Datuk Eddy Chen

A Real Estate and Housing Developers' Association (Rehda) Malaysia past president, Chen, who is the managing director of MKH Bhd (formerly known as Metro Kajang Holdings Bhd), has been in property development and construction-related businesses for nearly three decades. He sits on various government-private sector committees that formulate policies governing the housing and real estate industry. He is also the chairman of the board of trustees of the Rehda Institute.

"The Edge Top Property Developers Awards has become a much-awaited yearly ranking for many property players as they look forward to see where they stand among their peers. Much like university rankings, many developers use this ranking as part of their branding exercise. The weight placed on qualitative features reflects the market's continued pressure on developers to improve in this aspect of the ranking. One of the key reasons many support the

build-then-sell delivery system is poor quality, which is only apparent after the houses are handed over, by which time homebuyers have little or no bargaining power.

I believe this emphasis on quality also helps level the playing field for the smaller players. Both big and small developers can deliver similar quality as a percentage of cost. If incorporated into the conceptualisation, design and construction from the day the developer decides to purchase the land, the cost of qualitative input into properties can be reduced. And quality as we know it today is different from that 30 years ago.

Modern lifestyle, climate change, reducing one's carbon footprint, renewable energy and many other new trends have altered the way we look at quality in housing — a holistic and sustainable approach.

While it may be difficult to capture all of these in just one ranking, I believe the ranking goes a long way to spur the qualitative aspect of property development."



## Datuk Teo Chiang Kok

A past president of Rehda Malaysia and Fiabci Malaysia, Teo is currently the president of the Building Management Association of Malaysia. He is also a council member of the Associated Chinese Chambers of Commerce and Industry Malaysia and heads its construction and property committee as well as infrastructure committee.

He is a director of companies in See Hoy Chan Holdings Group, which is behind the development of the Bandar Utama township in Petaling Jaya, where the award-winning 1 Utama Shopping Centre is located.

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

"There is no surprise about the finalists as they are all well-regarded and well-known developers. Their qualitative credentials are very high and recognised by the public at large. The few changes in the ranking are due to the respective performance of the property developers, which can swing quite a bit due to the stages of completion of their various phases brought into account for the year."

pective performance of the property developers, which can swing quite a bit due to the stages of completion of their various phases brought into account for the year."



## Datuk Jeffrey Ng

A patron and past president of Rehda Malaysia, Ng is into boutique property development. His experience in finance, corporate planning and executive management in the property and hotel industries in Malaysia and Australia spans more than 28 years. He was an executive director of Sunway City Bhd. At the moment, he is the CEO and non-independent executive director of Sunway REIT Management Sdn Bhd, which is the manager of Sunway REIT. Ng is also a director in Urban Hallmark Properties Sdn Bhd.

"There are no surprises in the ranking of this year's Top 10 property developers. They are all market leaders in their own right and share common achievements, such as strong corporate branding, mass-appeal product concepts and mass-customer support. Up-and-coming property developers will find this pack hard to beat for now."



## Datuk Richard Fong

Fong is the immediate past president of Fiabci Malaysia and past chairman of Malaysia Property Inc. He is also the group executive vice-chairman of Glomac Bhd. A civil engineering graduate of University College London, Fong began his career at Mudajaya Construction Sdn Bhd and JIM Corp Bhd before founding Glomac in 1988 with Tan Sri F D Mansor.

"The result of the Top 10 property developers awards shows that the top companies remain entrenched in their positions. It also shows that they are all going from strength to strength in line with buoyant conditions last year. Other developers who seek to break into the Top 10 will need to step up their image building and sustain their branding for a few years. Having one successful year will not be good enough to break into the Top 10. The developers will need to have a high profile consistently for a few years."



## Au Foong Yee

Au Foong Yee was executive editor at *The Edge* when she conceptualised *The Edge Top Property Developers Awards*. She is now the chief marketing officer of *The Edge Communications Sdn Bhd*.

"Privately owned property developers as well as those under the umbrella of a listed entity that have offered themselves for scrutiny must be highly commended. Unlike property developers which, by virtue of their listing status, are automatically eligible for this vigorous ranking introduced in 2003, the former have the option of staying off the radar screen.

That the 10 companies volunteered to be examined speaks volumes about their intent to compete with the best and the biggest players in the country. Such a competitive spirit will help raise the standard of the Malaysian property industry.

For the record, the 10 are Bandar Utama City Corp Sdn Bhd, Al-Batha Bukit Kiara Holdings Sdn Bhd (Bukit Kiara Properties), I&P Group Sdn Bhd, IOI Properties Bhd, Khor Joo Saik Sdn Bhd, Naza TTDI Sdn Bhd, SBC Corp Bhd, Sime Darby Property Bhd, Trinity Group and WCT Land. Kudos to all 10.

As for property investors, clearly, there is a need to not only look at the overall ranking of the winners but also how they fared in their qualitative attributes.

Moving forward, qualitative attributes will continue to play a significant role in differentiating the men from the boys in the industry. This is especially given the government's expressed intention to soon amend the law, which will pave the way for a build-then-sell marketplace."



## The Edge-PEPS Value Creation Excellence Award 2011 judges

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



LEE LAY KIN/THE EDGE

### Choy Yue Kwong

· MD, Rahim & Co (Sel) Sdn Bhd  
· President, Association of Valuers, Estate Agents and Property Consultants in the Private Sector (PEPS)

This year, there were fewer entries and they were all from the residential sector.

We are looking for well-planned developments that not only create value but have excellent building designs, quality finishes and landscaping as these elements create a nice living environment and a feel-good factor. All these in turn can enhance the value of a property.

[The winner stood out because] in addition to outstanding value creation, the developer has been generous in providing open spaces with wide roads designed to ensure privacy as well as very pleasant landscaping. Generally, the houses provide value for money.

### Foo Gee Jen

· MD, C H Williams Talhar & Wong Sdn Bhd  
· Committee member, PEPS

I would like to see more entries from large townships in Penang, Johor, Kota Kinabalu (Sabah) and even Kuching (Sarawak). I know of developments outside the Klang Valley that are doing well in terms of value appreciation, for instance in Penang and Kota Kinabalu.

Bandar Kinrara stood out for its high value appreciation and product quality.

As the winner of the award for two consecutive years, Bandar Kinrara indicates that Puchong has become a choice location apart from the usual suspects of Bangsar and Petaling Jaya.

As judges, we look for sustainability, not just of the environment but also of value for investors.

### James Wong

· MD, VPC Alliance Sdn Bhd  
· Immediate past president, PEPS

The main objective of the Value Creation Award is to give recognition to the developer whose project provides the highest capital gain for its buyers. Apart from the quantitative aspects of capital gains, the judges also take into consideration certain key qualitative criteria such as master planning and design functionality, overall occupancy rate of the development, sustainability of the value of the development and the after-sales and property management

services of the developer upon the completion of the project.

The winner stands out because the original developer's prices were deemed very reasonable and the houses were sold out within a short time. This really provides the homebuyers with value for money. Hence, within the five-year period, it was able to achieve the highest capital gains. The houses are in a low-density development and offer quality finishes.

### Au Foong Yee

Chief marketing officer, *The Edge*

While fewer entries were received for this award this year, it is noteworthy that both the standard of entries and their presentation were better than in 2010.

It is no mean task to compile multiple official transactions that chart significant value creation over a period of time. Now add to this the need to woo judges for their scrutiny of the qualitative attributes of the project/a phase of the project in contention.

Let me take this opportunity to challenge developers, big and small, to stand up and be counted. Unlike in the days when property purchases were made mainly for owner-occupation, real estate is now viewed as an investment too.

Thus the relevance and need for developers to prove that they are capable of generating value for their investors.

### Sharon Kam

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

Numbers do not lie and the capital appreciation of Bandar Kinrara's Phase B41 from the developer's price was most impressive. The developer certainly seemed generous in ensuring that buyers gained from capital appreciation.

Besides looking at the numbers, we also considered the product's quality, the environment it is in, the location and other aspects which could contribute to sustaining and promoting future appreciation.

The quality of the entries showed that Malaysian developers are going the extra mile to meet the demands of increasingly discerning property buyers and investors, such as building sustainable developments by adopting green features and standards in their projects and balancing design aesthetics with comfortable living.



## The Edge-PAM Green Excellence Award 2011 judges

PATRICK GOH/THE EDGE



From left: Saifuddin, Au, Kam, Serina and Boon

### Saifuddin Ahmad

Malaysian Institute of Architects (PAM) president

"1 First Avenue was designed with a number of innovative sustainable characteristics compared with the other short-listed entries. It was in a class of its own. Something unexpected by a private developer and should be emulated by others. A brilliant start to greater awareness and practice of sustainability in the country!"

### Serina Hijjas

Green Building Index accreditation panel member

"Taking the initiative to go green is a laudable act by any developer. Submissions for the award will get more and more interesting as developers rise to the challenge of embracing green innovations or commitments in their buildings as a new way of life.

1 First Avenue was selected based on its adoption of good green practices in a speculative office building. Wastewater recycling is incorporated into the entire building — the first of its kind that goes beyond the typical green selections seen in emerging projects and developments. A bold move that goes beyond commercial selection to more of a corporate social responsibility agenda.

The jury's commendation is Suruhanjaya Tenaga's Diamond building, a wonderfully crafted green building with state-of-the-art, passive and active green features. Designed to be an exemplary building in showcasing the best green features, the Diamond building is a learning, walking and talking green project. The jury believes it will be a great contribution to knowledge building in the building sector."

### Boon Che Wee

Green Building Index accreditation panel member (chair)  
Malaysian Institute of Architects (PAM) immediate past president

"The winning entry presented itself very clearly as a development with a clear purpose in meeting the expected environmental standards in this day and age, with simple and basic approaches by First Principles, sans the bells and whistles, from its passive

design strategies and controlled construction to its series of understated, cost-effective and well-integrated innovative measures.

This well-meaning effort is not lost on its tenants and the new green ethics are contagion on the occupants and even on the visitors. It is also important in setting the benchmark for future developments in the area as well as its wider locality."

### Au Foong Yee

Chief marketing officer, *The Edge*

"An exemplary green project calls for more than just innovative ideas supported by a blank cheque. It warrants the developer to travel on a path least or not yet travelled, in the local context at least. Then, there is the challenge of investment of time and money to break out of an otherwise stereotypical notion of going green.

We found the candidate in 1 First Avenue, an office building by Bandar Utama City Sdn Bhd, in the popular township of Bandar Utama in Selangor. There is nothing fancy or seemingly over the top about this project, save for its focused green principles and practices that together set a benchmark for future green developments in Malaysia.

Special mention must be made of Suruhanjaya Tenaga's Diamond building in Putrajaya. Here is an awesome building packed with state-of-the-art green features befitting, as the judges called it, a knowledge building. A commendable green effort indeed."

### Sharon Kam

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

"The entries this year ranged from resort developments to homes and offices and it is good to see Malaysian developers embrace sustainable development in their projects.

The quality of submissions was impressive, but 1 First Avenue stood out because it went beyond merely meeting the requirements for green ratings. Some of its green features were forward-looking and will benefit the local community or neighbourhood, such as its centralised wastewater treatment plant.

While it is an exemplary green building, 1 First Avenue is also a fully leased office building with 90% occupancy, which shows that its developer and tenants ap-



## S P SETIA

# Staying ahead of the curve

BY E Jacqui Chan

It was on an early Friday morning that *The Edge* visited S P Setia Bhd's KL Eco City office in Mid Valley City to interview president and CEO Tan Sri Liew Kee Sin. Despite a business engagement that had kept him up late the previous night, an energetic Liew blew into the office like a gust of wind.

His passion and pride were evident as he spoke about the company's achievements and he had good reasons to be proud.

S P Setia Bhd now holds the distinction of being the only property developer to be ranked No 1 six times in *The Edge* Top Property Developers Awards since its inception in 2003. Over the years, it has built a reputation for itself as a trusted developer and become synonymous with quality and service.

Since the company was incorporated in 1974, it has developed several highly regarded townships, such as Setia Alam and Setia Eco Park in Shah Alam, Bukit Indah in Johor Baru, Pusat Bandar Puchong, EcoLakes in Vietnam as well as high-end products such as SetiaHills in Ampang and Duta Tropika in Sri Hartamas.

It has landbank of 4,442 acres in Malaysia with a gross development value (GDV) of RM43 billion and 545 acres overseas with a GDV of RM5 billion. Among other tracts, the developer recently acquired 1,010.5 acres in Semenyih for RM330.1 million and 268.11 acres in Cyberjaya for RM420.4 million.

Read on for Liew's take on the success of S P Setia, its plans and the property market. (This interview was done before S P Setia received a notice of takeover offer from Permodalan Nasional Bhd.)

**The Edge: What are some of the critical factors that have made S P Setia such a successful property developer?**

**Tan Sri Liew Kee Sin:** There are a lot of successful property developers in the market. Each of *The Edge* Top 10 Property Developers is as good as we are and most of us use similar consultants, contractors and suppliers. I think the difference between each developer is the team.

I am proud that we have built a strong team over the years. So if there is one thing I would consider as a critical success factor, it would be our team work. We come together in whatever we do, be it for work, business, charity or social functions.

I always tell my team that we must differentiate ourselves and the biggest differentiation is our people.

## S P Setia

	2011	2010
Overall	1	1
Quantitative	3	3
Qualitative	1	1

Anyone can give ideas and developers can have similar ideas but the difference is that we execute them with our hearts and with passion.

We do this through simple things like how you handle a customer. You do it with passion and because you want to get it done.

We also have plenty of long-term employees. When we won the overall best employer in Malaysia this year in the Aon Hewitt Best Employers in APAC study, we were very proud because it was judged by the staff. It is not us saying we are the best.

Normally, the best employee practices can be found in multinational corporations and service companies. We have participated in the study for 10 years and we learn from the best.

Talent is vital to the success of the company. If we have a strong team, we can do 10 more projects tomorrow. If we have a weak team, I would worry about how to embark on the next project.

**Where do you think S P Setia stands in the market now?**

We are not one to blow our own trumpet, but a good indication of market respect for us would be *The Edge* Top Property Developers Awards. The other awards we value would be the ones from the International Real Estate Federation. But I think the best indicator of our stand in the market is the sales we achieve every year.

A lot of our customers are repeat customers. We are in multiple locations and have a multi-product range. We have both depth and breadth.

We do [from] low-cost housing to expensive bungalows that cost RM4 million to RM5 million. We have a range of condominiums, luxury homes, eco developments and townships. And aside from the Klang Valley, we have developments in Penang and Johor, overseas in Vietnam, China, Singapore and Australia. So that shows the strength that we have.

**Speaking of sales, S P Setia achieved a new record of RM2.31 billion in FY2010. Are you confident of another record this year?**

We have achieved more than our targeted RM3 billion in FY2011 and we still have one more month to go before the financial year ends. It is now a matter of how much more than RM3 billion we are going to achieve.



Liew: We aim to not only provide customers with five-star products, but also five-star service

Again, the sales record is recognition of our brand.

**Can you share with us some medium and long-term plans to grow the company further?**

We started in the middle end of the market and have grown into a very strong township developer. While the Malaysian market has changed tremendously in the past 15 years, our core business will still be township [development].

We love township developments because the value enhancement over a long period of time is tremendous. Let's say you buy a land that is worth RM5 million today. It can appreciate to RM10 million in 10 years based on valuations.

There are four more segments in our business. The second would be integrated developments such as the KL Eco City project, for which land clearing has started. Such developments will have a mix of retail, commercial and residential components in a compact area.

Then, we have our eco homes. We have developed a successful eco theme, and Setia Eco Park in Shah Alam has won many awards since it was developed. In Johor, we have Setia Eco Gardens which is doing very well and we hope to launch another phase either by year-end or early next year. Also, we are expanding our eco homes to Cyberjaya with Setia Eco Glades, which is slated to be launched early next year.

The fourth segment is high-end residences, bungalows, apartments and condominiums. This is a more niche market for us.

Lastly, we have our international developments. We will focus on the countries we are in for now and our aim is to be No 1 in the city we operate. This will take time as we need to make sure people accept our brand, let them know us and create a base first. It is a step-by-step approach.

I also think what the government is doing with the 1Malaysia Housing Programme (PR1MA) is correct because there is huge demand in that sector of the market, which is the new middle class.

Every year, the number of entries into the workforce is large. We can tell just by looking at our staff. This group is looking for homes priced from RM200,000 to RM300,000 and the market is big.

It is business for us. The trick for developers, including us, is how to ca-

ter for this segment of the market. The key thing is land cost and whether we can find land that is cheap enough to do such a project.

The government has put its money into building the mass rapid transit system and if the LRT, MRT, Komuter and bus services are coordinated, this will open up a whole avenue of development for developers.

If the Klang Valley has an efficient transport system, you can build beautiful townships along or near the stations. People will want to move out of the city for better quality of life and more space. It is no longer a big deal for a person to live in Kajang, Rawang and even Seremban and work in the city.

Look at the big cities such as London, New York and Sydney. People take public transport, even CEOs, because it is easy for them to move around.

This is the new thing we are looking at— how to tap this initiative the government is rolling out.

**Can you tell us more about the acquisitions S P Setia has made this year?**

We have to buy because we are selling so fast. If we do not replenish our landbank, we will have nothing to



PICTURES COURTESY OF S P SETIA



Setia Eco Park, Shah Alam



Fulton Lane, Australia

## S P Setia

FINANCIAL YEAR-END OCT 31 (RM'000)	2010	2009	2008	2007	2006
Revenue	1,745,870	1,408,415	1,471,357	1,305,215	1,358,379
Pre-tax profit	330,967	231,112	297,867	336,573	331,288
Paid-up capital	762,606	762,604	762,524	504,454	498,513
Shareholders' funds	2,189,273	2,037,221	1,975,342	1,840,883	1,702,410
Profit attributable to shareholders	251,813	171,233	213,456	260,070	238,234
Dividend payout ratio (%)	60.6	62	60	62	61

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO UNITS	TOTAL UNITS	GDV (RM BIL)	LAUNCH DATE	TAKE-UP (%)
Bukit Indah, Johor	Mixed township	11,570	16,000	4.20	March 1997	98
Setia Indah, Johor	Mixed township	7,732	8,000	1.70	Jan 2001	98
Setia Alam, Shah Alam	Mixed township	9,127	25,000	8.02	April 2004	97
Setia Eco Park, Shah Alam	Semidee & bungalow	1,540	3,000	5.00	June 2004	99
Setia Tropika, Johor	Mixed township	3,370	7,800	2.80	Sept 2005	91
Setia Pearl Island, Penang	3-storey terraced & semidee	1,444	1,842	1.16	April 2007	96
Setia Eco Gardens, Johor	Mixed township	1,220	6,000	2.50	Feb 2008	97
Setia Sky Residences, KL	High-rise residential	647	844	0.99	June 2009	70

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM BIL)	EXPECTED LAUNCH
KL Eco City, KL	Commercial	TBC	6	TBC
Setia Eco Glades, Cyberjaya	Semidee & bungalow	TBC	3	TBC
Brook Residences, Penang	Bungalow	11	0.06	TBC
Aeropod, Sabah	Commercial	1,200	1.5	TBC
Setia Eco Cascadia, Johor	Mixed township	2,590	1.5	TBC
Fulton Lane, Melbourne	High-rise residential	850	1.39	TBC
18 Woodsville, Singapore	High-rise residential	105	0.32	TBC

\* TBC – to be confirmed



KL Eco City, KL



Setia Eco Gardens, Johor

sell. Land to a developer is a basic raw commodity and we have to plan in advance. That is where the trick is.

**When you buy a piece of land today, you must think about what the market wants in two years' time when the project is launched. How do you read the market two years from now?**

Because of the depth we have, we are able to adjust our business plan according to market demands. Whether the market is in favour of RM300,000 homes or expensive high-end condominiums, we have the landbank to cater for the market. We are big enough and we have the strength and depth to be flexible.

The acquisitions are for the five market segments; townships, integrated developments, eco homes, high-end products and also overseas. Our land acquisitions overseas are small compared with the parcels we acquire in Malaysia. They are usually about one to two acres but the value is high.

**With rising inflation and increasingly discerning and demanding consumers, how will you juggle creating products that meet market demand**

**and still ensure a healthy profit?**

Ultimately, the market sets the pace. It is about what people want. No developer can plan without taking the market into consideration.

But having said that, investors will pay a premium for your products if they think it is value for money. In order to do that, you must ensure there is always long-term capital appreciation. We pride ourselves on being a developer that can always price above the market.

The first rule of a CEO is rewarding the shareholders but how do you do that when customers want as low a price as possible and shareholders want maximum profit? You have to find that balance and this is where branding comes into play.

Branding is not about placing an advertisement in the papers or magazines. To us, branding is very simple — your end product must be of superior quality.

Product quality is crucial. When a customer takes the key to a new bungalow or even a low-cost home, you have to make sure the customer is satisfied with the product. Are there any complaints? We work very hard to achieve this. If you do it well consistently year after year, it creates a brand.

In S P Setia, we aim to not only provide customers with five-star products, but also five-star service. That means the minute you enter our office, you must feel like you are entering a five-star hotel.

At the end of the day, you have to make sure the customers are happy and that you deliver what you promised. You have to build their trust. Over time, people will respect you and they will come back again and again.

**Are there any significant upcoming projects you can tell us about?**

Right now, we have three government projects. One of them is KL Eco City, which is a joint venture with Kuala Lumpur City Hall. We have received letters of offer from the government for two more projects — the development of a 40-acre tract in Federal Hill with a GDV of RM10 billion and the redevelopment of the low-cost area of Taman Ikan Emas in Bandar Tun Razak, Cheras, with a GDV of RM2.8 billion.

**How will today's global economic uncertainties impact the local property market? What is S P Setia's strategy in such unstable times?**

I do not foresee the market slowing down because it is a matter of supply and demand. The reason there are so many projects and so many developers in the market today is that demand is strong.

If you survey the developers in *The Edge* Top Property Developers Awards, not just the top 10, but also the lower-ranked developers, you'll see that they are all very strong financially. Because of this, they can hold. Assuming there is a slowdown in demand, the developers will just reduce supply.

But I don't think that will happen as land cost and the cost of construction have gone up so much. A home we sell to you today cannot be replaced by a similar home in two years' time. So, demand will always be there.

Whatever we are selling today is from land we bought two to three years ago, so our cost structure is lower. There is always a time lag between the acquisition of land and the start of the project. If the market is slow, we will just hold and if the market is good, we will keep rolling them out.

Right now, you can see demand from not only our sales but also from that of other developers. There is plen-

ty of money circulating in the local economy. But, of course, customers tend to be choosier these days because they have plenty of choices. This is where the differentiation of the five-star product quality and service comes in.

**What is the most important thing you have learnt from your years as a property developer?**

Property development is a very dynamic business that evolves every day. The market is constantly changing, whether it is customers changing their taste, different designs or technology advancement. People change too; your staff gets younger and you get older.

Then, there are so many developers coming up. With easy money, everybody wants to be a developer, and we have big and small developers coming after us.

How do you keep up with the constant changes? You must brace yourself for change and keep abreast of changes.

The key to any successful business is staying ahead of the curve. If you can, you will be fine. If you cannot, then it is time for someone else to take over as CEO. **E**

# Everyone Needs



**S P SETIA BERHAD** (10608-X)  
 Setia Corporate Tower, 5A, Jalan Setia Nusantara U13/17  
 Setia Eco Park, Seksyen U13,  
 40170 Shah Alam, Selangor Darul Ehsan, Malaysia  
 T 603 3344 8800 | 603 3344 3232 | corp@spsetia.com.my | www.spsetia.com.my  
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I & P plans to build serviced apartments near the Giant hypermarket

## BANDAR KINRARA

# Keeps values growing

BY Lam Jian Wyn

Stock markets continue to feel the strain of the debt situation in the US and eurozone even as they recover from the aftershocks of Japan's March 11 earthquake and tsunami as well as the political unrest in the Middle East.

Therefore, it is only natural for investors to flee the troubled markets to seek refuge in assets that are deemed more stable in terms of value and returns. It is against this backdrop that value creation in real estate takes on greater significance. *The Edge-PEPS Value Creation Excellence Award 2011* celebrates properties that offer the best value creation from the perspective of capital appreciation and sustaining value and recognises developers that are committed to creating value for their buyers.

I & P Group Sdn Bhd returns as the winner in the residential category this year with Phase B41 of its Bandar Kinrara township in Puchong. Phase B41, known as Desiran, comprises 110 units of 2-storey terraced homes and spans 4.77 acres on an elevated site overlooking the surrounding phases. This gated and guarded phase features a single entrance and lush landscaping, including 10ft rows of greenery that act as a buffer between Desiran and the neighbouring phases. This marks the second time Bandar Kinrara has picked up the award since its inception last year.

The homes have an average built-up of 2,368 to 2,589 sq ft and land areas starting at 24ft x 70ft. When

it was launched in June 2009, unit prices ranged from RM490,888 to RM650,888.

One of the five homes submitted by I & P appreciated a whopping 88.8% over 1.9 years. Their average appreciation per annum worked out to 32.38%.

The judges were wowed by the workmanship and designs of the Desiran homes. In terms of design, the large land areas and ceiling height of 12ft contributed to the spaciousness of the homes.

The 1,904-acre township in Puchong was launched 20 years ago as a model village designed to give buyers a glimpse of life in a township.

Bandar Kinrara's rolling landscape is dotted with terraced homes, semi-detached houses and bungalows, designed in what the group calls its signature contemporary — "not modern" as group managing director Datuk Jamaludin Osman stresses — Malaysian style.

Meanwhile, amenities within the township include a golf club and golf course, basketball court, international cricket pitch, Giant hypermarket, mosque, primary schools, secondary schools and a linear park.

While Jamaludin has ruled out expanding this successful development due to the lack of available land in the area, he has incorporated elements of Bandar Kinrara into the company's other developments in the Klang Valley.

Currently, the township has only 400 acres left to be developed, including some high-rise offerings in the pipeline. Upon completion, the township is expected to have 16,779 homes and an estimated GDV of RM3 billion.



Jamaludin: We believe our price is always right because if you push too hard, the product might not take off

"The Bandar Kinrara homes are much sought after. When the homes were closer to completion and being handed over, those who did not manage to buy the homes from us tried to buy them from the owners. When we checked, we found the premiums to be quite high and there have been

quite a lot of transactions too," says Jamaludin.

The development also scored highly in the areas of master planning, sustainability, after-sales service and occupancy, which helped propel it to the top spot in the value creation category.

### Ingredients for value creation

Pondering the reasons for I & P's success with Bandar Kinrara, Jamaludin says it boils down to one thing — location. But on top of location, he believes there are other factors like innovation, design, product quality and all those things that determine



how people perceive a certain development.

Bandar Kinrara is accessible via a number of major highways, such as Lebuhraya Damansara-Puchong (LDP), the North Klang Valley Expressway (NKVE), the New Pantai Expressway (NPE) and the Middle Ring Road. Bandar Kinrara is also poised to house two stations of the highly anticipated light rail transit extension.

It should be noted that Desiran's site was originally designated for a condominium development. However, I & P decided to redesign it into a landed development to preserve the area's low-density, low-rise nature and to avoid traffic congestion.

Jamaludin says once people like the environment of the township, the developer will, of course, be able to sell its products at optimum prices. Furthermore, limited units make good capital appreciation possible. He adds that the strength of the group's products also lies in I & P's attention to customer feedback.

"We analyse what people want; people want big houses at reasonable prices; people want space. Some people want style but to me, people generally need space. Why? From our experience, the moment we hand over the property and before they move in, there is a lot of renovation. Why is renovation needed? It is for space. So we discover the optimum

[space factor] and design [the product] according to the bylaws; anything beyond that will be done by the purchasers," he explains.

"I think branding comes later. The moment people see the product, [although] they will say, 'This was built by I & P', they see brand as one thing. They still [want to] see the end product.

"Those who want to purchase a second home get it at a higher price than those who buy it from the developer [because] they must see the product first. The brand is one thing, but if the product is not that good I don't think people are willing to pay a higher price. So a combination of the product itself and the brand is what matters," he opines.

Some market observers have commented on the low pricing of some of I & P's homes — for instance, corner lots do not command a very significant premium over their intermediate variants. Addressing this, Jamaludin says: "Well, put it this way; you feel it is cheap when you see capital appreciation after the products have been sold out. I think it's psychological or just market talk. However, when we put the price a little bit higher, then people will say it is over market price.

"So some people may say that. But we believe our price is always right because we believe if you push too hard, the product may not take off."



Desiran 2-storey link homes wowed judges with their spacious and sensible design

**Moving forward**

Bandar Kinrara has 400 acres left to be developed. One of the more notable future launches of the township are the serviced apartments near the Giant hypermarket, which are expected to take up 20 acres.

"We also plan to get a hospital operator. So far we have not shortlisted any yet. We are looking for an invest-

tor that is willing to open a hospital there. We have not started building the hospital yet," he says.

According to I & P, two LRT stations will come up in Bandar Kinrara 2 and Bandar Kinrara 9 in 2013. The stations are part of the Ampang line extension that will run from Sri Petaling to Putra Heights. Upon completion, the line will stretch 17.7km

and comprise 12 stations.

I & P is cognisant of its success and will, it says, try to replicate elements of Bandar Kinrara, such as its design, landscaping and low density, in other townships such as Bayuemas in Klang. Conceptualised as a garden city, the 565-acre township boasts lush greenery and lakes for a lakeside living experience. ■

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# 1 First Avenue takes the lead in green office building

BY Rosalynn Poh

The bustling 1,000-acre Bandar Utama township in Petaling Jaya is especially known for its award-winning five million sq ft retail haven, 1 Utama Shopping Centre. Just a stone's throw away from the mall is the newly completed 1 First Avenue office tower built by developer Bandar Utama City Sdn Bhd, a wholly-owned subsidiary of Bandar Utama developer See Hoy Chan Holdings Group.

1 First Avenue, the winner of *The Edge-PAM Green Excellence Award 2011*, stands out for a number of reasons. It is next to One World Hotel, integrated with 1 Utama Shopping Centre and boasts numerous green features one might not be aware of by merely looking at the building.

It became the first private-sector commercial building to receive the Green Building Index (GBI) Provisional Certification in April 2010. And while the building looks like any other modern Grade A office building, one would be pleasantly surprised to find that about 50% of the rooftop has been covered with native and adaptive plants, and that the development has a total landscaped area of more than 50%.

In addition, 1 First Avenue is also an MSC (Multimedia Super Corridor) Malaysia Cybercentre-status building within the Bandar Utama city centre, where tenants are eligible to enjoy various incentives provided for information communication technology (ICT) companies.

The building received the jury's vote as the winner of *The Edge-PAM Green Excellence Award 2011* as it was deemed an exemplary commercial building that went beyond just exhibiting green technologies.

We met the man behind the development, Datuk Teo Chiang Kok, director of See Hoy Chan Holdings Group, at the ground level terrace near the entrance of the building, where we noticed the beginnings of the vertical garden featuring a climber plant known as a peacock flower (*bauhinia kockiana*). The vertical garden will grow from the ground floor to the top of the 25-storey tower, and will probably look lush and impressive when it matures.

The ground terrace features a landscaped walkway. "We asked the authorities if we could provide a landscaped walkway instead of the typical pedestrian paths. It's safer for the pedestrians and it also acts as a green relief for the area. Hopefully people would sit here in the afternoon to have a cup of tea or something," says Teo as he led us down the shady path.

On each floor of the building, there is a landscaped terraced (garden) area where office workers can

take some time out to relax, have a drink or meet for discussions. On every alternate floor, there are more green areas growing under double volume-height ceilings that allow better air movement and for taller trees to grow. Teo says they only use local plants.

"You don't need exotic plants to make things look beautiful and local plants won't have any problems adapting," he points out.

Commenting on the offices, Teo says, "We offer big spaces for offices [floor plates] as it reduces inter-floor travelling and offices are more efficiently used. I think teamwork development is also better when everyone is on the same floor."

As for conserving water, rainwater collected via a rainwater harvesting system will be used for flushing toilets, cooling towers and landscaping. Teoh says 30% of total water usage for the building comes from recycled rainwater.

The building is said to have cutting-edge cost-cutting technologies to improve energy efficiency, including intelligent and highly efficient lifts, low e-glazing windows, a chiller plant control system, a building energy-management system control, and monitoring and integration of equipment. Toilets are also naturally ventilated and lit during the day.

The efficiency features cost the developer 18% more than the usual building cost.

"A lot of multinational companies (MNCs) have their corporate social responsibility (CSR) which requires them to be environmentally conscious so they are looking to have their offices in green buildings.

"It's good timing for us — we came at a time when MNCs were looking for such offices," says Teo. 1 First Avenue, which was completed in April last year, is fully leased. In fact, the building was 90% full within six months, testimony to the high demand for green buildings by MNCs. The building has a total gross built-up of 2.3 million sq ft and a net lettable area of 637,258 sq ft. Its tenants include IBM Malaysia (which is also a tenant at 8 First Avenue), RHB Bank Bhd, MyEG Services Sdn Bhd, Paypal Malaysia Services Sdn Bhd and Hong Leong Investment Bank Bhd.

Teo has almost four decades of experience in property development and has been adopting green initiatives and technologies in some of the buildings in Bandar Utama. Green elements have also been included in the master plan for Bandar Utama city centre.

"I remember following my father [Tan Sri Dr Teo Soo Cheng] to construction sites when I was maybe 15 or 16 years old. While we had other businesses besides property development then, this [property] industry excites me most as it is both creative and tangible," he says.



Teo: As long as the payback period was within six years or less, it was a go

## Green initiatives

The developer had been known for its green initiatives before being green became trendy. For instance, 1 Utama Shopping Centre has adopted green features such as district cooling via a central plant and a "green lung" in its Rainforest section for years. It also included a rooftop gar-

den at its new wing recently.

"It is not so altruistic. Right from the start, we decided we wanted to keep the commercial section of the township as long-term rental properties and by being efficient, we would receive payback in the long run. By incorporating efficient features and as long as the payback period was

within six years or less, it was a go," says Teo.

"In the past, there were no green ratings but when the rating tools were introduced, we made sure we achieved the standards," he adds. At first, the developer followed the Leadership in Energy and Environmental Design (LEED) certification guideline, a rat-

SUHAIMI YUSUF/THE EDGE

ing system devised by the US Green Building Council and then switched to GBI once it was introduced.

“The switch from LEED to GBI was because LEED was designed for projects in temperate countries so some of the criteria were not so relevant in Malaysia. If we spent money just to meet the criteria, it could be wasted,” explains Teo.

Another interesting green feature in 1 First Avenue is the green vehicle parking lot allocations. Tenants are encouraged to drive green hybrid vehicles and those who do so and fulfil a few other terms and conditions will enjoy a 50% discount on parking rates and have the best parking bay allocations in the development. There is also a 50% discount and specially allocated parking bays for those who carpool.

“We need to adopt various options to achieve or exceed the Green Building Index. The option to do so, however, must first and foremost make commercial sense,” says Teo.

An unusual initiative that Bandar Utama has adopted is the central sewage treatment plant that processes all sewage and food waste and recovers up to 95% or more of the water used in the area. Wastewater recycling involves wastewater treatment, where greywater is reused for toilet flushing, air-conditioning cooling towers and landscape irrigation.

“We also recover condensate water from the air-conditioning to extract the ‘coldness’ in the condensate for pre-cooling the air,” Teo elaborates.

We visited the sky lounge next. It spans 25,000 sq ft with stunning views of the surrounding areas. Teo says they are still looking for a ten-

ant for the sky lounge.

We then proceeded to the helipad and were stunned by the breathtaking view — unimpeded 360-degree views of Bandar Utama and its surrounding areas. While it was a hazy day, one could imagine having cocktail parties on the helipad on a clear evening. Teo says the helipad, about 18,600 sq ft in size, is able to accommodate a 20-seater helicopter, and offers views of Kuala Lumpur and even Genting Highlands on a clear day.

Interestingly, the helipad in the building is not your typical concrete helipad but one laid with grass. “[Our] greening the helipad is, we believe, the first undertaken anywhere. We can’t landscape a helipad, we can only put grass on it as it has to be flat.

“We see helicopters landing on a padang so we gathered that we didn’t need concrete helipads. We then decided that we might as well make a [green helipad] and that’s how the concept came about,” explains Teo.

Having a turf-roof deck on top of a building not only looks refreshing and makes the area ideal for holding events. It also helps alleviate urban heat island effects through evaporative shading. In other words, the cow grass planted on the helipad cools the building. The helipad, however, has yet to be used as it is pending approval by the Department of Civil Aviation.

There are about six more commercial buildings being planned for future development in Bandar Utama and Teo says 1 First Avenue has set the benchmark for green buildings here. “Now we’ve reached a certain standard, we can’t step back, unfortunately,” he jokes. ■



## 1 First Avenue green features include:

1. Low VOC paints
2. Non-urea formaldehyde products
3. Composite wood materials
4. Building moisture control points
5. Chiller plant control system
6. Intelligent and highly efficient lifts
7. Low e-glass used extensively in the building façade
8. Cross-ventilation design features
9. Wastewater recycling
10. More than 50% landscaped with native plants
11. Energy-management control system

## Jury commends energy-efficient building

Judges for *The Edge-PAM Green Excellence Award 2011* has given a jury’s commendation to the Suruhanjaya Tenaga (Energy Commission) building in Putrajaya.

Developed by Putra Perdana Development Sdn Bhd via its wholly owned subsidiary, Senandung Budiman Sdn Bhd, it is also known as the Diamond building due to its architectural structure.

Its self-shading façade optimises a passive design approach to achieve energy efficiency. Other green features include rainwater harvesting, greywater recycling, maximising natural daylight and solar panels to generate electricity. Greywater collected from the floor taps is recycled for irrigation purposes. Another interesting feature is the automated shutters on the glass dome which can be seen from the atrium within the building. The dome allows natural daylight to flow in while light sensors on the shutters enable them to adjust themselves accordingly.

The blinds block direct sunlight from coming into the offices while controlling the light level in the atrium where the workstations are. Tannenbaum reflector panels are

also used to distribute daylight.

The eight-floor building has a total gross floor area of 153,160 sq ft and a gross development cost (excluding land cost) of RM75.2 million. It was completed in March last year.

The Diamond building is the first green building in Malaysia to achieve both the Singapore Green Mark Platinum and the Malaysian GBI Platinum Green Building certifications.

It currently has a monthly average energy consumption of 60.6 kWh/m<sup>2</sup> with a total of 170 permanent occupants. The total installed photovoltaic capacity is 71.4 kWp with an estimated 9% reduction in the design energy target.

According to the judges, the Diamond building is an exemplary green building showcasing state-of-the-art, passive and active green features and technologies. Recognising the Energy Commission’s intent and motivation in using innovative technologies to reduce energy consumption and promote sustainable building, the judges believe it will be a great contribution to knowledge building in the green building sector. ■



Above: The futuristic exterior of the Diamond building

Left: The interiors maximise the use of natural sunlight in the day, a green substitute to artificial lighting

## SIME DARBY PROPERTY

# Moving forward aggressively

BY Rosalynn Poh

It was just a month ago that we met up with Datuk Abdul Wahab Maskan, COO of Sime Darby Bhd and managing director of Sime Darby Property Bhd (SDP), for an interview. Abdul Wahab was group chief executive of Kumpulan Guthrie Bhd and Golden Hope Plantations Bhd before the two companies merged with Sime Darby and Negara Properties (M) Bhd in 2007.

As he was away on business this time around, the interview was conducted via email.

During the interview in early August, Abdul Wahab appeared calm, chatting with his team and commenting: "I want them to sit and know that it isn't easy answering all these questions posed by the media. Next time, they can do it."

As SDP enters an aggressive mode, he cites the need to "train its people well and retain the right talent". The developer is hiring to add to its current team of about 1,500 people.

"We want to internationalise our team in the way we do things as well as our products. It is one of the strategies and challenges we are facing. This can only be done by recruiting and investing in people," he adds.

SDP, already known for its township developments Subang Jaya and Ara Damansara, is poised to make great strides in the industry and is moving on to its next growth strategy. It plans to launch some RM2 billion worth of properties from now until the end of FY2012.

"We have to plan a new enhanced set of strategies or objectives to take us to a higher level. We want higher profits and our target is that by 2016, we want the property division to be among the billion-ringgit achievers in terms of profit. We have the potential to do so as we have the resources, assets, brand, balance sheet and capability," he points out. Property development will remain the core (80%), supported by property investment/management.

"The bulk of our projects will be in Malaysia and Singapore. We hope to strengthen our position overseas as well, especially in China, as we believe it has huge business potential."

Read on for Abdul Wahab's take on the property market and more on SDP's upcoming projects and future strategies.

**The Edge: Are you on target to launch RM2 billion worth of projects until FY2012?**

**Datuk Abdul Wahab Maskan:** We are on track. From July to now, we have successfully launched Maple Terrace, our 3-storey link homes in Denai Alam, as well as Avalon, our bungalows in USJ Heights, and Davi-

### Sime Darby Property

	2011	2010
Overall	2	2
Quantitative	1	1
Qualitative	6	6

na III & Iluna in Nilai Impian. These properties are collectively worth more than RM320 million.

In addition, we will soon be launching Isola, a 216-unit serviced condominium in Subang Jaya with a GDV of above RM240 million. More launches are in the pipeline, such as condovillas in Ara Damansara and more link houses in Nilai Impian, Denai Alam and Bandar Bukit Raja in 4Q2011. We are also on target to launch Quarza Residen serviced apartments and a new condominium project in Melawati in 2Q2012. This RM2 billion target is higher than last year's. We continue to raise the bar to keep growing the business and turnover as well as to keep our leadership position as a property developer in quantitative terms.

**Your take on the current property market and the challenges in the near future?**

We are cautiously optimistic about Malaysia's property market, especially in our area of operations. We expect the resilient Malaysian economy and continued consumer confidence to sustain the positive momentum, especially for residential and commercial properties located in strategic areas where we operate.

Malaysian consumers have become more discerning when it comes to buying properties. Developers must be able to deliver functional and quality products with differentiation elements.

We guarantee delivery and will give best value for money. We also emphasise building sustainable and innovative homes, properties and built environments for the consumer.

**How do you see the property market in the next 12 months?**

It is generally expected to remain positive but cautious in certain sub-sectors. The residential property market is expected to remain positive this year, especially in such growth areas as the Klang Valley, Greater KL and other urban centres. Home prices are expected to be on an uptrend in 2H2011, especially for the new launches due to anticipated higher cost of construction and land. Improved accessibility due to the MRT project and other infrastructure will also cause prices in selected areas to rise.



**Abdul Wahab:** Quality has become a selling point for the SDP brand. This is a result of our commitment to high standards.

**You mentioned wanting to 'internationalise the team in the way we do things as well as our products'. What are your plans to achieve this?**

Internationalising the SDP team has basically two meanings:

- Having human capital with a work culture and mindset geared towards delivering performance that is benchmarked against international best practices and value proposition; and
- Having an organisation with international class governance and operational infrastructure, and systems that support maximum performance of human capital, providing innovative and attractive products and services.

To achieve this, we have to invest in time and effort to train and retain the right talent and importantly, we should draw from a global talent pool, tapping the best and brightest regardless of nationality or background.

As far as our products are concerned, what it means is to look and learn from some of the best projects abroad. Learn, apply, adapt or improve, where applicable, the design, construction methods and even procurement process with the objective of delivering better products and services to our customers. We should use international collaboration to create liveable, sustainable, safe and memorable communities and products that are well designed and on a par with or better than the best.

**What do you think are some of SDP's strengths as a property developer? Some people say it is only strong in size (financially and land-bank) but there is a need for improvement in terms of quality. What do you have to say?**

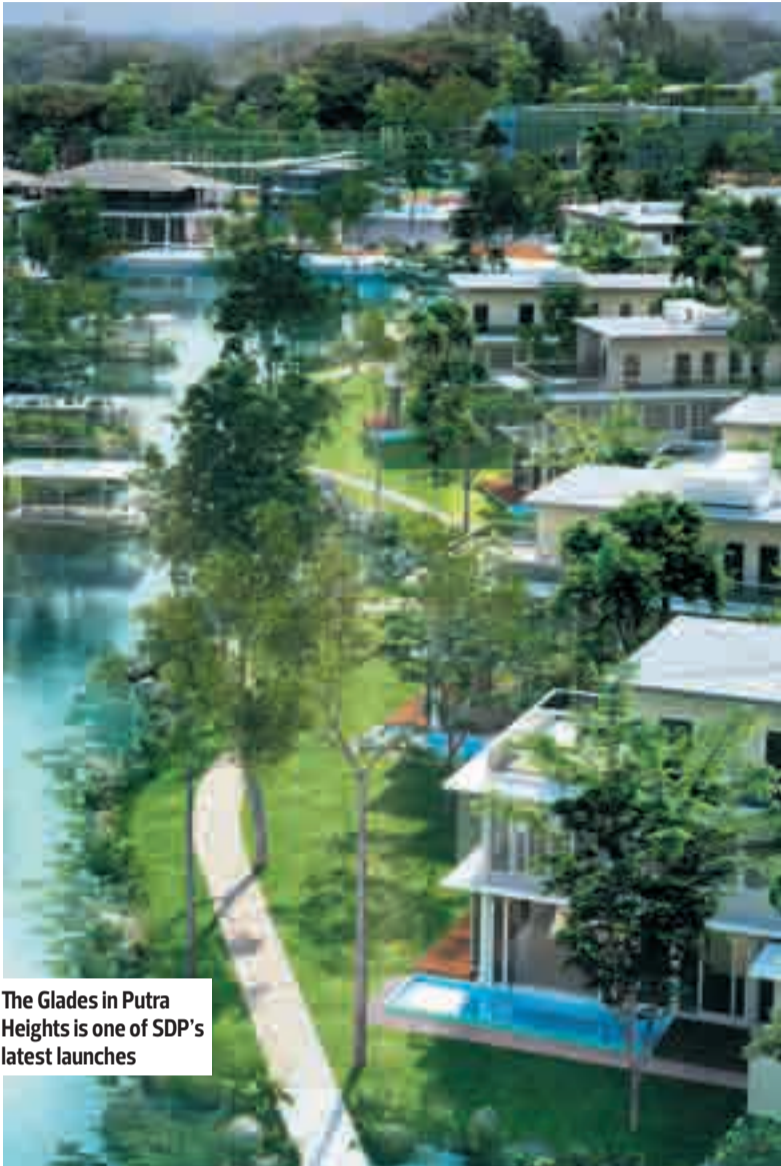
On the contrary, quality has become a selling point for the SDP brand. This is a result of our commitment to high standards.

SDP was the first property developer in Malaysia to be awarded four ISO management system certification, namely ISO 9001 (Quality Management System), ISO14001 (Environmental Management System), OHSAS 18001 and MS1722 (Safety and Health Management System). We have also put in place initiatives ranging from contractor performance monitor to advanced customer relations management programmes to enhance the quality of our products and services.

As a brand, SDP has garnered a reputation for being a builder of successful and sustainable townships. Our track record spans decades and as such, we are a developer that has been and will continue to be around for a long time. Our products are also known to be innovative and value-creating in terms of appreciation for property owners and investors.

The strength of our brand and track record has been recognised by

PICTURE COURTESY OF SIME DARBY



The Glades in Putra Heights is one of SDP's latest launches

## Sime Darby Property

### FINANCIAL YEAR-END JUNE 30 (RM MIL)

	2011	2010	2009	2008
Revenue	2,014	1,813	1,408	1,420
Pre-tax profit	440	472	454	434
Paid-up capital	243	243	243	243
Shareholders' funds	6,475	6,128	5,012	4,065
Profit attributable to shareholders	365	402	347	334
Dividend payout ratio (%)	22	41	42	102

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE UP (%)
Ara Damansara, Petaling Jaya	Resort condo, semidee and bungalow	400	700	Nov 07 - Aug 10	90
Bandar Bukit Raja, Klang	Link houses and low cost shops	895	450	Aug 09 - June 11	97
Bukit Jelutong, Shah Alam	Shop offices, semidee and bungalow	200	560	March 09 - Dec 10	73
Denai Alam, Shah Alam	Terraced and semidee	1057	950	Jan 08 - April 11	88
Melawati, Ulu Kelang	High rise residential, commercial and terraced	348	51	April 08 & Dec 10	100
USJ Heights, Subang Jaya	Terraced and zero lots	629	800	Nov 09 - Jan 11	98
Oasis Square - Ara Damansara	Serviced apartments	326	120	NA	NA
Oasis Square - Ara Damansara	Shop offices	318	220	NA	NA
Kenny Hills - Bukit Tunku	Condo	63	240	NA	NA

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	EXPECTED LAUNCH
Ara Damansara, Petaling Jaya	Mixed development	35	1Q2012
Putra Heights, Subang Jaya	Villas and Condo	554	2Q2012
USJ Heights, Subang Jaya	Bungalow	27	4Q2011
Bandar Bukit Raja, Klang	Mixed development	231	2Q2012
Elmina East, Shah Alam	Industrial	89	1Q2012
Denai Alam, Shah Alam	Mixed development	1,026	2Q2012
Bukit Jelutong, Shah Alam	Bungalow & condovilla	539	2Q2012
Melawati, Ulu Kelang	Mixed development	1,374	2Q2012
Nilai Impian, Negeri Sembilan	Terraced	461	4Q2011
Elmina East	Residential, commercial, industrial	5,909	4Q2012 to 2Q2013
Phase 1, Bandar Ainsdale	Affordable homes, SD Housing, commercial	700	4Q2011 to 2Q2012
Ampar Tenang	Residential, commercial (Green Experimental Cluster)	14,000	NA
Oasis Corporate Park - Ara Damansara	Office Blocks	56	4Q2011

our peers in the industry. We have been ranked Malaysia's No 1 property developer by *The Edge* Top Property Developers Awards 2009. We also won the Most Valuable Brands Awards in the property and infrastructure industry category in 2007, 2008 and 2009. In March 2011, SDP was the gold winner of the prestigious Putra Brand Awards 2011 in the property development category. SDP was also the 2010 Malaysia Frost & Sullivan Green Builder of the Year and won BCI Asia Top 10 Developers Awards 2011. We were also awarded the *Reader's Digest* Most Trusted Brand for 2011.

#### What are some of SDP's efforts to improve its products and image as a developer?

As the leader in building sustainable communities, we have incorporated the tenets of sustainability into our corporate DNA. We also have to continuously push back the boundaries in terms of innovating and applying these innovations in a pragmatic manner in our offerings.

We are probably the only developer that has a dedicated R&D and innovation department that reports directly to management. Apart from continuously improving product development, new approaches have been introduced, such as the development of the Sime Darby Idea House, the first carbon neutral residence in Southeast Asia. Some of the knowledge and innovation developed from the Idea House has been progressively incorporated into our new offerings, including our recently launched Ficus Peak homes in Denai Alam.

As a developer that is serious about pushing the sustainability

agenda, we adopt a holistic urban design approach to creating sustainable communities and built environments, starting at site identification, township master planning, landscape and open space design to detailed architectural product design, good community lifestyle and safe environment. The vision and concept of a new community must be carried rigorously through from inception to completion and through well-established maintenance programmes. At SDP, creating high quality and well-designed products that are responsible and environmentally responsive to the site; climate, context and culture is a given [criteria]. Additionally, we want to create product designs that are timeless and withstand the changing styles and trends — a hallmark of the SDP brand that purchasers and users know will be ensured of — quality, comfort and value for money when they purchase SDP homes and properties or live in our communities.

#### Affordable housing is a hot topic now. Will we see more developers focusing on affordable housing versus high-end properties now? What about SDP?

SDP sees affordable homes as properties that are resilient and cater for the majority of consumers. Affordable price is relative and for now is below RM500,000. We already have in the pipeline a strong supply of these properties in the current financial year as well as the following years. This component is a substantial content of our townships.

I believe there will be many developers supporting the initiative

to provide affordable homes. It has also been well received by the property market, specifically the middle-income segment that wants to own property of its own and have a better quality of life.

Our affordable housing strategy and programmes fit in with the market and can contribute to the government's efforts to build quality affordable housing through PR1MA. We have identified a few areas in our townships for this programme, such as Ara Damansara, Bandar Bukit Raja and Putra Heights, and upcoming projects slated for Kota Elmina, Elmina West and Lagong Mas in Selangor and Bandar Ainsdale in Seremban, Negeri Sembilan.

In Bandar Ainsdale, a 550-acre township in Seremban, we plan to build 2,220 affordable homes under this programme commencing at the end of this year.

#### What are the lessons learnt as a property developer that has been in the industry for so long? How does a developer sustain its business and consumer interest in its products?

SDP has been around for 40 years. We have built more than 50,000 homes. We have projects like Subang Jaya, Bukit Jelutong, Ara Damansara and Oasis Square, to name but a few. Developing self-sufficient townships with all the amenities and facilities for customers from all walks of life (from low to high-income segments) has enabled us to have a deep understanding of the intricacies of township development. We believe that a developer must continuously adapt to changes and improve in terms of product and service quality to remain

viable and grow. Complacency has no place in the mindset of an internationally inspired brand like SDP.

#### How sustainable is SDP's sustainable development agenda?

Sustainability is our way forward. It is very much a part of the Sime Darby Group's corporate mission. SDP will continue to play a significant role in championing the sustainable agenda and setting new trends through our R&D initiative in our effort to make the company a dynamic brand.

All architecture as well as built environments must be sustainable. Sustainability is not a trend or a catch phrase but the responsibility of a leading developer and we take this responsibility very seriously.

Sustainability is inherent in every design approach and development decision that we make. Yes, we have been asked why we place so much emphasis on this and why we spend a lot of money on it. We believe sustainability has a bigger meaning — it is the philosophy of doing business. Sustainability can create value. We take it that we invest in the environment to take care of our future — future income as well as future generations.

For example, our products are designed to be environmentally responsible, sustainable and responsible so that there is minimal impact on the site and context. The products enjoy maximum cross-ventilation, natural daylight and reduced dependence on artificial air-conditioning and lighting, which result in high operational and maintenance costs.

We have successfully launched products that emanate from innovative ideas and elements from the Sime

Darby Idea House. Having said that, this is not limited to technology.

From the Idea House, we have learnt how to design spaces more efficiently and by doing so we are able to improve the building methods. We had a deeper insight into how our customers live and clearly understand the changing trends in lifestyle. For example, as our townships grow and communities begin to form further away from the Klang Valley, communication becomes a critical need in the absence of efficient physical mobility. That is why we are building the infrastructure to allow our customers to become more connected.

Ficus Peak, our recent launch in Denai Alam, comes pre-equipped with home network solutions and broadband services. In addition, we have been looking very closely at the way materials are chosen and that is where we are sensitive to the recyclability of the materials that we choose.

Moving forward, we have a lot of exciting ideas that will make us rethink what the idea of a house is and that includes customisation and expandability. The idea relates to sustainability strongly and forces us to rethink how we utilise our resources.

For example, why buy a 3-bedroom house where there are only three people in the family? Why can't we expand the house in the future with minimal fuss and construction complications?

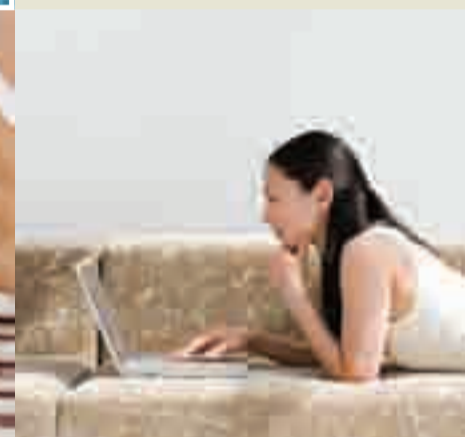
These are the questions that keep us looking at innovation creatively in order to meet our customers' needs and to ensure that it is sustainable. ■



*Magnificent Courtyard Villas*



# THE Ensemble



*Exquisite Cluster Homes*



# THE Mews





# THE Residences



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No of units and Type: 48 units 2 & 2 1/2 Storey Cluster Villa (The Encore) | 56 units 3 & 3 1/2 Storey Courtyard Villa (The Ensemble) | 78 units 1 & 2 1/2 Storey Cluster Homes (The Mews) | 80 units 3 Storey Bungalows (The Residences) | Expected Date of Completion: July 2014 | Land: Free from Encumbrances | Tenure of Land: Freehold | Developer's License No.: 3927-104/07-2013/799 | Validity: 13/07/2010 – 12/07/2013 | Advertising & Sales Permit No.: 3927-104/1382/2011(07) | Validity: 19/07/2010 – 18/07/2011 | Appropriate Authority which Approves the Building Plans: Majlis Perbandaran Subang Jaya | Reference No.: MPSJ/BGN/KW/B-9/30(21) (The Encore, The Ensemble & The Mews) | MPSJ/BGN/KW/B-9/29(22) (The Residences) | Developed by: Sime Darby USJ Development Sdn Bhd (formerly known as Sime UEP Development Sdn Bhd) (Co. No. 56669-W), Level 10, Block G, No. 2 Jalan PJU 1A/7A, Ara Damansara, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan | Selling Price: RM2,967,000 (min.) – RM5,536,500 (max.) (The Encore) | RM2,174,000 (min.) – RM4,595,500 (max.) (The Ensemble) | RM1,425,000 (min.) – RM2,685,800 (max.) (The Mews) | RM3,888,000 (min.) – RM9,807,000 (max.) (The Residences) | 7% Bumiputera discount (Quota applies).

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## SUNWAY

# Bigger, better and stronger

BY E Jacqui Chan

The miserable wet day and gloomy skies did nothing to dampen the cheery mood of Sunway Bhd managing director of property investment Datuk Ngeow Voon Yean and managing director of property development (Malaysia) Ho Hon Sang.

The gentlemen proudly drew our attention to the numerous posters hanging on the walls of Sunway's headquarters, with the fiery red words "Bigger. Better. Stronger." leaping off the glossy surface — an apt declaration for the company following the merger of Sunway City Bhd (SunCity) and Sunway Holdings Bhd. The merged company — Sunway Bhd — was listed on the Main Market of Bursa Malaysia on Aug 23.

With the merger, Sunway's property development business now has a combined unlaunched landbank of over 2,160 acres and an estimated gross development value (GDV) of RM22.3 billion. Its core businesses are property development and construction, and it has a market capitalisation of RM2.53 billion as at Sept 20.

Sunway has come a long way since taking on the development of an 800-acre wasteland in the mid-1980s and transforming it into the RM10.6 billion Sunway Integrated Resort City. The company has gone from strength to strength, delivering over 17,000 properties with a GDV of over RM20 billion.

Last year, Sunway achieved a first with the listing of Sunway Real Estate Investment Trust (SunREIT), becoming the first integrated real estate conglomerate in the country. The trust has an appraised asset value of RM4.38 billion and a market cap of RM3.011 billion as at Sept 20.

Among SunREIT's assets are Sunway Pyramid Shopping Mall, Sunway Putra Place, Menara Sunway and Sunway Resort and Spa.

Sheltered from the elements in a cosy meeting room, Ngeow and Ho talked to *The Edge* about the future of the newly merged entity.

**The Edge:** How will the merger between Sunway City and Sunway Holdings help grow the property development business?

**Ho Hon Sang:** The merger is an opportunity to house all of Sunway's property development activities under one roof of the merged entity called Sunway Integrated Properties Sdn Bhd.

**Datuk Ngeow Voon Yean:** There is now more collaboration between our property and construction businesses. With construction being in-house, there is a smoother flow of the development process. To further improve

## Sunway

	2011	2010
Overall	3	3
Quantitative	4	4
Qualitative	2	3

this, we have implemented the Virtual Design & Construction (VDC) methodology. VDC is an integrated approach to managing design and construction using digital information models to increase profitability and reduce risk exposure throughout the project. Ultimately, VDC methodology aims to achieve higher cost efficiency and greater time management for each project.

**Ho:** We will continue to place an emphasis on human capital development, which has been a part of the Sunway culture from the very beginning. We believe that our people are our strength. With the merger, we have the rationalisation of human resources from these two separate companies. We congregate the talent and resources to move forward stronger towards a common goal.

**Can you share with us some medium and long-term plans and strategies for Sunway's property development business?**

**Ngeow:** If you look at the major developers, such as Mah Sing Group Bhd and S P Setia Bhd, they have gone into township and mixed-use developments in a bigger format. Sunway has been at the forefront of this concept of live, work and play, with Sunway Integrated Resort City being our flagship.

We like the word "integrated" because we feel that the integration of different components, various assets and businesses is very important and easier said than done. We have been working on this concept for many years and you can see it in many of our schemes.

**Ho:** Our short-term strategy is to focus on integrated developments. We believe this will be a unique feature of our merged entity and also as a property developer. The property division currently contributes about 70% to the group's turnover.

We will also continue to drive the Lifestyle of Health and Sustainability (Lohas) philosophy. Lohas is now a strategy for our property development arm and all our future offerings will deliver the five pillars of Lohas — health and fitness, the environment, personal development, sustainable living and social justice. This is rational because today's consumers are evolving towards green and holistic living choices.



Ngeow (left) and Ho: The merger has allowed Sunway to become a complete supply chain

Sustainability is meaningless without quality. We constantly take steps to deliver products and services of unrivalled quality and value for our customers. This has helped to solidify our status as a leading community master developer with a high-growth property development segment and a stable base of income from a high-yielding property investment segment.

**In an increasingly competitive and constantly evolving market, how will Sunway Bhd continue to stay one step ahead of its competitors?**

**Ngeow:** It is important for us to keep abreast of the latest concepts for consumers and developers. We are very conscious of our brand building. We do have a very strong brand positioning, and to achieve and sustain that, we have to make sure we are able to execute and deliver on our promises. We constantly strive to improve our talents and service levels. For example, although we get an average rating of about 90% from our hotel customers, every year, we aim to push that level higher.

A mitigating factor for us is that we have both property development

and investment. The high growth rate of the property development division and the very stable income from the investment division form a unique business model.

**Ho:** It will be hard for competitors to copy the fundamentals we have. Sunway has vast experience in residential and non-residential developments, and the management of various types of assets such as hotels, medical centres, universities, shopping malls, theme parks and eco-luxury spas.

We are a complete supply chain. We control the destiny of our business journey from planning, constructing and launching to maintaining to unlock its value, again via SunREIT.

**What is Sunway's brand known for? What qualities do you think can be improved further?**

**Ngeow:** We are positioned as a lifestyle community builder. We build to meet the demands and needs of the changing and evolving lifestyle of the communities. The market perceives us as long-term rectifiers. When we do things, we do it passionately for our customers. Every touch point is important to us.

**Ho:** I believe the market views us as

stable, strong and very committed in what we do. There are a few hiccups here and there, but at the end of the day, the feedback we gathered from customers is that we solve their problems. We will not run away; we are here for many more years to come. We are not some fly-by-night developer that takes up a few projects, makes some money and disappears.

**Ngeow:** We do not deny there are problems and mistakes. Our policy is that once a problem comes to our attention, we will act on it immediately. We do not shy away from complaints; we mediate and try to rectify the problems.

**What kind of growth can we expect to see from Sunway in Malaysia?**

**Ho:** We will be looking at Penang and Ipoh in the north, Johor and Singapore in the south, and of course the Klang Valley. We have been in Ipoh and Penang for a long time now, but Johor is still a new market. There will be activities in Johor next year and if a good opportunity arises, we will acquire more land there.

There will be a focus on management expertise. Everything we do, we grow organically; whether we

CONTINUES ON PAGE 28

## Taking a cautious approach to acquisitions

### FROM PAGE 26

are building hotels, shopping centres or hospitals, we manage them ourselves.

We will also expand our commercial developments, such as education campuses, student residences, hospitals, shopping malls, hotels, resorts, theme parks, convention centres, corporate office towers and post-residential property development phase projects.

**Ngeow:** For property investment, we will be focusing on improving and building new infrastructure where our developments and investments are in Ipoh, Penang and the Klang Valley. This will help generate value and indirectly impact rental yield, which will help with recurring income.

We are constantly on the lookout for valuable landbank in Malaysia and overseas. We also seek strategic opportunities to extend our reach and expand our portfolio in the form of attractive retail, leisure, hospitality and commercial developments.

As for SunREIT, we acquired Putra Place, which comprises a shopping mall, hotel and office tower, at a public auction this year for RM514 million. That itself should be more than enough to keep the REIT active. Once the refurbishment is completed, the value is estimated to rise to about RM800 million. While we are looking at other acquisitions, we are taking a cautious approach as the market is showing signs of uncertainty. It is a scenario of waiting to see if there will be a better acquisition.

### Can you tell us more about Sunway's plans for regional expansion?

**Ngeow:** We are already in China, India, Australia and Singapore. We are actively expanding into China and India, two of the world's fastest-growing economies. Sunway was selected by Sino-Singapore Tianjin Eco-City Investment and Development Co Ltd to participate in the development of a 7,400-acre project in China, taking a development area of 102 acres.

In India, we have formed a partnership with Opus Developers and Builders Private Ltd to develop Sunway Opus Grand, a 35-acre development in Ameenpur, Hyderabad.

**Ho:** If the opportunity arises, we will look into integrated developments overseas. Integrated properties would require a bigger investment and some may need gestation periods, but we believe that given time and if we do it correctly with the right model and mix, we will be able to hold on to our income stream even better.

### What significant upcoming projects can we look forward to?

**Ngeow:** On the horizon is the development of The Pinnacle in Bandar Sunway, a grade A office tower next to Menara Sunway with a GDV of RM440 million. Another project is SP3, a mixed-use development comprising office towers and retail space next to Sunway Pyramid Shopping Mall. SP3 has a GDV of RM375 million. The Pinnacle will be launched by year-end and SP3, early next year.

**Ho:** Up north, we will be developing the Lost World Mall, located within the 1,400-acre Sunway City Ipoh. It

is the largest integrated township in Perak, featuring residences, The Banjaran Hotsprings Retreat, Sunway College, Lost World Hotel, retail outlets and the Lost World of Tambun theme park.

We are also expecting to launch very soon, the Sunway Montana project in Desa Melawati. The 56.4-acre freehold project comprises courtyard villas, semi-detached homes and zero-lot bungalows.

### How do you keep the prices of your products at a reasonable level in the face of rising inflation?

**Ngeow:** We can't run away from inflation, so we have to look at ways to improve productivity and setting key performance indicators to guide and steer the company to better performance and results. We are very optimistic about the implementation of VDC, which we hope will be able to help us optimise the cost of construction, with fewer mistakes and less wastage as well as seeking alternative sources for building materials. Of course, there are challenges, but we are definitely working on all fronts to see how we can rein in costs so that consumers do not have to accept the full brunt of rising costs.

**Ho:** We are also hoping the Economic Transformation Programme works. If it does, we can expect to see more economy activity, like in Hong Kong and Singapore. When the income level is higher, it can commensurate with the prices of real estate. It is important, because if the country continues to stay on the same path, we will be in big trouble.

### With so much economic uncertainty in the world today, how will it impact the local property market? What is Sunway's strategy in such uncertain times?

**Ho:** At the very least, sentiment will be affected. You read the papers and what you see are economic crises in Europe and the US, high unemployment rates and so forth. However, if you look at Malaysia, you will see a lot of projects being rolled out, such as the mass rapid transit project and the development of greater Kuala Lumpur. You do not hear about unemployment in this country. That means people still have monthly incomes, and with monthly incomes, a person's state of mind is stable. So domestically, we have economic activity.

The banks' savings rates today are so unattractive and those who have the money will look at properties as an investment and a hedge against inflation, especially properties by reputable developers.

I will not rule out a possible drop in demand, but I don't believe there will be a drop in prices. Sunway is not a mass production developer; we work on creating innovative products and ensuring that our service is good. We believe these factors are strong enough to sustain our business.

We also have our investment business, which generates recurring income. So if we encounter any problems with our developments, we have the investment business to balance it out. That is the beauty of Sunway Bhd.

Right: Sunway Montana

Below: Sunway South Quay



## Sunway Bhd (formerly Sunway City Bhd)

FINANCIAL YEAR-END (RM'000)	DEC 31, 2010	DEC 31, 2009	JUNE 30, 2008	JUNE 30, 2007	JUNE 30, 2006
Revenue	1,106,097	1,600,967	1,314,556	1,142,566	1,574,400
Pre-tax profit	556,819	1,141,407	634,005	296,186	419,322
Paid-up capital	539,868	537,908	261,906	155,806	200,098
Shareholders' funds	470,012	469,952	469,919	463,444	414,942
Profit attributable to shareholders	2,560,080	2,172,336	1,681,781	1,415,930	833,062
Dividend payout ratio (%)	27	11	14	22	16

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Sunway Palazzio, KL	Condo	160	488	April 2007	90
BayRocks, SSQ*, Selangor	Bungalow	77	434	July 2007	70
Nautica, SSQ*, Selangor	Condo	249	171	Nov 2007	100
Almarine, SSQ*, Selangor	Condo	242	213	Sept 2010	80
LaCosta, SSQ*, Selangor	Condo	377	432	March 2011	70 (Phase 1-2 blocks) 40 (Phase 2-2 blocks)
Sunway Rymba Hills, Selangor	Zero-lot bungalow	80	336	May 2010	70
Sunway Nexis, Selangor	Retail unit	48	357	Oct 2010	75
	Office unit	113	107	Nov 2010	70
Sunway Vivaldi, Selangor	Condo	228	734	April 2008	70
SPK 3 Harmoni, Selangor	Townhouse	180	188	April 2010	95
Sunway Velocity, KL	Retail and Office unit	124	163	April 2011	90
	Serviced apartment	264	300	July 2011	60
Bangi - TCC4	Residential	106	58	July 2010	50
Sunway Rydgeway	Bungalow	40	194	Feb 09	69
	Semidee	30	58	Feb 09	100
Sunway Merica, Penang	3-storey terraced & 3-storey semidee	98	91	In phases: Dec 2009, Oct 2010 and March 2011	56
Sunway Aspera, Penang	2- & 3-storey terraced	85	85	February 2010	72
Sunway Cassia, Penang	3-storey terraced	33	29	April 2011	64
Sunway Perdana, Penang	3-storey shop office	49	64	July 2010	85
MontBleu Residence, Ipoh	Townhouse	220	94.2	Sept 2010	60

\* Sunway South Quay

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)
The Pinnacle, Bandar Sunway	Office tower	27 levels	440
SP3, Bandar Sunway	Office tower & retail units	20 levels	375
Flexi Suites, Sunway Nexis, PJ	SoHo	147	126
Sunway Montana, KL	Mixed landed property; 3-storey courtyard villa 3-storey semidee 3-storey zero lot bungalow	193	578
Sunway Velocity Mall, KL	Mall	GFA 1.3mill, NFA 800K sqft	500 (GDC)
Lost World Mall, Tambun, Perak	Mall		240 (GDC)
Sunway Opus, India	Townhouse	125	28
Sunway Yi Fang Cheng, Jiangyin, China	Condo	1171	404
Vacanza@East, Singapore	High rise	473	1,152
Miltonia Close, Singapore	Low rise	372	907

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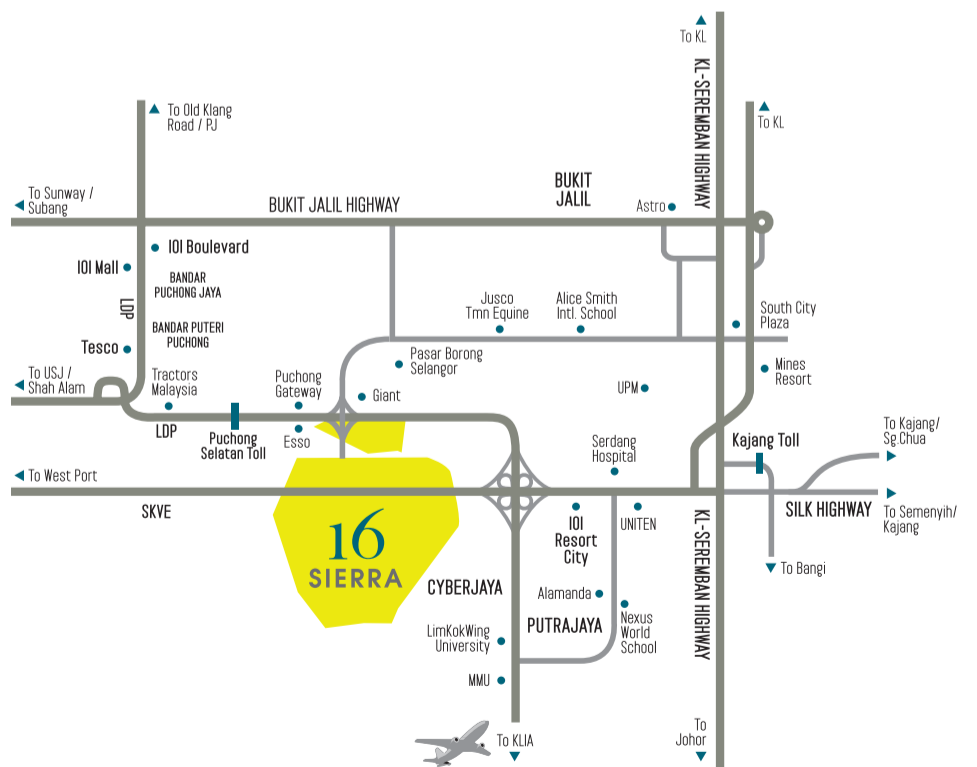
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## IGB CORP

# Evolving into an asset builder

BY Wong King Wai

With impressive property development projects behind it, including Mid Valley City and the country's first gated and guarded high-end development Sierramas in Sungai Buloh, IGB Corp Bhd has created a niche for itself as an asset builder focused on harnessing recurring income from its products.

Its property investment and hospitality businesses generate the bulk of its revenue. In FY2010, property investment and management contributed RM425.8 million, hospitality RM202.5 million, property development RM71.3 million and other businesses RM19.8 million.

IGB's biggest property investment product is Mid Valley City, a 50-acre project on the fringes of Kuala Lumpur that has a potential built-up of 18 million sq ft. Its components are hospitality, commercial, office and retail, namely Megamall and The Gardens Mall. It was recently reported that The Gardens Mall will be sold by IGB to its 75%-owned company KrisAssets Holdings Bhd.

As IGB is financially stable, says group managing director Robert Tan, it is time to seek opportunities abroad. He reveals that he is discussing large mixed-use developments with joint-venture partners in Taiwan and the UK. He is also looking to expand the St Giles Hotel brand, with possible acquisitions in Europe and the US.

On the local front, Tan reveals that the company's property development arm is looking to do boutique projects on its own or in joint ventures with private investors or the state. The two newest developments to be rolled out are G Residences in Jalan Desa Pandan and a project in Jalan Tun Razak currently named Lot 15&16.

G Residences, which sits on 3.7 acres, comprises two 23-storey blocks of serviced apartments. There is a total of 472 units, with built-ups starting from 1,410 sq ft. The gross development value of the project is RM360 million.

Lot 15&16, meanwhile, is a 23-storey serviced apartments tower that sits on a 0.8-acre site. With a total of 166 units and built-ups starting from 1,072 sq ft, its GDV is RM156 million.

In this interview with *The Edge*, Tan talks about the direction in which he is taking IGB Corp and how the only competition it faces is the company itself.

## IGB Corp

	2011	2010
Overall	4	5
Quantitative	6	6
Qualitative	7	4

**The Edge: What have been the highlights of the year so far for IGB Corp?**

**Robert Tan:** There has been improvement in traffic at The Gardens Mall. In the beginning, we were struggling but since the opening of Louis Vuitton and Burberry, things have become more vibrant.

As for the hospitality industry, we acquired two New York hotels 18 months ago. Their valuations have nearly doubled; they were bought for a total of US\$75 million.

In Sydney, Australia, we have just bought an office building on Hunter Street for A\$36 million. We will convert it into a hotel. And in Melbourne, we have put in a tender for an office block which we want to convert into a hotel, but we haven't heard anything yet. This is in line with the expansion of our St Giles hotel brand.

In property development, we are looking to launch boutique project G Residence in Jalan Desa Pandan, Kuala Lumpur, which is under Tan & Tan Developments Bhd, a wholly-owned subsidiary of IGB Corp.

We are looking for joint-venture projects locally, for mixed-use developments in places like Mid Valley but on a smaller scale within KL, as well as in Johor and Penang. We are in discussions with some people in these areas but it takes time to seal the deal as there are many developers vying for the same projects. They can afford to be aggressive; I don't have to because I have Mid Valley as recurring income. So I don't have to go out and take on too much risk.

In the current market you cannot be too aggressive because of the global uncertainties. Having said that, it presents opportunities. So it is time to explore overseas and look at new areas where I can get good value. We have the infrastructure and contacts all over the world, so for us to expand is easier compared to developers who are locally based. For us, we have hotels in New York, in London and we are looking to acquire some in Japan and China. For us to move is very easy because we have the base.

**Any updates on the final phase of Mid Valley City and its overall performance?**

At the moment, the land has been approved for a 40-storey office build-



Tan aims to build or acquire products for recurring income while developing boutique or niche projects

ing. The land is about 60,000 sq ft. I hope to include some exotic car showrooms, but everything is still in the planning process. The land is facing the Federal Highway, giving the project very good exposure. It will have about 700,000 sq ft of net lettable area with an indicative GDV of RM750 million. Construction should start by 4Q2011.

Megamall has contributed a 10% to 15% increase in revenue from last year, while The Gardens Mall has contributed about 30% more revenue from the previous year. Megamall shows steady growth now as it is more than 12 years old, so high growth cannot be expected. As for The Gardens, we have improved the tenant mix on all the floors which has increased traffic. We have bought in more lifestyle tenants like Tod's and Versace Jeans, as well as furniture stores like iwan-nagohome!.

**Any projects next year?**

There will be joint-venture projects

in the UK and Taipei if our tenders are successful. The UK project could have a GDV of £1.5 billion, while the Taipei project could have a GDV of RM5 billion to RM6 billion.

**What about the hospitality division? Any expansion there?**

I plan to have a St Giles hotel in every major city on all five continents. They will be small city-based hotels with about 350 to 400 rooms.

**What qualities does IGB strive for when it comes to its products?**

We strive for reliability and quality, and being a developer you can trust to deliver products above expectations, depending on the product and price range.

**How does IGB maintain its customers' trust?**

We have not let our customers down. You can buy a product from XYZ developer, but when there are leaks and cracks, they ignore you. For us, even

with 10 to 15-year-old developments, we still try to accommodate requests and complaints from the homeowners. We are here to stay; not here today and gone tomorrow.

**How important are creativity and innovation in IGB products in terms of branding and its growth strategies in an increasingly competitive environment?**

They are important. One has to always create. The wheel cannot be stagnant; it has to keep on turning. In real estate, it is not as easy as it takes time to grease the wheel for it to start moving. Once it starts moving, you can improve on the products. But basically, the design must be right, because if it is wrong, it is very difficult to improve. For example, I always say, a good beautician can do wonders to a person's face. Same goes for a building. If the structure is right, and you get a good architect, you can do wonders to the look of a place, which we are doing now to



PICTURES COURTESY OF IGB

An artist's illustration of Jalan Tun Razak's service apartment project presently called Lot 15&16



An artist's impression of IGB Corp's upcoming project called G Residence in Jalan Desa Pandan



upgrade Megamall in stages. So we always evolve.

It is not just about making money, it is what you can do with the money. It isn't just building something and stressing over it. It is not just doing things for the sake of doing things. And with my experience and vision of the company, I can do a lot of things others can't do.

Think about it, how does a company our size do a project such as Mid valley, and today with this sort of recurring income, with zero gearing and without government support? We have created one of the largest urban developments in the world with zero gearing.

Now it is time for me to move on to the next level, which is doing overseas developments. At the moment, I can do a capital injection for projects both locally and internationally of up to RM3 billion without putting a strain on the company.

**Once The Gardens is fully acquired by KrisAssets Holding Bhd, how do you see this enhancing value for the stakeholders?**

I can't say more about this at this point of time.

**Is KrisAssets looking to acquire more assets?**

KrisAssets, after we've done some corporate exercises, will be quite liquid. Then it will be in a position to

acquire existing retail assets with good yields from anywhere in the world. Then KrisAssets will become like an investment fund.

**What do you look for when acquiring assets?**

When I go into acquisitions of existing businesses, I must first be satisfied by the valuation of the business. Second, I must be able to transform the existing operation. If I can't, I should not be in it. The value only comes when I can transform it. It is not just buy and let it sit there. I need to improve and grow the business. Sometimes the companies with good management are under-capitalised or under stress, and when we go in, we learn from them and transfer the knowledge back home here to Malaysia. There is an integration of various cultures and expertise.

**What is IGB's revenue target for FY2012?**

Every year, my target is on average 20% higher than the previous year's. But as the company grows, it is harder to achieve this 20% compared to when your base is low.

**How do you aim to achieve this target?**

I am looking to explore new markets. But this doesn't mean a new market is good, like in the US. After going in, I've come across so many negative as-

## IGB Corp

FINANCIAL YEAR-END DEC 31 (RM '000)	2010	2009	2008	2007	2006
Revenue	719,360	642,442	688,224	673,931	718,961
Profit before tax	277,922	221,536	208,363	204,189	202,028
Profit attributable to equity holders	174,617	158,978	154,960	136,851	135,915
Issued and paid-up share capital (RM0.50)	745,148	745,148	745,148	744,862	732,523
Shareholders' funds	3,105,589	2,856,493	2,688,381	2,639,601	2,477,603
Dividend rate (%)	9.2*	5.0	5.0	5.0	5.0

\* Includes dividend in specie of 1IGB share for every 100 existing IGB share distributed on 8 April 2011 on which date IGB share price was RM2.10 per share. Therefore, rate of share dividend distributed was equivalent to 4.2%

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Sierramas Garden Manor	Villa	41	67	Jan 2010	100
Seri Ampang Hillir	Condo	40	85	May 2010	85
G Residence	Serviced apartment	474	380	Dec 2011	-
Kundang, Selangor	Terraced factory	55	28	Oct 2011	-

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Jalan Tun Razak	Serviced apartment	166	144	Feb 2012
Sierramas Park Manor	Villa	41	160	Feb 2012
Melawati	Villa	150	450	June 2012
3 Stonor	Serviced apartment	270	310	Oct 2012
Kundang, Selangor	Township	2000	1,200	2012 - 2020

pects of it. Sometimes, when you go into a new market that you don't understand, it is very dangerous. Having good partners is very important, but sometimes it is difficult to know the partners you are working with. But in business, you have to look at your upside and your downside.

When I do business, I always look at my downside. If anything happens, will the company be able to stomach the negative aspect of it? You don't look at the upside, it comes naturally. It is the downside that you have to prepare for. A lot of people don't see the downside, they go for the upside. So when you go somewhere or do certain things, you should always look at the downside and see if the company can absorb it.

**Where are you looking for landbank?**

We are looking for landbank in Penang, KL and Johor, and are interested in doing joint-venture projects on large plots of land with the state or private individuals. But it is difficult to find land nowadays. When there is land for sale, the sellers ask for very high prices, so JV projects are something we are looking to do.

**Your thoughts on the current property development trends in Malaysia?**

Too many projects have been launched at the moment, people are getting too aggressive and the property market is becoming too speculative. So one has to be careful; in this sense, don't over-gear. If you are going to buy, make sure you don't borrow up to the hilt.

It comes to a stage when a speculative market can turn the other way, so when it turns the other way, you must be able to finance it for a certain period. The market is very fickle and uncertain at the moment as to which way it is going to go. If you want to expand, expand within your means.

The trend in the market is coming to a level where gains will be capped somewhat. If you buy property today, I don't see an upside because there are many things happening globally. In Europe, it is a mess at the moment. In the US, it isn't doing well even after pumping so much money into the economy. So things could become very inflationary. One has to be very cautious; it is not a market to be aggressive in.

**What challenges will developers, including IGB, face in the future?**

At IGB, we don't consider ourselves a property developer now because our property development contribution is very small. We are becoming more like an asset builder. Now we are going for recurring income and not development income anymore. However, we will do some boutique and niche projects for sale in the future.

**What does IGB need to do to stay ahead of the competition?**

We don't have competition. We are in our own little world and not competing with others; we are competing with ourselves. With Mid Valley City, you will see how we grow. It will give birth to many projects all over the country and the world. This is because the company is now stable. I couldn't expand earlier because I had to stabilise the company financially. With this good foundation, I can go to the next phase. Because I have zero gearing I can confidently say I can acquire projects of up to M3 billion, if I wanted to, without stressing the company. ■



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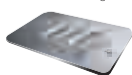
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[www.mahsing.com.my](http://www.mahsing.com.my)

**Mah Sing Group Berhad**

Wisma Mah Sing, Penthouse Suite 1,  
No. 163 Jalan Sungai Besi, 57100 Kuala Lumpur.  
Fax: +603 9221 8999

**GARDEN RESIDENCE:** Developer License No.: 11202-1/03-2015/301 Validity Period: 22.03.2010 - 21.03.2015 • Advertising & Sales Permit No.: 11202-1/634/2012/03 Validity Period: 30.03.2011 - 29.03.2012 • Approving Authority: Majlis Perbandaran Sepang • Reference No.: MPSPG/9/CYB/112/09 • Expected Date of Completion: March 2013 • Land Tenure: FREEHOLD • Land Encumbrances: EON Bank • 2-Storey Superlink (Type A) Total Units: 8 Min. Price: RM895,440 Max. Price: RM1,898,820 • 3-Storey Superlink (Type B) Total Units: 4 Min. Price: RM1,096,940 Max. Price: RM2,550,520 • 2-Storey Semi-D (Type C) Total Units: 19 Min. Price: RM1,496,320 Max. Price: RM2,350,320 • 3-Storey Semi-D (Type D) Total Units: 16 Min. Price: RM1,974,440 Max. Price: RM2,504,320 • 3-Storey Bungalow (Type E) Total Units: 43 Min. Price: RM2,086,240 Max. Price: RM3,865,120 • 3 1/2-Storey Bungalow (Type F) Total Units: 70 Min. Price: RM4,149,340 Max. Price: RM5,204,800 • Total Remaining Units: 160 units • Discount 7% for bumiputra  
**ICON RESIDENCE:** Developer License No.: 11406-1/04-2016/467 • Validity Date: 14.04.2011 - 12.04.2016 • Advertisement & Sales Permit No.: 11406-1/785/2012/04 • Validity Date: 18.04.2011 - 17.04.2012 • Land Tenure: Freehold • Approving Authority: Dewan Bandaraya Kuala Lumpur • Building Plan Approval No.: BPT2 OSC 2010 3323 • Expected Date of Completion: July 2014 • Encumbrance: CIMB Islamic Bank • Selling Price: RM957,800 (Min) RM8,847,800 (Max) • Total Units: 260 • Bumiputra discount of 5%  
**KINRARA RESIDENCE:** Developer License No.: 10264-2/02-2014/224 • Validity Period: 23/2/2011 - 22/2/2014 • Advertising & Sales Permit No.: 10264-2/374/2012/02 • Validity Period: 24/2/2011 - 23/2/2012 • Approving Authority: Majlis Perbandaran Subang Jaya • Building Plan Reference No.: MPSJ/BGN/KW/C-91/46 • Expected Date of Completion: April 2013 • Land Tenure: 99 Years Leasehold (Expiring on 31 August 2108) • Land Encumbrances: Public Bank Berhad • Total Unit: 267 • Selling Price: RM 1,200,800 (Min), RM 1,873,800 (Max) • Discount 7% for Bumiputra.

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## I &amp; P

# Keeping it contemporary

BY Lam Jian Wyn

ooks can be deceiving. If it were not for the reminders of his pressing engagements — three business associates waiting patiently by his desk — it is easy to forget that Datuk Jamaludin Osman, I & P Group Sdn Bhd's group managing director, is a very busy man.

Dapper and unflappable, his poise belies his position as the head of a very active property developer with several townships being developed in the Klang Valley and Johor.

These townships include Bandar Kinrara in Puchong, winner of *The Edge*-PEPS Value Creation Award 2010 and 2011; Alam Impian in Shah Alam; Bandar Baru Seri Petaling in Kuala Lumpur; and Taman Pelangi Indah in Johor Baru, to name but a few.

The group, which is the result of a merger between Island & Peninsular Sdn Bhd, Petaling Garden Sdn Bhd and Pelangi Sdn Bhd in 2009, is busy with launches every other month, precipitated by its Mad About Homes campaign where all its products are brought under one roof.

"We may make it more exciting ... add some entertainment or some games ... it will be more sophisticated in the sense that there will be more entertainment during the campaign," says Jamaludin.

Another reason I & P has stayed out of the papers may be because its massive landbank — 5,173.52 acres in Johor and the Klang Valley — is enough to keep it occupied for awhile. About 2,959.4 acres in its current townships are earmarked for development, which is expected to generate a minimum of RM8 billion in gross development value (GDV).

In this interview, Jamaludin tells *The Edge* what makes I & P tick.

**The Edge: What is I & P's business philosophy and the thought process behind its products?**

**Datuk Jamaludin Osman:** We have a very good team. Every time we launch, every time there is a product proposed by the architect, we have a very good [team] looking at it to see which product is suitable. We probably have a good term of reference as well before we give it to the architect or consultants. You see, that term of reference is very detailed and it is drafted after taking into consideration some feedback from consumers.

This term of reference that we build on customer research is based on the needs of purchasers and their feedback. What do they like to see in their house, besides the façade? Maybe some of them like a powder room, for example. Then, if we see

## I & P Group Sdn Bhd

	2011	2010
Overall	5	7
Quantitative	5	2
Qualitative	14	13

that there is a space for it, we will accommodate that.

Basically, they would love a big master bedroom. They would love a good kitchen, a big kitchen. So taking into consideration everything, we will draft a term of reference and then give it to the architect, and when the architect draws [the plans] we [will then] comment ... looking at the practicality [of the plans] because, we are building for people, we are not building for us [the group or the architects]. So that means we have to take a very general view, not what we like.

On top of that, during construction, the standard of the contractor has to be good. We emphasise that to the contractor because we want good quality and we pay you, that's why we are talking about long-term business relationships. That's why you build that thing, it's not for me, it's for others. So that means you have to develop your reputation too as a contractor to build quality products.

That's basically in principle. We as a team — I & P and the consultants — take into consideration consumer feedback and produce the product so it is basically a very simple process.

**Your architecture has been described as very sensible and suitable for the local climate. Would you say I & P has a trademark style and design?**

I would say our style is contemporary. We don't go for a very modern look. It's always taking into consideration the climate, the condition of our environment and the weather and all that, and you will see that very rarely, none so far I think of our houses has modern designs. They are all pitched roofs and all that. The most suitable for our weather, you see.

It will be nice to have all that [modern detail] but the next question is, is it suitable for our weather? Because the heavy rain will create a lot of leakage and you see that in all our developments, our designs are very Malaysian.

**Are any of your developments certified green?**

None of our developments are certified green but we do implement green elements. I think green features must be slowly introduced to the public because the general public



**Jamaludin:** We have been developing for umpteen years. The outlook is all the same because people will still be building and buying.

must be able to appreciate and make use of those green features.

[We must] educate the customers, then one day, I believe everybody will be looking for green [homes] because I feel that [while] some of them understand it very well, some couldn't be bothered about green features. That's why we introduce green elements one by one rather than a full mention.

So, for example, rainwater harvesting. We see if people use it or not, if it gives problems or not. And then, of course, through that we will improve [the product] for them.

So we introduced [green features] and a few of the units under construction now have rainwater harvesting. We would love to see feedback from the consumers, how they make use of it.

I would also love to see the consumers take care of the landscaping outside their homes. Because now consumers rely on the authorities to take care of the environment but if we can have them care of the environment, like at the back and the front [of their homes], that would be good. Some love it, but some couldn't be bothered.

The authorities have certain limitations because to me green is not only about usage and energy but overall.

**Is there anything you do in your townships to get residents to become proactive?**

No, not yet. I think we plan to. Probably we need to have a certain gathering to educate them — pamphlets and all that to be distributed during the handing over. After that, how to take care of the landscaping outside the house, making the environment better and enhancing the value of the units.

**One of your ongoing campaigns is Mad About Homes. Can you give us a bit of background on the campaign?**

It started in about 2008. Until now, we're still using it. I think we will continue to use it. It will be at least twice a year. We group all our products into one centre. Let's say you want to buy Alam Impian or Bandar Kinrara, you just go to one centre as opposed to going to various centres in Bangi, Klang, Shah Alam ... we will have one centre where all our products will be featured.

We will also do a smaller one so you can compare the products. It's only one place. For example, if I do it in Kinrara, you can also see Alam Sari, for example. So it means that you go there, you can see a variety of products from different townships.

The idea is to make it easy for the

general public. If they are not interested, they can tell their friends. It is also to introduce buyers to a new market because sometimes they may not be aware.

**What are I & P's strengths as a developer? What is it that you hope to improve as a developer? How?**

I think our strength is that we have been long and well established. And then our reputation for delivering what we promise with acceptable quality. Whatever we promise, we deliver either ahead of or on time.

And then there is also the capital appreciation of our products. You purchase Bandar Kinrara [for example], and you will not lose money. It does not matter if you are the vendor or the homeowner, but you will feel good. 'I bought it at RM500,000, now I sell it for RM800,000', and then you look at the next phase and go, 'Wah, I bought my house for RM500,000 last time, now you must pay RM900,000 to buy one. I untung (profit) RM400,000!'

[In terms of improving ourselves] ... I think we always want to improve in terms of design, in terms of look, in terms of vision, but ... I would love that homebuyers and the authorities, whoever is concerned, maintain the development the best they can and this is where sustainability is the aim.

PICTURES COURTESY OF I&amp;P



An artist's impression of a proposed serviced apartment in Alam Damai, Cheras



A rendering of a serviced apartment project that will come up near the Giant hypermarket in Bandar Kinrara, Puchong



An artist's impression of Qaseh superlink homes in Bandar Kinrara, Puchong

## I & P Group

FINANCIAL YEAR-END (RM'000)	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008	Jan 31, 2008	Jan 31, 2007	Jan 31, 2006
Revenue	1,105,717	1,073,196	764,282	779,879	745,034	574,087
Pre-tax profit	269,272	263,410	167,756	222,868	173,429	159,951
Paid-up capital	1,000,000	1,000,000	867,880	867,880	834,850	833,136
Shareholders' funds	2,745,119	2,668,767	2,467,991	2,440,925	2,384,477	2,181,630
Profit attributable to shareholders	161,638	142,508	63,517	89,450	82,637	93,428
Dividend payout ratio (%)	53.2	—	57.4	70.5	51.1	19.3

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 2011

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Alam Impian, Shah Alam	Shop office, Ph. A1-07 (Tenun)	9	14	Jan 2011	78
	2-storey terraced, Ph. A1-04(b) (Arca)	63	40.2	Jan 2011	97
	2-storey terraced, Ph. A1-04(a) (Karya)	41	26.7	March 2011	93
	2-storey terraced, Ph. A2-03(a) (Pentas)	57	71.8	July 11	96
	2-storey terraced, Ph. A2-03(a) (Pentas)	33	—	Aug 2011	85
Bandar Kinrara, Puchong	Bungalow, Ph. 9A9C (Butik 3)	25	61.12	April 2010	92
	2-storey terraced, Ph. 7A12 (Emerald)	63	51.5	May 2010	95
	2-storey terraced, Ph. 8A5A (Qaseh)	118	131.7	Dec 2010	69
	2-storey semidees, Ph. 9A6 (Chantek)	14	31	Dec 2010	21
	Shop Office, Ph. 4D2 (Kinrara Niaga)	24	70	March 2011	67
Alam Damai, Cheras	2-storey semidees / DSD Ph. 7A10A (Chinta)	33	116	March 2011	24
	2-storey terraced, Ph. 7A1 (Damai North)	46	38.75	10 Oct 2010	96
Alam Sutera, Bukit Jalil	27 unit 3ST & 34 unit 2-storey semidees, Ph. 7A2 (Damai North)	61	84.10	10 Oct 2010	72
	Shop Office Ph. 6C1 (Damai 32)	32	42.5	Jan 11	88
	2-storey semidees, Ph. S5B (Ava Sutera)	14	18.5	Oct 10	57
Alam Sari, Kajang	Shop Office, Ph. S7 (11 Sutera)	11	13.1	Oct 10	91
	2-storey semidees, Ph. 3P3 (Ilmu 1)	20	17.4	Dec 2009	70
Bandar Baru Seri Petaling, KL	Estate Lot, Ph. 4P1	7	7.26	Oct 2010	—
	Apartment (8 Petaling), Zone K	156	97	Mar 2011	10
Bayuemas, Klang	Shop Office, Zone J6	40	143.1	Jun 2011	93
	2-storey terraced, Phase A7A (Dzaman)	100	38.9	April 2011	87
	2-storey semidees, Phase A5(2) (Legasi)	26	19.3	April 2011	73
TemasyaGlenmarie, Shah Alam	2-storey bungalow, Phase A9(1) (Temurun)	14	20	April 2011	29
	2 & 3 sty Shop Office, Phase 3	35	75.7	Aug 2011	88
Petaling Heights, PJ	Vacant Lots (Section 5)	15	31.7	Aug 2010	66
	Vacant Lots (Section 5)	19	36.9	Jan 2011	47
Seri Beringin, Bukit Damansara	Bungalow Lot	9	49.9	April 2010	67
Taman Pelangi Indah, Johor Bahru	2-storey terraced, Phase 6B3 (Chantique)	34	13.9	July 2011	35

### IN THE PIPELINE FOR 2011

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Alam Impian, Shah Alam	2-storey terraced, Phase A2-03(b)	101	88.9	Oct 2011
	2-storey terraced, Phase A2-03(c)	77	71	Dec 2011
Bandar Kinrara, Puchong	2-storey bungalow, Phase 7A15(a)	4	15.3	Nov 2011
	Service Apartment, Phase 4D6C	236	201	Dec 2011
Alam Sari, Bangi	2-storey semidees, Phase 3P4	28	25.2	Nov 2011
	2-storey terraced Super Link, Phase 6P2	45	26.1	Oct 2011
	2-storey terraced Super Link, Phase 6P1	41	23.8	Nov 2011
	2-storey terraced, Phase 5P1	37	21.1	Dec 2011
Bayuemas, Klang	2-storey terraced, Phase A7B	98	44.1	Oct 2011
TemasyaGlenmarie, Shah Alam	2-storey superlinked, Ph 2 (A&B)	154	189.24	Dec 2011
Taman Perling, Johor Bahru	2-storey terraced, Phase 4L2	42	20.65	Dec 2011
Taman Industri Jaya, Johor Bahru	4-storey shop office, Phase	19	22.8	Nov 2011
	Semidee factory	4	5.552	Oct 2011
	Bungalow factory	1	2.388	Oct 2011
Taman Perling, Johor Bahru	2-storey terraced, Ph 4L2	35	20.66	Nov 2011

#### Your plans to work towards that?

Now we are taking steps to maintain the landscaping for one to two years before handing it over to the authorities. We make sure that the trees are well grown or if there are missing drain covers, we replace them.

#### What is your sales target for this year?

We are targeting total revenue of about RM1 billion this year. Maybe more. I do not know yet because there is another three months to go, so we will see how.

#### What is your view of the property development scene for the near future?

Look at it this way, we have been developing for umpteen years. To me, development is always going on. The outlook is all the same because people will still be building. Five years

ago, 10 years ago, 15 years ago, there has always been demand, there have always been jobs created, there have always been new people coming to the Klang Valley.

To me, those are the people who become purchasers. And so development will go on and on. The only difference is probably the concept, the prices and the way we develop. That is how I look at it.

The theory of supply and demand is always working.

#### What are some of the challenges that you foresee for the industry in the near future?

I think some of the challenges probably would be complying with the requirements of the authorities and also customer demand, so we need to be ready to overcome these challenges.

For instance, changes to the law to

protect customers — probably there may be some new requirements that will be imposed on how developers must deliver their products. But I believe developers will overcome those challenges because the laws are there to guide developers and protect consumers.

#### What are the trends in property development now?

Whatever the government is embarking on, such as PRIMA, wherever possible, we are looking at taking part by designing affordable housing.

The housing project we have in Meru (Selangor) is on our own land which is 398 acres of freehold land. We are planning now and there will be certain areas designed for affordable housing.

It will have a projected GDV of RM2 billion and is scheduled to be launched in 2013.

#### Any more plans to go into affordable housing?

No, it will be in tandem with market needs and also to support the government's initiative.

Look at it this way, if everyone provides a certain portion, then there will be more affordable homes, right? You cannot just rely on one developer to supply more affordable homes than the others. It has to be everybody embarking on the scheme.

Another trend is lifestyle. It is about making the place as nice as possible within a budget. You can see it in the property advertisements and environment now.

I think a common thing now is entrance statements and we are embarking on that now. It gives you a sense of where you are staying now, like in Bandar Kinrara and Desiran, for example. Rather than in the past,

when I said I lived in Phase 2, I say I live in Desiran. It also makes it easier to find the place.

#### Do you think consumers are still willing to pay the premium necessary for these lifestyle elements?

I think so. Recently, we were selling terraced houses at Alam Impian and people were queuing even though we were selling them at RM700,000. So, in that sense, I think what people want is a unit with certain features and environment. Alam Impian is very green. It has more space, not like old townships.

I think the other thing is that the prices of property will not come down. They may be stagnant but they will not come down. I am speaking from experience. We hardly see the prices of properties you buy today coming down tomorrow. ■

## IOI PROPERTIES

# Seeking a balanced mix

BY Wong King Wai

IOI Corp Bhd's property development arm, IOI Properties Bhd, is synonymous with the development of Puchong in Selangor. But despite its reputation as a township developer, IOI Properties has been moving into more niche projects in recent years. Some of its projects in the Klang Valley include the 930-acre Bandar Puteri Puchong, the 800-acre IOI Resort City in Putrajaya and the recently launched 16 Sierra near Dengkil. In IOI Resort City, work has begun on one of its most iconic projects to date — IOI City Development, which comprises two million sq ft of shopping space, two office blocks, a hotel and serviced residences.

The property division's growth in FY2010 was impressive. It recorded an operating profit of RM602.9 million, a 29% growth from the previous year. Sales revenue exceeded RM1 billion.

Having completed a range of projects from home to retail, IOI Properties is now looking to have a more balanced property business, says Datuk Lee Yeow Chor, IOI Group executive director. While property development forms the bulk of its business right now, property investment will take greater prominence as it aims for more recurring income from its investment properties. The group's property investment assets comprise mainly retail and office net lettable space of about 2.73 million sq ft, including 100,000 sq ft in Singapore.

The company is also looking to expand abroad. Its projects in Singapore — Seascape @ Sentosa Cove and Cityscape @ Mergui Road — that were launched in 2010 are expected to contribute significantly to the group's financial results in FY2011. It is planning the launch of a third project called The Pinnacle Collection @ Sentosa Cove.

Global plantation giant IOI Corp started as a manufacturer of industrial gas in 1969 under the name Industrial Oxygen Inc Sdn Bhd. It is now primarily known for oil palm cultivation and processing and the manufacturing and trading of oleochemical products. The company has been involved in property development since 1972. Lee shares how IOI needs to keep refreshing its image to stay relevant in a competitive property market.

**The Edge: What are some of the highlights for IOI Properties from FY2010 until today?**

**Datuk Lee Yeow Chor:** Our results have improved in terms of profit be-

## IOI Properties

	2011	2010
Overall	6	6
Quantitative	2	5
Qualitative	16	10

fore tax in FY2010 at RM633.7 million for IOI Properties compared with RM503.8 million the year before. This is on the back of good housing markets in Malaysia and Singapore. Some of this income came from our property developments in Singapore, which we ventured into about four years ago. We are now seeing some contribution from the Singapore projects.

Our strategy for IOI Properties is to do a variety of residential, commercial, retail and industrial products. We also focus on property investment. In the past year, we started the ground work and construction of our most ambitious project so far in terms of investment, which is IOI City Development. It will comprise two million sq ft of shopping space, two office blocks, a hotel and serviced residences. It will be in Putrajaya within IOI Resort City.

At the same time, in Singapore, we have entered into a joint venture with City Development Ltd to undertake an iconic mixed-used development called South Beach, between Suntec City and Raffles Hotel. The site is serviced by the Esplanade MRT Station. It will cover 8.6 acres and construction started in March this year and will be completed by the beginning of 2015. The forecast gross development value (GDV) is more than S\$3 billion (RM7.32 billion).

In Xiamen in the Fujian province of China, we have secured about eight acres of land for a mixed-use development via a joint venture, with plans for residential, office and retail components but nothing is confirmed at the moment.

Back home, with our traditional business, which is township development, our main focus is the Klang Valley — the 16 Sierra development in southern Puchong at the entrance of Cyberjaya. This is a 550-acre development. We are also expanding our presence in Johor. Our sales there have improved with the success of the Iskandar Malaysia development.

**What projects has IOI Properties rolled out recently?**

They include The Cube in Bandar Puteri Puchong, which has 41 boutique offices. Also in Bandar Puteri Puchong is a commercial block called Puteri Central. We had the 16 Sierra townhouse launch about 12 months



**Lee:** We want to achieve a more sustainable balance between our steady and recurring investment incomes and our higher profit-generating but more volatile property development earnings

ago. In Johor, we have three township developments in Kulai South, Kulai North and Kempas with 3,700 acres of undeveloped land altogether.

In Singapore, we launched a mid-range 30-storey condominium called Cityscape near Farrer Park, which sits on two acres. It has 250 units with a GDV of more than S\$450 million.

**What are IOI Properties' strong points as a developer?**

We have a long history as a property developer and we have been one of the major developers in the industry for more than 25 years. Over this time, we have established a very sound track record with a reputation for delivering quality homes on time and we have strong financial resources to ensure the completion of our projects.

We also have, through the years, retained staff with expertise to deal with various aspects of housing development. One of our strategies in township development is utilising the established population from the residential components to develop the commercial properties. This has been a successful formula for us.

Our commercial property sales are between 30% and 40% of turnover for development revenue, which is fairly high for a township developer.

On what to improve, because we have been around for so long, we feel we need to refresh our image and branding every now and then to assure people that we are keeping up with the changing trends in home and commercial design, landscaping, security and green technology. We have to make a conscious effort to do it because we sometimes take for granted that people know us, having been around for so long. But in the market, new competitors keep coming up, so we have to always be vigilant to stay competitive with the other developers.

**What are the main challenges for IOI Properties as a property developer?**

One of them is securing land to build projects. We adjusted our business model five years ago, where we would derive 90% of our revenue from township development. We now take on smaller but higher-value integrated niche developments. We have to be very meticulous in extracting the maximum value from the remaining land we have. Sometimes, we take our time to look into having the optimum design and to wait for the right time to do a project.

In terms of having to grow from a relatively high profit base that we

have, we feel we need to go outside Malaysia to continue to give ourselves significant revenue and profit growth. That is why we are going regional to capitalise on the bigger opportunities available in Singapore and China, where the purchasing power is higher.

**How did you overcome past economic slowdowns?**

One of the main operating principles of IOI Properties is excellence in execution or, in other words, hands-on management. We are close to the ground and we are able to get a feel of changing market trends fairly early and respond quickly to these changes. When the market changes, we have to redesign our products and change our timing of approvals to suit the products we want to launch.

Also, we have always been conservative in our approach. For instance, we normally keep a sizeable financial buffer against any economic slowdown. We don't set a specific figure for the buffer as it depends on how we see the market. If we think the market is good, the buffer will be less; if we think there might be a slowdown, we set aside more. To manage this, we have a fairly rigorous risk management framework within our organisation.

PICTURES COURTESY OF IOI CORP



An artist's impression of a 16 Sierra home



An artist's impression of the South Beach project in Singapore

### What are your views on affordable housing?

It is still possible to build affordable housing in the suburban parts of the Klang Valley in the form of high-rise developments. But what is important is that while the size of the units may be small, people are expecting the amenities and finishing to be of a fairly high standard. And I would say, with improvements in transport connectivity, distance should not be as big an issue in the future. For IOI Properties, we have some affordable housing in our existing township developments in the Klang Valley and Johor.

### Growth areas in the Klang Valley?

If you look at the Klang Valley, the northern part has developed fairly well, with the likes of Mutiara Damansara, Bandar Utama and Desa Park City. In southern Klang Valley, the government has put in a lot of infrastructure in this area, but somehow it has not developed as fast as the north. The infrastructure I refer to includes Putrajaya, Cyberjaya, KLIA, the LRT extension that goes from Sri Petaling to the southern part of Puchong and MRT lines that connect Sungai Buloh in the north to Kajang in the south.

So, we feel that the south is waiting for a catalyst from the private sector for it to take off on the same scale as northern Klang Valley. The early developers undertaking this will bear some risk but for us, we have a substantial presence in southern Klang Valley with substantial land and we feel with proper planning and consistent and well-executed implementation of our

masterplan, we will be able to come up with a comprehensive development that can fulfil the demands of the residents of southern Klang Valley. Moreover, the South Klang Valley Expressway (SKVE) helps connect southern Klang Valley to its other areas.

In other parts of Malaysia, we feel that Johor, especially Iskandar Malaysia, has good prospects.

### Property development trends you have noticed in the country at the moment?

There are increasingly more high-rise developments and integrated developments. Also, there is the implementation of green features in a lot of homes. More and more people are aware of energy and water conservation issues.

People care about what is happening outside their units as well as on the inside. So they want the inside of the house to be well finished and the outside to be presentable, green, clean and safe. We have to be conscious of that and take that into consideration when it comes to developing our products.

### What is your projection for the property development industry for the rest of the year and 2012?

After the rapid growth in almost all sectors of the property development industry over the past two years, we will see a more moderate, measured pace of development in property in Malaysia. I think it is good that the market can pace itself this way. As always, there will be the more prepared, the more able developers who

## IOI Properties

FINANCIAL YEAR-END JUNE 30 (RM'000)	2010	2009	2008	2007	2006
Revenue	969	699	788	705	609
Pre-tax profit	641	219	550	555	426
Paid-up capital	406	406	334	333	333
Shareholders' funds	3,746	3,313	2,361	2,166	1,906
Profit attributable to shareholders	491	119	390	397	325
Dividend payout ratio (%)	0	0	37	39	47

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH	TAKE UP (%)
<b>16 Sierra, Southern Puchong</b>					
Sierra 1	3-storey townhouse	446	210.1	Oct 2010	65
Sierra 2 (Phase 1)	2 & 3-storey terraced	100	96.1	Sept 2011	30
<b>Bandar Puteri (BP) &amp; Bandar Puchong Jaya (BPJ), Puchong</b>					
Hijauan Puteri (BP)	Condo	280	96.7	Nov 2010	73
The Cube (BP)	Semidee & bungalow shopoffice	41	282.1	June 2011	20
<b>Bandar Putra, Kulaijaya</b>					
Alicia 2	2-storey terraced	106	28.1	July 2010	90
Acacia	2-storey terraced	159	63.4	Sept 2011	5
Tanjung Indah	1-storey terraced	196	30.7	Oct 2009	99
Kristal	1-storey terraced	56	10.4	Feb 2010	99
Tanjung Indah 2	1-storey terraced	131	27.2	Sept 2010	90
Casa Indah	1-storey terraced	129	30.8	Sept 2011	92
Prima 3	3-storey shopoffice	19	14.2	Aug 2009	90
Princeton Ave.	2-storey shopoffice	38	29.3	June 2011	50
GolfVue	2-storey semidee	32	26.2	Dec 2010	65
Tropic 2	2-storey terraced	55	24.2	April 2011	55
<b>Taman Kempas Utama, Johor Bahru</b>					
Serissa	2-storey semidee	30	42.4	Aug 2011	10
Service Factory	2-storey factory	54	40.6	Dec 2010	95
Cluster Factory	1½-storey factory	44	70.6	Feb 2011	35
Detached Factory	1½-storey factory	7	19.6	July 2011	20
<b>Lagenda Putra, Kulai</b>					
Inspira	1-storey terraced	96	19.1	Nov 2010	55

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
<b>16 Sierra, Southern Puchong</b>				
Sierra 2 (Phase 2)	2-storey terraced	128	114	Nov 2011
	2-storey semidee	35	61.8	
Sierra 9	2½-storey semidee	122	257.8	March 2012
Sierra 6	3-storey superlink	223	222.1	Aug 2012
Sierra 11	3-storey superlink	183	236.8	Dec 2012
<b>Bandar Putra, Kulaijaya</b>				
Phase 2A	3-storey shopoffice	26	23.4	Nov 2011
Phase 1A02	1 & 2-storey shopoffice	34	9.5	Dec 2011
Phase 4A03	2-storey bungalow	24	43.2	Dec 2011
Phase 3A1B	2-storey terraced	51	20.9	Nov 2011
Phase 2F1A	1-storey terraced	150	26.3	Dec 2011
Phase 2C05	2-storey semidee	86	44.7	Feb 2011
Phase 3C05	2-storey terraced	22	6.4	March 2012
Phase 5C03	1-storey terraced	126	23.9	April 2012
<b>Taman Kempas Utama, Johor Baru</b>				
Phase 2A01	2-storey semidee	8	6.8	Nov 2011
Phase 1B01	1-storey low-medium-cost shop	34	5.1	Oct 2011
Phase 1E	2-storey terraced	77	38.5	Dec 2011
Phase 1F	2-storey terraced	86	55.9	Dec 2011
Phase 1B02	2-storey shopoffice	20	12	Dec 2011
Phase 4A	3-storey shopoffice	77	115	Jan 2012
<b>Lagenda Putra, Kulai</b>				
Phase 3B	1-storey cluster home	24	5.5	Oct 2011
Phase 3B01	2-storey terraced	76	19	Jan 2012
Phase 3E02	2-storey semidee	36	15.1	March 2012
<b>Bandar Puteri (BP) &amp; Bandar Puchong Jaya (BPJ), Puchong</b>				
SkyPod (BPJ)	Mixed development	640 serviced apartments, 32 units retail, 18 offices, 8 shops	440	April 2012
Luxury Condo (BPJ)	Condo	1,042	700	May 2012
SOHO @ PFCC (BP)	Mixed commercial development	330 SOHO, 187 offices, 22 shops	430	Sept 2012

will always do well and should the market slow down, it is always the developers that are less financially strong, less prepared and less experienced that will suffer. But most sizeable developers have a fairly healthy and good future ahead.

### Target set for FY2012?

We will try to maintain 10% growth in our revenue and profit in FY2012.

### What would IOI Properties be focusing on as an organisation in the short term?

We would like to emphasise that we are looking for the right balance of growth in our property portfolio. There is a move into property investment activities in commercial, hotel and retail. We want to achieve a more sustainable balance between these steady and re-

curing investment incomes and the higher profit-generating but more volatile property development earnings.

We also want to develop skills in asset management by employing the right people to manage existing buildings and we're also learning from our joint-venture partners in more established markets such as Singapore.

## MAH SING

# Efforts bearing fruit

BY Sreerema Banoo

**M**ah Sing Group Bhd managing director and chief executive Tan Sri Leong Hoy Kum believes that the group's efforts to improve its performance over the previous financial year are bearing fruit. Its sales target of more than RM2 billion in 2011 (versus 2010's sales of RM1.5 billion) was already at the 60% mark at end-1H2011, with sales at RM1.24 billion.

The launch of its flagship commercial project, Icon City, in July registered good take-up rates, says Leong, attributing the encouraging response to the efforts of the group's business development team, its effective marketing strategies, premium branding and the location of its developments.

"We are committed to providing value for buyers," he says, adding that Mah Sing's strong brand, track record and ability to deliver innovative and quality products are factors prospective buyers should consider when deciding on a property purchase. In an interview with *The Edge*, Leong talks about the projects that are keeping the group busy this year and in the immediate term, the building of a brand and the importance of teamwork.

**The Edge:** Describe the company's performance this financial year. How has the take-up for the new and existing launches been?

**Tan Sri Leong Hoy Kum:** The launch of Icon City, our flagship commercial project, in July was well received ... over the weekend of its launch, we were able to register sales of RM426.5 million from the commercial i-SoVo (small office versatile office) units, 30 Jewels (7 and 8-storey shopoffices) and Gourmet Street (1 and 2-storey retail shops). We were able to enjoy an 80% take-up rate for i-SoVo and 97% for 30 Jewels.

Our M City, Jalan Ampang, also saw favourable response during its weekend preview, with a 98% take-up rate. As for our landed properties, we were able to generate a strong take-up of close to 75% for Ambrosia@Kinrara Residence, while for Clover@Garden Residence, there was confirmed interest in 32 units, valued at RM47.4 million.

Our commercial property Star Avenue@D'sara, Sungai Buloh, was also able to generate overwhelming response during the weekend launches for different products. The 92 units of 3-storey shopoffices valued at RM242.5 million and 78 units of retail lots at RM71.7 million

## Mah Sing

	2011	2010
Overall	7	9
Quantitative	10	9
Qualitative	4	9

launched on different weekends were all snapped up.

**How does 2011 compare with 2010 in terms of financial performance and sales? Has it, in general, been a good year?**

So far, our 2011 results and sales have far surpassed 2010's records. We have set a sales record of more than RM2 billion for 2011 versus 2010's sales of RM1.5 billion. As at June 30, we achieved RM1.24 billion in sales, more than 60% of our sales target.

In terms of financial performance, we recorded strong revenue and net profit of RM727.9 million and RM84.3 million respectively for 1H2011, representing a 38% y-o-y improvement for revenue and 48% improvement for net profit. Unbilled sales were about RM1.9 billion — more than double the revenue recognised by the property division in 2010, giving us significant earnings visibility.

**Describe the mood in the local property market. To what extent has the uncertainty in the global financial markets impacted the local property market?**

Property has always been seen as a good hedge against inflation, and in the long term, our young population base, new household formation and high saving rates will continue to drive demand for properties. Demand has so far been domestic-driven, and for Mah Sing, most of our buyers are locals who are buying for their own use and investment [not speculation].

**What are your priorities for the rest of the year and 2012?**

We want to continue reaping good sales from the projects that have been launched thus far, and also to launch new projects that have attracted a healthy number of registrants. We will also focus on our landbanking efforts.

**What are some of the projects/developments that will keep you busy over the next 12 months?**

Icon City, being our flagship commercial project with a GDV of RM3.2 billion, will definitely keep us busy as the development is to be completed within seven to eight years. For the next 12 months, we will concentrate on Phase 1 of the development comprising i-SoVo, 30 Jewels, Gourmet



Leong: We pride ourselves on being a premier lifestyle developer, and want to maintain that image for years to come

Street, serviced residences and boutique offices.

Garden Plaza (GDV: RM384 million), our first commercial project in Cyberjaya, is expected to contribute to the future performance of the group. We are also looking forward to our M Sentral project (estimated GDV: RM900 million), which is part of the largest privatised urban regeneration project in Kuala Lumpur. Our niche and high-rise project in Mont Kiara, namely Icon Residence, Mont Kiara, with a GDV of RM408 million will also keep us occupied. This strategically located project, which is just next to the upcoming Matrade Centre, will offer a resort-living lifestyle and be Green Building Index (GBI) and Green Mark compliant.

We are looking forward to our future developments in Penang, such as the Icon Residence, Ferringhi Residence and the preview of Southbay Plaza with a total estimated GDV of RM3.2 billion. We are also excited about the first i-Parc series to be introduced in Johor Baru, with the expected launch of Mah Sing i-Parc. We see enormous potential for it to be a centralised logistics hub as it is only 1km from the Port of Tanjung Pelepas and 23km from Jurong Industrial Estate in Singapore.

**Given how crowded the marketplace is today, what sets your brand apart?**

We normally acquire land in strategic locations with ready basic infrastructure and amenities nearby. We also consider accessibility. These [parcels of] lands fit our fast turnaround business model, where we launch not too long after we acquire the land, thus capturing current market demand and trends. Every project we develop begins with a concept that we feel is suited to the location and meets market needs. A research team conducts an in-depth market study that allows us to identify and set new trends.

We do not merely build homes, but also communities ... we organise various activities to foster relationships between neighbours. As a developer, we strongly believe in good after-sales service, and our customer service team is the first point of contact for the buyers to give us their feedback.

We also have a strong quality control and quality assurance team that ensures all our projects meet and exceed the stringent quality standards. We also adopt international best practices in ensuring quality, and have sought Conquas (Construction

Quality Assessment System) certification by the Building and Construction Authority of Singapore for all new residential projects.

**In a nutshell, what does the company brand stand for? How do you strategise to ensure that the brand values are maintained and upheld throughout the many developments?**

We pride ourselves on being a premier lifestyle developer, and want to maintain that image for years to come. The overwhelming response we received during our previews and launches implies that buyers are confident with what our brand is capable of offering — the ability to conceptualise, design and deliver quality products with unique concepts on a timely basis in good locations and offer commendable after-sales service.

Awards and certifications serve to recognise our efforts, help in our branding and encourage us to perform better. Our corporate, project and branding strategies have always revolved around protecting and enhancing value for our shareholders and customers.

**Over the years, the company has**

PICTURES COURTESY OF MAH SING GROUP

## Mah Sing Group

FINANCIAL YEAR-END DEC 31 (RM MIL)	2010	2009	2008	2007	2006
Revenue	1,110.1	701.6	651.6	573.4	495.6
Pre-tax profit	177.9	144.2	136.0	117.7	93.3
Paid-up capital	415.8	346.5	313.4	310.7	152.0
Shareholders' funds	918.9	845.7	690.3	630.3	315.8
Profit attributable to shareholders	118	94.3	93.2	81.1	65.4
Dividend payout ratio (%)	40	43	41	46	42

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV(RM MIL)	LAUNCH/ PREVIEW DATE	TAKE-UP (%)
Southgate, KL	Retail and office suite	292	458	1H2008	100
StarParc, KL	Shop office and retail lot	156	129	1Q2009	100
i-Parc@Bukit Jelutong	Semidee factory	42	116	1Q2010	100
i-Parc2@Shah Alam	Semidee factory	64	178	1Q2010	> 93
Garden Residence, Cyberjaya	Residential – landed	676	882	1Q2010	> 92
Perdana Residence 2, Selayang	Residential – landed	268	243	1Q2010	100
Kinrara Residence, Puchong	Residential – landed	852	980	1Q2011, 3Q2011 (in phases)	>72
M Suites Jalan Ampang	High-rise residential	442	349	4Q2010	> 98
One Legenda, Cheras	Residential – landed	26	97	3Q2010	> 53
Star Avenue, Sungai Buloh	Commercial (shop office)	92	247	2Q2011, 3Q2011 (in phases)	100
Icon City, Petaling Jaya	Mixed-use development	30 shop offices 46 retail shops 411 small/ versatile office 570 serviced residence	3,200	1Q2011 3Q2011 4Q2011 – (for 1st tower)	>97 >48% >95%
Bayu Sekamat, Julu Langat	Residential	42	26	2Q2011	100
i-Parc3@Bukit Jelutong	Industrial	26	84	1Q2011	>60
Residence@Southbay, Penang	Residential – landed	284	250	2Q2009	100
Legenda@Southbay, Penang	Residential – landed	76	335	4Q2010	> 38
Icon Residence Mont' Kiara	High-rise residential	260	408	3Q2010	–
Austin Suites, Johor Bahru	High-rise residential	460	106	2Q2011	–
Garden Plaza, Cyberjaya	Serviced suite	1,149	384	4Q2010 (in phases)	–
Garden Villa, Hijauan Residence Phase 3	Residential – landed	78	228	3Q2010 (in phases)	–
M City, KL	High-rise residential	401 residential 15 blocks retail	1,400	2Q2011	–
Clover@Garden Residence	Residential	255	280	3Q2011	–

### IN THE PIPELINE (2H2011)

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MILLION)	EXPECTED PREVIEW
Southbay Plaza, Penang	Mixed-use development	TBA	2,091	4Q2011, 1H2012, 2H2012 (in phases)
Icon Residence, Penang	High-rise residential	TBA	280	1Q2012
Ferringhi Residence, Penang	High-rise residential	TBA	800	1Q2012
M Sentral, KL	High-rise residential	TBA	900	1H2011
Mah Sing i-Parc, Bukit Jelutong	Industrial	TBA	610	1H2011

\* To be announced

**grown from building small projects to lifestyle and upmarket projects, and then commercial and high-rise developments. How do you manage this growth? How do you manage the successes without compromising on standards?**

It has not been an easy process but we were able to do it with our strong teamwork. The business development team looks for prime land in good locations, the product development and project planning team conceptualises and fine-tunes the products and the marketing team reaches out to customers. After that, the delivery process starts and that is where our project implementation, contracts, quality assurance and other support teams come in. We are also fortunate to have good business partners and contractors who are able to help us deliver our vision.

**Describe what it takes to build this team, and more importantly, motivate them. To what extent is trust important?**

I believe in recruiting and retaining the right talent for the job and communicating the overall company vision and targets clearly to them. When they understand and believe

in the goal and management's commitment, you can see the staff going the extra mile to deliver. Our performance management system is KPI-based, and our people know that when they — their team and the company — perform well, they shall be duly rewarded.

Trust is important, and reciprocal. I engage my employees in developing plans to move the company forward. We practise an open-door policy and encourage feedback and constructive comments.

**How important are green building technologies and sustainability to the company?**

Quality and sustainability are the cornerstones of our project delivery and today, green building is also high on our list of priorities. One project that incorporates the green concept is our Icon City in PJ. It is designed with sustainability in mind and incorporates three green standards — GBI, Green Mark and LEED — in its various components. It is poised to be the ultimate green development in Petaling Jaya.

**How is the project in Penang faring? There's been talk of oversup-**

**ply in Penang, with the number of new developments. What's your take on this, and do you feel the company made the right move in venturing into Penang?**

We first ventured into Penang in 2007 with the acquisition of several pieces of land to geographically diversify our landbank in Peninsular Malaysia, and to ride the exciting economic growth in the Northern Corridor. Furthermore, Penang has the third largest property market in Malaysia after Greater KL and Johor. Penang also has the second highest urbanisation rate in Malaysia, as well as the second highest average monthly household income, which is higher than the national average. So, it was a natural progression for us to venture into Penang.

Thus far, we have fully sold and completed our Residence@Southbay project. We have an ongoing project called Legenda@Southbay, which is gaining increasing interest and we look forward to new launches next year.

On talk about oversupply, we believe it all depends on the location and type of products being offered. Developers who are able to deliver the right products at the right loca-

tion and at the right price should be able to do relatively well. Property experts have also acknowledged that the property market in Penang is booming. Residential prices may be rising due to higher demand than supply, but the extent of the escalation is much slower than markets such as Greater KL, Singapore and Hong Kong. Thus, for foreign investors, it is relatively cheaper to invest in Penang as similar projects in Hong Kong or Singapore may cost more. With the increasing interest in Penang's property market, we are happy that we were able to leave a mark on the Penang property market earlier and build our branding with the people in the north. Did we make the right move to venture into Penang? Definitely.

**What's the company's remaining landbank? What plans do you have for replenishing the landbank? What are some of the hot spots or locations that you're eyeing?**

We have about 867 acres remaining, with a combined remaining GDV and unbilled sales of about RM14.5 billion. We will continue to seek prime land in Greater KL, Penang Island and Johor Baru. This year, the

group is targeting land acquisitions that can potentially yield more than RM5 billion to RM7 billion in GDV potential.

**What's the outlook like for the local property market? Where do you see opportunities for the company?**

We see continued demand for landed residential properties in good locations, especially in gated and guarded schemes. Investors know that land is scarce and construction costs will continue to rise, albeit in manageable doses. Hence, it is inevitable that properties in good locations will continue to appreciate as well, and astute buyers would want to lock in their investments at today's prices. Demand is also moving towards well-located townships offering properties within the RM500,000 range. For the commercial segment, smaller SoHo and SoVo properties will continue to be popular due to the affordable price points and lack of such supply in selected locations. We also find well-sited semi-detached factories that have multiple uses [corporate office, warehousing and light manufacturing] to be in demand as supply is very low, only about 10%. ■



Icon Residences,  
Mont' Kiara



Southbay, Penang

## SUNRISE

# Building on the brand

BY Noelle Lim

Sunrise Bhd, which has made a name for itself as a luxury lifestyle developer, is known for turning the high-end residential enclave of Mont'Kiara into what it is today.

The company was founded and led by some of the most entrepreneurial and visionary stalwarts of the property industry, from Datuk Alan Tong and Datuk Seri Michael Yam to former banker Datuk Tong Kooi Ong.

Sunrise has grown at a remarkable pace and won two awards in *The Edge* Billion Ringgit Club Awards — for being the company with the highest growth in pre-tax profit and the company with the highest return on equity in the property sector — in 2010.

Its product quality, value creation, innovation and creativity have also been recognised by *The Edge* Top Property Developers Awards.

The company's stellar track record soon caught the attention of UEM Land Holdings, the listed property arm of UEM Group, which announced last November that it wanted to acquire Sunrise.

UEM was then already the largest listed property player, with a market capitalisation of RM8.2 billion — about seven times that of Sunrise's RM1.2 billion as at last November. But Sunrise's net profit of RM133 million in FY2010 ended June 30 was higher than the RM115 million recorded by UEM in 2009.

Sunrise's revenue fell 26% in FY2010 to RM590 million from a high base. New sales slowed after the many project launches from 2005 to 2007 and there was a gestation period for planning and approvals.

Its unbilled sales totalled RM861 million as at June 30, 2010, down from RM971 million the previous year. But the company has since recovered with its latest unbilled sales at RM1.2 billion from 28 Mont'Kiara (MK28), Quintet in Richmond — a beautiful city near Vancouver, Canada, and the US border — and from this year's launch of Summer Suites (formerly Menara Solaris) behind Renaissance Hotel in Jalan Sultan Ismail. An indication of Quintet's popularity is that when it was launched last September, Tower A and B were 80% sold within two days and fully sold before it was opened to the general public.

In its current financial year, besides Arcoris (MK20) and MK22 in Mont'Kiara, Sunrise will develop landed homes near the Mines Resort in Seri Kembangan, Selangor. It will also pursue a mixed-use development near KLCC on the Wisma Angkasa Raya site

Sunrise		
	2011	2010
Overall	8	4
Quantitative	15	12
Qualitative	5	2

and a joint-venture development with Sime Darby in Bukit Jelutong. The gross development value (GDV) of the projects in the pipeline is estimated to be more than RM2 billion.

For UEM, Sunrise does not only bring to the table its near-term earnings visibility but also its unequivocal brand equity and expertise. Datuk Wan Abdullah Wan Ibrahim, managing director of UEM, and now also Sunrise, says it would have been too slow for UEM to grow organically and just focus on Nusajaya.

"Intense discussions took place at board level; it was gloves off and fist fights. Lofty targets were set because we needed to match our earnings with our market cap," he says.

One of these lofty targets is for UEM to be one of Khazanah Nasional Bhd's five regional champions by 2015. After much convincing, Abdullah got the green light last year to look for acquisitions that would accelerate the company's growth. An investment banker was promptly hired to scout around for a deal.

About 15 companies were evaluated, then it was down to five before the major shareholders of Sunrise were approached. After the acquisition was approved by shareholders in January, Tong was appointed non-executive director at UEM while remaining as chairman of Sunrise.

The acquisition was highly strategic for both Sunrise and its major shareholder as UEM owns significant landbank in Nusajaya in Iskandar Malaysia, Johor, and has the highest connections to Singapore through its parent Khazanah. UEM Land is developing Nusajaya, one of the five flagship zones in Iskandar Malaysia. Nusajaya spans 23,875 acres, some 10,403 acres of which are owned by UEM Land and in various stages of development.

Abdullah describes the acquisition as a match made in heaven and considers Sunrise and UEM to be one group since the acquisition took place. He says, "When we did the acquisition, we were not looking for 1+1 equals 2; we were looking for 1+1 equals 10."

The group received a big boost of confidence when Khazanah appointed it to jointly oversee the development and marketing of some parcels of land in Marina Bay South



Abdullah: When we did the acquisition [of Sunrise by UEM], we were not looking for 1+1 equals 2; we were looking for 1+1 equals 10

and Ophir-Rochor as part of the railway land exchange deal between Malaysia and Singapore. Abdullah says, "I don't think Khazanah would have been awarded the project had it not been for Sunrise because it has to be iconic. And now that we're in Singapore, we can learn its workings and make another leap forward."

Abdullah says he wants to create the next CapitaLand, one of the biggest property developers in Asia. Read on to find out what lies ahead for the company.

**The Edge: It is usually difficult to realise synergies from acquisitions, what more if there are significant cultural differences. How are you integrating the different cultures, management styles and so on?**

**Datuk Wan Abdullah:** It has been our priority to integrate the operations of the two organisations under the UEM umbrella. We have been moving people around between Sunrise and UEM to find the right ones to helm departments. The appointments are based on meritocracy, not on "orang UEM" or "orang Sunrise". The head must be accepted as he is the best candidate. My right-hand man in the group, the COO, was executive director at Sunrise — Lum Tuck Meng. We appointed an agency to find the best candidate and to search outside the country. Lum came up tops. Without hesitation, we put it up for board approval and they were happy to accept it.

We are also standardising

processes and the financial reporting, human resources and rewards systems. Sunrise has its Seven Good Years system. We have our short and long-term incentive plan. The rationalisation will be announced soon.

**What is the Sunrise brand?**

Sunrise is a caring developer, one that goes beyond the bottom line. Our products are about experience, convenience and comfort. Mont'Kiara looks like a concrete jungle, but when you go inside, the condominiums, it is a different world and it is very comfortable.

We are not staying as a niche developer and will look at other products — commercial and lifestyle products — and we want to beef up our recurring income portfolio. We have Publika, which is targeted at a certain market. They are not necessarily the Zegna crowd, but they desire experiences like having gourmet food.

**Will Sunrise be able to maintain the brand values it is known for, such as product quality and value creation for buyers?**

The last thing we want to do is to mess up the Sunrise brand. Internally, its brand values will be embedded into the current DNA of UEM Land through culture/value integration programmes. These values are actually no different from UEM's.

At Nusajaya, we are also trying to go the extra mile. We hired Cisco to integrate the various systems and create an intelligent city. We did a

blueprint with GE on our security systems. It is now in the execution phase. We are targeting the regional market and security was a major concern. We also have an environmental plan and high-speed broadband. Moving forward as a group, we want to continue to deliver quality products and excellent service that are sustainable and meet our stakeholders' expectations.

**How has Sunrise showcased its creativity and innovation in its products?**

When you build a tower in Mont'Kiara, there is a high chance of your view being blocked. So at MK11 (11 Mont'Kiara), Sunrise built the towers looking inside to a beautiful view — two-tiered swimming pool and a floating deck. For MK28, we allocated 70% of its space, equivalent to two football fields, for recreational purposes and we won the best high-rise development in the world award by Bloomberg.

Another development to be launched — Arcoris (MK20) — a residential and commercial project designed by Foster + Partners, won Bloomberg's award for best commercial high-rise development in Asia-Pacific. This project integrates the quintuple components of luxury serviced residences, business suites, SoHos, hotel and banquet retail. Despite the density of Mont'Kiara, we managed to get the best out of tight spaces.

CONTINUES ON PAGE 42

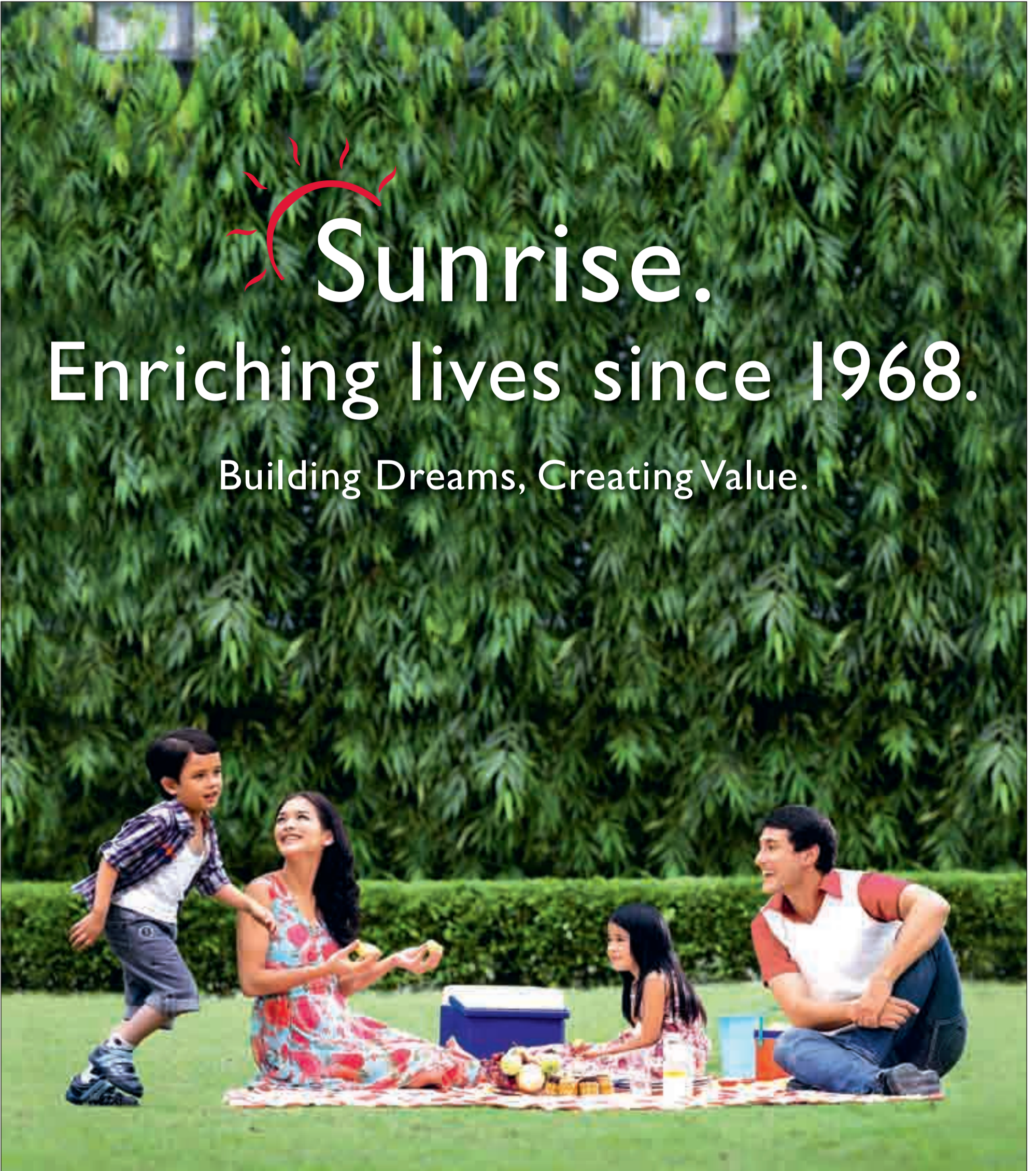




# Sunrise.

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A member of UEM 

## Sunrise

FINANCIAL YEAR-END JUNE 30 (RM MIL)	2010	2009	2008	2007	2006
Revenue	590.742	803.922	685.830	558.098	359.185
Pre-tax profit	180.876	205.760	201.116	157.392	41.208
Paid-up capital	495.39	495.39	450.215	446.982	424.519
Shareholders' funds	1094.268	974.468	758.628	609.323	506.156
Profit attributable to shareholders	133.951	156.197	160.046	108.109	6.570
Dividend payout ratio (%)	10.4	7.05	18.3	31.9	273.4

### ONGOING LAUNCHES

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
MK28 (28 Mont'Kiara)	Residential	460	800	Dec 2009	85

### IN THE PIPELINE

PROJECT/LOCATIN	TYPE	NO OF UNITS	GDV	EXPECTED LAUNCH
Summer Suites, off Jalan Sultan Ismail	A - Stratified business suite B - 474	Tower A - 404 B - SoVo 2 levels of retail	460m	A: 1H2011 B: 1H2012
Quintet, Canada	Mixed development	Phase 1: Tower A - 182 Tower B - 94 Townhouses - 16 Phase 2: Tower C - 139 Tower D - 167 Phase 3: Tower E - 106	CS400m	A & B 2H2010  C&D 1H11  TBC
MK20, Mont'Kiara	Mixed development	NA	1b (est)	3Q2011
Bukit Jelutong, Shah Alam	Mixed development	Commercial (80%) Residential (20%)	1b	4Q2011
Lot 149, KLCC (Wisma Angkasa Raya site)	Mixed development A - office, R - residence	Commercial (72%) Residential (28%)	TBC	A-1H12 R - 1H13
SL123 (near Mines Resort)	Gated & guarded Stratified landed residential	498	500m (est)	2H2011
MK22, Mont'Kiara	Residential development	534	TBC	2H2012

## Iconic developments in the offing

### FROM PAGE 40

#### What are the possible joint ventures between Sunrise and UEM?

From the day UEM signed the agreement with Sunrise's shareholders, we have been tracking projects together in Kuala Lumpur. Earlier, UEM had made its interest in developing the Sungai Buloh land known. The Sunrise team is certainly expected to be a strong contributor should UEM participate there.

In Singapore, the group has projects in Marina Bay and Ophir-Rochor. The planned development in Marina South is strategic because it adjoins the Marina Bay financial centre and will comprise two office towers, two residential towers and a retail space with a combined gross floor area (GFA) of 341,000 sq m.

Also a mixed-use development that includes a hotel, Ophir-Rochor is located between Kampong Glam Historic District and the Beach Road Conservation Area and has a total permissible GFA of 160,020 sq m. Construction is expected to commence in the middle of next year with completion estimated in 2016. Sunrise will earn a percentage of the project's management fees. The group's Singapore partners in Marina Bay and Ophir-Rochor are Mapletree and CapitaLand respectively, both Temasek's investee companies.

In Canada, Quintet — with a GDV of RM1.2 billion — has done remarkably well. We have ambitious targets, so we will certainly go abroad together. India, South Africa, the UK, Australia and Canada are possibilities.

#### What are the plans for Sunrise and UEM in Johor?

When we launch a high-rise development in Johor, it will be more advantageous to launch it under the Sunrise brand, so the Sunrise team is looking

at a few locations in Puteri Harbour to do such developments. UEM will also develop a retail mall in Legoland called Lifestyle Retail Mall with a subsidiary of Iskandar Investment. This will be done with Sunrise's expertise. We have 14 months to complete the mall, which has a GFA of 1.5 million sq ft. It will be developed in stages and will be activity-based to cater for young children.

#### What are the projects in the pipeline for Sunrise?

We are targeting to launch the project on the Wisma Angkasa Raya site next year. It will be an iconic and green building and could be a mixed-use development — office and serviced apartments. I am not telling you yet if it will be taller than the Petronas Twin Towers. The architect is Ole Scheeren of Buro Ole in Beijing. He was formerly with the Office for Metropolitan Architecture and designed the new HQ for CCTV in Beijing.

Sunrise also has a mixed-use development joint venture with Sime Darby in Bukit Jelutong. We have engaged Benoy, the architects from Hong Kong, for this project. It is too early to say if there will be more projects from what we are currently doing with Sime Darby now.

Another development, codenamed SL123, is on 50 acres near the Mines resort. This landed strata title concept is expected to be launched in 1Q2012. MK22 in Mont'Kiara is also in development. We are looking at introducing smaller units — single bedroom, 1+1 rather than 2,000 sq ft — because we are targeting young executives. Arcoris' serviced residences are expected to range from 850 to 2,000 sq ft while the SoHos are 450 to 1,000 sq ft and the business suites from 700 to 1,550 sq ft. Affordability is one factor to consider, but we cannot reduce the

selling price because costs are going up. We also want to provide better experience and value.

#### What lessons have you learnt from using a big-name architect?

I won't use a big-name architect and not get the right product. Big-name architects have to be disciplined. If you leave them alone, you end up paying through your nose and get a building that does not work. So far, we find them good to work with, like Scheeren. We're also engaging him for the Ophir-Rochor project.

#### There are concerns about low yields from high-end condominiums and Mont'Kiara is seeing more competition from neighbouring areas such as Segambut now rebranded as North Kiara. What's the outlook for this property segment, especially in Mont'Kiara?

I would prefer to be compared with developments in KLCC. We have over 70 acres of land to be developed in Mont'Kiara and I believe there is still demand because we are not competing with those in Segambut in terms of product quality. Yields in Mont'Kiara are still at about 6% as buyers understand and are willing to pay a premium for the support services they get, such as the free shuttle service within Mont'Kiara fun zone community centre and the assistance in generating occupancy through medium to long-term leasing. We are also venturing into hospitality.

#### The strategy for Sunrise's commercial and retail projects Solaris Dutamas and Publika is to combine arts and culture with lifestyle. Why is Sunrise confident that this is a winning strategy given that the arts often have to be subsidised?

We cannot make money in every nook



Above: MK10



Left: An artist's impression of MK28

and cranny. We have to give back and Kuala Lumpur is very short on the arts. There's a growing group of people who are into art and local artists are making a big name for themselves overseas. Publika's positioning is to be a hub for the arts. So we charge art galleries competitive rates. This is the same where shopping malls offer preferential rates to selected tenants. We help those who make Publika different.

#### With uncertainty in the global financial markets and Asia not immune to a slowdown, how will this affect the local property market and Sunrise?

Property development is cyclical. Property is also about timing. What we can do is to be in a state of readiness to seize opportunities when they surface or before they surface. This means developing products ahead of when we think we can launch them. And that's what we are doing in Nusajaya. It is planned to be a regional city, not for the local market per se. Because the audience is a wider one, we will not be as badly hit as other developers.

We can have such high aspirations because we are close to Singapore. We are receiving FDIs and there are citizens of the world who want to be close to Singapore. In the republic, residential property prices have breached pre-crisis levels so those who cannot afford to buy Sentosa Cove can think about Puteri Harbour. It's only 45 minutes to Orchard Road. Puteri Harbour is Malaysia's first urban waterfront development and won the runner-up award for best masterplan in the Fiabci Prix d'Excellence last year.

UEM also has Nusajaya West, the first piece of land on the left after you pass the Johor Baru checkpoint. It is 4,500 acres, bigger than Subang Jaya and UEP combined. We have done an international request for proposal and called in big names among planners. We are also thinking of bringing in other developers, including international ones, because we have our limits when doing everything ourselves. For Nusajaya to make a name, we have to arrive at a critical mass early on.



It's the little extras we do  
that make all the difference.

At IJM LAND, we are committed to creating spaces for better living – and we've learned that it's the little things that matter most. We take pride in offering these little extras to give our customers peace of mind and the best investment returns. To challenge our boundaries, we strive to build beautiful homes and sustainable communities with innovative eco-friendly and people-friendly design features. We also conduct constant assessments of all our projects to ensure they adhere to high quality standards. At IJM LAND, we make time to foster better customer relationships – so much so that most of our customers are now our friends. These, and a hundred other little things we do, are just our ways of doing more to ensure you get the best out of living.

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#### Central Region

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**03-2145 8000**
- Bukit Manda'rina @ Kuala Lumpur  
**03-9100 4325**
- Shah Alam 2 @ Bandar Puncak Alam  
**03-3393 3103**

- Laman Granview @ Puchong  
**03-8027 6188**
- S2 Heights @ Seremban 2  
**06-761 9188**

#### Southern Region

- Nusa Duta @ Johor Bahru  
**07-554 9888**
- SuriaMas @ Johor Bahru  
**07-228 6999**
- D'Ambience @ Johor Bahru  
**07-388 9333**

#### East Malaysia

- Bandar Utama @ Sandakan  
**089-671 899**
- Riverine Sapphire @  
Kuching Riverine Resort  
**082-231 678**

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Ground Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan. Tel: 03-7985 8188 Fax: 03-7952 9091 Email: sales@ijm.com

[www.ijmland.com](http://www.ijmland.com)

**IJM LAND**

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## IJM LAND

# Making good, better

BY Sreerema Banoo

IJM Land Bhd managing director and CEO Datuk Soam Heng Choon has reason to be optimistic; 2010, he says, was a “record year” for the property market in Malaysia, and although the economy is expected to grow at a slower pace this year, he believes that prospects for the market remain bright. The favourable demographics, which include a young population and rising wealth, is in the country’s favour, he points out.

The recent volatility in equity markets across the region can also present opportunities for developers like IJM Land, with investors preferring to switch their investments from equities to property. In fact, over the last few weeks, the one question that has been frequently posed to Soam is: “Should I buy, should I wait or not buy at all?”

“It’s a common topic ... and it’s a good indication [for the property market]. It means people are still looking at property as a source of investment. And there are also people who want to buy to upgrade. Even in a secondary market, homeowners are willing to sit down and talk where previously they would have said, ‘This is my asking price, take it or leave it.’ Now they are willing to talk,” he says.

Buoying Soam’s optimism is the response to the developer’s property launches in FY2011 — the launch of its Light Collection II condominiums in Penang earlier this year, for example, saw prospective buyers queuing for a week for the properties that were pegged at an average of RM700 psf.

In FY2011 ended March 31, the company recorded revenue of RM1.16 billion, a growth of 6% over the previous financial year. Soam attributes the increased revenue to record property sales of RM1.46 billion. The company’s profit before tax also rose 91%, thanks to improving profit margins as well as a RM63 million gain on the disposal of subsidiary Delta Awana Sdn Bhd (owner of Aeon Bandaraya Melaka Shopping Mall).

In FY2012, the developer has 15 active projects in the country with an estimated gross development value (GDV) of RM2 billion. Its priorities in the immediate term, says Soam, is to continue to roll out projects in the medium range as well as large-scale projects such as Phase 2 of The Light, Canal City (in Kota Kemuning, Selangor) and Seban Cove in Johor. These projects, he adds, will “propel aggregate sales to the next level”. In an interview with *The Edge*, he talks about the developer’s strategies in the immediate term, its priorities and why “making good, better” is

## IJM Land

	2011	2010
Overall	9	10
Quantitative	19 (not in top 30)	
Qualitative	3	7

the key to building a brand buyers can trust.

**The Edge: Describe IJM Land’s sales and financial performance in the current year.**

**Datuk Soam Heng Choon:** It’s been a good year for us. The challenge is now going forward. In 2008, during the last financial crisis, many developers pulled the brakes [deferred launches], which led to pent-up demand in 2009 and 2010. At the time, we were also lucky in the sense that we continued to launch [products] and we had the right products. So when we launched our products in 2009, they were well received.

**What’s the mood like in the market?**

It’s not so much the mood but there are questions raised by potential buyers: ‘Should I wait, should I buy now or should I not buy at all?’ But at the end of the day, they still buy, it’s just a question of when.

**So for that question of whether to buy, wait or defer, what do you tell them?**

We tell them that if they like the location, buy now rather than wait because it’s already been proved that property is a good hedge against inflation. While many are worried based on the property markets in Singapore and Hong Kong where property prices can go up 80% to 90% in a year, here our property prices go up about 10% a year, so comparatively, we are still more affordable. Plus, there is a big secondary market in Malaysia.

**What are your priorities for the rest of the year and 2012?**

We will continue to launch what we have put in place. We need to be more wary of changing market conditions and mindful of cash flow management, which is most important during crises. As you know, during a downturn, cash flow is more important than profits so we are focused on making sure that we have all the financing in place for the projects that we want to undertake. We’ve gone through this cycle [recession and financial crisis] many times and what we tell our colleagues is that cycles are getting shorter and we need to be proactive in trying to get



**Soam: When you build a township, you’re not just selling houses, you’re building communities**

things done fast. Let’s say the focus is on affordable homes, we must ensure that we have the products to launch. If we do not have the product, we won’t be able to catch the market ... so during good or bad times, we must continue to sell.

**Are you actively looking at expanding landbank, especially in areas that do well?**

Yes, we are looking but we still have 4,796 acres (with an estimated GDV of RM18.9 billion) to be developed. And there are a few major townships coming up that we are excited about. We believe that when we launch them, the timing may be just right for us.

**What are some of the townships that excite you?**

Canal City which we are launching next year. This project is giving us a lot of energy to push forward. We are using this development as a platform for us to move into green township development.

**What are some of the attributes of Canal City that excite you?**

There will be a lot of water features, and this will be among the main selling points. We are also working with GBI (Green Building Index) to turn this into a green township. While there are other pockets of properties that are called green developments, as a township, this will be the first of its kind in Malaysia. The challenge is for us to ensure that the concept and everything is right. Some of the green attributes that are important

are water conservation, energy-saving features and community interaction. We have a lot of linear parks and walkways so that people can interact ... when you build a township, you’re not just selling houses, you’re building communities.

**Will green be the way forward for IJM Land?**

This will be the way ahead. There was a survey done recently that showed that in Malaysia, only 25% of consumers bother about green products ... you tell them about green products and their features and ask them if they are willing to pay more and most are not willing to pay. So we can’t say that we are market driven. In a market-driven scenario, everyone in the market wants these products ... what we’re doing is putting these products in the market so they get accepted, and slowly over the years, they become the norm and you expect these features in a house.

**Being the first so-called green township, do you anticipate good response from the market?**

We believe so. Going forward, we believe it’s important for people to understand that green isn’t a marketing gimmick but that you [the homebuyer] will ultimately benefit. We hope that it will be a win-win situation. For us, we get to sell our products and for homebuyers, they get a product that will benefit them financially, physically or socially. Socially, this is in terms of having more linear parks, more connectivity and

a safe city. Ultimately, we hope that the development of green properties will be market driven and not sales driven. It’s just like cars; those days, power windows were an option, today no one would buy a car without power windows!

**What other developments excite you?**

With respect to our project in Penang, we are pushing forward with the commercial component of The Light. We see our development as complementing Penang’s heritage status. Tourists coming to Penang want to see the heritage aspect; they don’t want to see skyscrapers but at the same time, we need to provide modern facilities such as better hotels and convention facilities.

**What about talk about oversupply in Penang? Is this an issue of concern?**

We feel the projected value [it was reported that RM29 billion worth of properties have been planned on Penang island for the next 10 to 15 years] may not be 100% true because many are commercial developments and there are also many projects that are still on the drawing board. Whether they take off in the next 15 to 20 years — who knows? Our project is already there so what we need to do is continue to drive the development.

**In terms of demand, what has been the response?**

Since the launch after the financial crisis in 2009, people have been queuing

PICTURES COURTESY OF IJM LAND



IJM has a diverse portfolio from Seremban 2 (top) to Ampersand (bottom) in the KLCC area

ing at every launch. We attribute this to pent-up demand as well as the location of our development, being so close to the water. There are many people who are waiting to upgrade and want to be near the sea.

#### Are there concerns in view of the slower economic growth locally and globally?

We will have to monitor [the situation] but from what we're seeing, people are still buying though they may take a longer time to decide. We have a diverse portfolio of properties including medium-range bread-and-butter properties that will do well in good times or bad. If we were just trying to sell properties in the KLCC area then that could be a challenge, to be frank. But if your locations are out of the CBD (central business district), then there shouldn't be a problem.

#### How important are strategies to promote properties?

We've already started talking to our financial and marketing teams to come up with home ownership packages.

#### What are these packages?

These we are keeping under wraps [laughs]. This is our recipe — we can't divulge details now ... but we will be unveiling these packages before the end of the year. These, we feel, are important to give added assurance to prospective buyers that the developer is equally confident about the market.

#### How important is branding to IJM Land? What are IJM Land's brand values?

Branding is important. When you have a better brand, you are able to sell at a premium. We have been in the market for more than 30 years so what we try to tell people is: here is a developer you can trust, here is a developer that will deliver. We always try

not to overpromise and underdeliver. We also strive to build relationships with the buyers ... ultimately, they become our sales agents. In many of the townships, 30% to 40% of the buyers are repeat buyers — they see us as a reliable developer and someone they can fall back on. If I tell you that my products are 100% without defects, then I am telling you a lie. What's important is that if there is a problem, we will solve it quickly.

#### How do you ensure that these brand values continue to be upheld?

We have a tagline that goes "we make good, better" so this means that there is always room for improvement in terms of innovation, quality, design, customer relationship ... so we tell our people that we still have room to improve even though we may think we are the best. Those days, people would ask why we called our townships Seremban 2 and Shah Alam 2? When you are No 2, you are always trying to chase the person ahead so you're always working to improve. If you say you're the best then complacency may set in and you may not want to improve anymore or you tend to sit back and relax. In Penang and Sandakan, our properties are selling at a premium. In Sandakan, developers are coming up to us and thanking us for helping to increase the price although they may not be able to sell at our prices.

#### How do you build and motivate the team to deliver quality, innovation and design?

There is always room to improve. When we take our staff on study tours overseas, they see areas where we can improve and aspects that can be introduced in our projects. So for a guy who is passionate about his job, he can say: 'Can I try this feature for our next project?' When we say we want to make good, better, there will be some shortfall in terms of skills

## IJM Land

FINANCIAL YEAR-END MARCH 31	2011	2010	2009	2008
Revenue	1,162,222,060	1,101,058,100	671,010,124	295,204,901
Pre-tax profit	285,544,858	148,921,331	68,302,504	54,892,411
Paid-up capital	1,124,665,246	1,103,273,751	1,103,267,871	568,186,606
Shareholders' funds	1,836,223,481	1,655,446,793	1,547,550,655	692,960,434
Profit attributable to shareholders	217,653,628	108,663,261	51,127,686	41,713,006
Dividend payout ratio (%)	25.26	20.30	—	—

### ONGOING LAUNCHES

PROJECT NAME	TYPE	NO OF UNITS	GDV ('000)	LAUNCH DATE	TAKE-UP RATE (%)
<b>NORTHERN</b>					
Maritime, Penang	Commercial	291	164,962	Nov 2011	60
The Light Collection I, Penang	Condo and water villa	176	206,038	May 2011	60
The Light Collection II, Penang	Condo	297	320,433	Dec 2011	63
Pearl Regency (Block B), Penang	Condo	187	166,618	July 2011	55
Bestari 30, Ipoh	2-storey shop	24	13,782	June 2011	79
Pusat Perniagaan Bukit Raja - Phase 2	2 & 3-storey shopoffices	65	56,981	May 2011	91
Manda'rina : Phase 5 - Villa 33, Cheras	Bungalow	33	92,626	Sept 2011	60
Shah Alam 2 Phase 5A1-P	2-storey terraced	146	40,834	May 2011	98
Shah Alam 2 Phase 5A5-Q	2-storey link semidee	92	28,445	Jan 2011	88
Shah Alam 2 Phase 5A5-R	2-storey link semidee	96	32,123	May 2011	66
Shah Alam 2 Phase 5A5-S	2-storey link semidee	52	18,636	Sept 2011	18
Seremban 2 - Aviva Green	2-storey semidee	114	90,215	May 2011	45
Seremban 2 - Park Avenue Phase 3	1-storey bungalows	11	5,249	July 2011	30
Seremban 2 - Uptown Avenue Phase 3	2 - & 2½-storey shopoffices	29	20,170	Aug 2011	66
S2 Heights - Phase 2B (Serena)	2-storey terraced	116	42,342	Feb 2011	85
S2 Heights - Phase 2C (Suria)	2-storey terraced	157	51,453	July 2011	74
S2 Heights - Phase 2G (Summer)	2-storey terraced	80	25,291	April 2011	38
Suriamas Suites - Block C	Serviced apartment	152	40,034	Aug 2011	64
Suriamas Suites - Block D	Serviced apartment	133	51,601	April 2011	35
Nusa Duta Phase 2A2	2-storey cluster + semidee	72	41,026	April 2011	71
Nusa Duta Phase 2B2	2-storey cluster + semidee	86	49,810	Sept 2011	61
Taman Utama, Phase 6	2-storey semidee	68	34,417	Feb 2011	63
Utama Park Villa, Phase 2	2-storey terraced	100	37,921	Feb 2011	83
Sri Utama Condominium	11- & 16-storey condo	432	129,373	Aug 2011	60
Utama Park Villa, Phase 3	2-storey terraced	40	17,242	Dec 2011	81
One Avenue 9 (Shop/Office)	2-storey shopoffices	67	46,469	Feb 2011	42
Utama Park Villa, Phase 4	2-storey terraced	67	30,046	April 2011	25
Utama Lakevilla Villa	Bungalow lot	7	3,212	March 2010	100

### IN THE PIPELINE

PROJECT	TYPE	GDV (RM MIL)	EXPECTED LAUNCH DATE
<b>NORTHERN - FYE 2012</b>			
Regency A	Mixed - Condo & commercial unit	229	Jan 2012
Sanctuary Ridge	Semidee and link semidee	70	Nov 2011
The Address	Condo & loft	113	Nov 2011
The Light Collection III	Condo	365	Oct 2011
<b>CENTRAL - FYE 2012</b>			
Shah Alam 2 Phase 5A4, 5A2 and 5C1	2-storey terraced, shop and semidee	69	Jan 2011 to Feb 2012
Mandari'na Phase 7 (Altitude 236)	Condo	164	Oct 2011
Laman Granview Phase 5	Bungalows	85	Nov 2011
Riana Green East Phase 2A	Condo	296	March 2012
Sh'ng Villa	Semidee	30	Dec 2012
<b>SEREMBAN / MELAKA - FYE 2012</b>			
Phase 2B Safiya, 2C Savannah and 2H	Semidee and 2-storey terraced	96	Jan 2011 to Dec 2012
<b>SOUTHERN - FYE 2012</b>			
Nusa Duta Phase 3A2(a), Phase 9 - D'Rich and 5B2	2-storey semidee, 2-storey cluster and apartment	106	Dec 2011 to Dec 2012
D'Ambience - Tower A	Apartment	61	Oct 11
<b>EAST MALAYSIA - FYE 2012</b>			
Utama Park Residence 1A and 1B, Bandar Utama Sandakan	2-storey bungalow	77	Nov 2011
Utama South Apartment 1, Sandakan	2-storey semidee		
Indah Utama, Mile 4 Bandar Indah, Sandakan	11-storey apartment	27	Dec 11
Sky Mansion, Mile 3 1/2, Jalan Tuaran	2-storey shopoffices	43	Dec 2011
338 Sky Condominium, Sandakan	25-storey condo	194	Jan 2012
Sapphire, Kuching Riverine Resort	25-storey condo	110	March 2012
Yen Yen Park	Condo	97	Dec 2011
	Semidee	23	Nov 2011

so we want to sharpen our skills ... we look at strengths and weaknesses and try and address some of the weaknesses.

#### What about overseas projects? How are these progressing?

We've not been very aggressive because the focus is still in Malaysia. We are taking baby steps. I think in some of these growing economies,

questions of inflation have set in and we need to do more risk profiling when we go overseas. Our project in China is at the planning approval stage while we've decided to hold back the Vietnam project for a while.

With respect to mergers, is this something you're looking at? What would you be looking at in a potential partner?

It's not our top priority. Our priority is to do our business and continue to do what we set out to do. But along the way, if we see the possibility of adding value then of course we won't discount it. There must always be added synergy, and not because everyone is marrying [so] we are also going to marry even though we can't find someone we can work with. It has to be win-win for all. ■

## BANDAR RAYA DEVELOPMENTS

# Providing the good life

BY Lam Jian Wyn

The headquarters of Bandar Raya Developments Bhd (BRDB) in Bangsar can easily pass for an art gallery. A slatted wooden divider unfurls sinuously across the office, whose walls are also covered with wooden panels that cleverly hide built-in cabinets.

The walls and divider are adorned by large canvases on loan from the Aliya and Farouk Khan Collection, the nation's largest collection of contemporary art. Last year, the group had sponsored *The Aliya and Farouk Khan Collection Book*, a staggering 10kg tome featuring 80 artists in its 932 pages.

The artworks also feature prominently inside the office of CEO Datuk Jagan Sabapathy. A stack of photographs of Morocco lie near his desk, his favourite being a stunning black and white rendering of a library in Casablanca as well as a colourful reproduction of the city's rooftop tanneries.

This melding of form and function with a touch of "la dolce vita" — Italian for the good life — is at the heart of BRDB's approach to real estate. The developer has consistently featured among the Top 10 in *The Edge* Top Property Developers Awards since its inception in 2003.

It was recently in the limelight for the proposed sale of its investment assets, namely Bangsar Shopping Centre (BSC), the adjacent Menara BRDB, CapSquare Retail Centre in Kuala Lumpur and Permas Jusco Mall in Johor.

While BRDB had earlier accepted an offer from major stakeholder Ambang Sehati Sdn Bhd for the latter to acquire the properties in a RM914 million deal, the former, in a surprise move, decided to call for an open tender for its assets after both parties agreed to cease negotiations. Ambang Sehati will also be invited to bid for these properties. The tender will be managed by an independent property valuer appointed by BRDB and further details of the tender are expected to be announced in due course.

"The board's intention has always been to enter into transactions that would ultimately improve our shareholders' value. We have always been fully aware that since this is a related party transaction involving a major shareholder of the company, it would attract greater interest and scrutiny from the public and have taken great care to ensure the offer was properly evaluated and analysed to ensure the best possible terms for the company and our shareholders," said Jagan.

Regardless of the nature of the transaction, the proceeds from the sale will enable BRDB to step up its

### BRDB

	2011	2010
Overall	10	8
Quantitative	22	7
Qualitative	8	5

game — expect a steadier stream of launches in the future, Jagan tells *The Edge*.

**The Edge: What are BRDB's strengths? How do you sustain interest in your products? How do they stand out?**

**Datuk Jagan Sabapathy:** As a developer, what do you do? [In the residential sector], everybody does the same thing, whether it is low-end, mid-scale, upscale or condominiums. And there is a structural element to both retail and office buildings.

But at the end of the day, our primary objective is we try to compete on ideas — we think about the market, about how we can deliver something special that will meet requirements.

And over the years, I think we have done that. If you look at Bangsar Hill — which I think started out as one of the best gated and guarded developments — it is still doing exceptionally well.

We did One Menerung, a suburban development that achieved almost RM1 billion worth of sales, and The Troika, where the prices were great and we won a lot of architectural awards.

At every level, we try to raise the bar. That is good but it is also extremely challenging. When we come up with something new, we are expected to think hard. We gain inspiration from things that we have seen as well, but we have to do a lot of market research and think.

We talk about intelligent design. It involves substance, which means we look at layout, functionality and the little details like storage and light.

Then, there is what I call the aesthetic or "wow" factor. A lot of our projects have the wow factor.

There's The Troika near KLCC, but [also look at] BSC! When you sit outside BSC, you go 'it's a lovely place to be!' [thanks to] clever designs, landscaping and use of materials.

The third part which I think keeps us relevant is our belief that whatever we deliver is to enhance people's lives. Whether it is a home or an office or a retail centre, [property is] part of your life.

And so, in many ways, I think that we provide people in various categories with what the Italians call la dolce vita — the good life. And I think



**Jagan:** We want to tell the market that we're not just guys who operate at the very top. We can give you that same ethos at a mid-market price too.

we all aspire to it — doesn't matter what market segment you are.

When you look at BRDB, what's the difference? It's that [the good life]. Come to BSC — the cafés, the restaurants — it's a lifestyle. It's a badly used word [lifestyle], but what a lovely way to indulge yourself.

I'd like to think that if you [explore] our offices, it says a little bit about us, and we'd like to think that we explore the good life.

**How would BRDB improve as a developer?**

Where I think we have not been as good as I would like us to be is to have a continuous pipeline of projects. Some developers have been constantly churning out products, but we have been a little more sporadic in putting them out. Partly because of the comfort of having BSC and our other investment properties, everybody went, 'Yeah, on the basis of that, everything looks good', everybody is happy.

Now, those days have come to an end. We now need to be able to ensure that we have a steady pipeline of projects over a certain period of time, and we're going to have to be a lot more disciplined and focused in keeping the pipeline going. And our

ability to do that has been somewhat enhanced because we have been able to, in the last 12 to 18 months, have a better balance of land to work with.

In the past, we were very much at the top end, [but] we now have a balance of top-end and mid-end projects.

So while the top-end [market] will be a little more difficult, I believe the middle-end will see more continuous demand.

**What are BRDB's sales targets for 2011 and is it on track to meet them?**

Naturally, our targets are always to sell out all our projects and in the light of the response we have had this year, we are doing very well. Interest and take-up rates have been very encouraging and I believe we are certainly on track to meet our targets.

In the Klang Valley, the first phase of Verdana was recently launched. This residential development, comprising two condominium towers in north Kiara, has enjoyed extremely encouraging response with sales surpassing 70% within a month of launch.

The second phase will be launched in 2012 and the two phases are on 11.5

acres of land with a combined GDV of about RM1 billion.

In Permas Jaya Johor, we launched Phases 1, 2 and 3 of Straits View Residences which have achieved sales of 90% to date.

This landed, gated and guarded development comprises six phases which will be launched progressively from 2011 to 2013.

Elita, the final block of The Straits Condominium, was also launched in the middle of this year and has seen a 60% take-up rate.

These launches allowed us to bring more of the BRDB brand and its creative, innovative approach to Johor Baru, paving the way for future developments down south.

**Any significant projects we can look forward to?**

Moving forward, BRDB has residential property developments worth roughly RM6 billion in recognisable GDV over the next three to five years.

BluWater, a gated and guarded landed community development across from The Mines, will be launched in four phases through 2011 and 2013. Spread over 48 acres of waterside land, this development has

CONTINUES ON PAGE 48



A LESSON  
FROM  
THE OLD  
MASTERS  
BRDB

*In Art, fine attention to detail is as crucial as technique and skill. Claude Monet's masterpiece, 'Woman with Parasol', has lasted through the generations because he took time to find the right canvas before carefully priming and layering his paints in the way that was required for resilience.*

*At BRDB, we apply the same meticulous care to the planning, design and quality of materials used in all our projects. Ensuring that they work with the environment in which they are located, to uplift, inspire and enrich lives for generations to come. Perhaps that's why we've been recognised once again in the top 10 list of developers for the 9th year running.*

## Bandar Raya Developments

FINANCIAL YEAR END DEC (RM'000)	2010	2009	2008	2007	2006
Revenue	627,385	906,938	1,006,637	663,695	561,523
Pre-tax profit	151,147	155,719	98,881	72,037	19,526
Paid-up capital	486,188	476,392	476,378	476,378	476,378
Shareholders' funds	1,713,800	1,601,060	1,494,940	1,420,986	1,379,260
Profit attributable to shareholders	126,383	115,524	103,294	69,350	1,177
Dividend payout ratio (%)	28	31	14	51	2,500

### CURRENT PROJECTS AND ONGOING LAUNCHES IN 2011

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
The Troika, KL	Condo/apartment	12	63	June 05	95
One Menerung, KL	Condo/apartment	12	47	June and Oct 05	95
Phase 1, Lahore, Pakistan	Villa and semidee	5	5	Nov 06	97
6CapSquare, KL	Condo/apartment	53	120	Aug 10	70
Phase 2, Lahore, Pakistan	Villa and semidee	207	166	Aug 10	—
Straits View Residences, Phase 1, 2 & 3, JB	Semidee and bungalow	35	81	Feb 11	90
Elita, JB	Condo/apartment	113	71	June 11	60
Verdana, Phase 1, KL	Condo/apartment	298	333	July 11	70
Zone 2-2, Phase 2, JB	3-storey shopoffice	64	61	Oct 11	—
Zone 2-5, Phase 5, JB	Semidee	56	66	Nov 11	—
Zone 2-5, Phase 6, JB	Semidee	22	31	Nov 11	—
Medang Serai	Condominium	121	876	Dec 11	—

### IN THE PIPELINE (UNTIL 2013)

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE
Kiara North (Phase 2), KL	Condo	400	594	March 2012
Bluwater Estate (Phase 2, 3, 4), KL	Semidee, zero-lot bungalow, superlink	203	486	July 2012/July 2013
Subang Land (Phase 1 & 2), Selangor	Show room office	440,033 sq ft	193	July 2012
CapSquare South Tower, KL	Office block	1	147	Sept 2012
CapSquare North Tower, KL	Office block	1	131	July 2013
Taman Duta	Villa	146	972	Nov 12
Bandar Baru Permas Jaya, Johor Baru	Condo, Apartment, industrial semidee, superlink development, cluster house and 4-storey shopoffice	682	252	2012, 2013
Residential North, Puteri Harbour, Nusajaya, Johor	Condo, bungalow and townhouse, Apartment	288	570	2012, 2013
Naseem AlSabaa Water Front Development, Al-Seeb, Muscat, Oman	Semidees, townhouse, villa, retail, office suite	232	1,037	2012, 2013

## Working the mid-end segment

### FROM PAGE 46

a GDV of about RM700 million.

Also set to be launched late at the end of 2011 is our masterpiece residential development in Medang Serai, Bangsar. Set on six acres of prime land in Bukit Bandaraya, this development is limited to 121 units and will set new standards in luxurious living and exclusivity and will net BRDB about RM876 million in GDV.

Another premier project to look out for are our luxury residences in Taman Duta, which is due for launch in late 2012 with a projected GDV of over RM900 million.

We have also entered into a joint venture (JV) with Multi-Purpose Holdings Bhd to develop land in Penang, Mimaland and Rawang. The Penang JV comprises 80.9 acres of freehold land to be developed in the southeast of Penang near the airport with a projected GDV of RM600 million. In Mimaland, 324 acres of land are to be developed into an environmentally friendly community set among natural water features with a projected GDV of RM2.2 billion. In Rawang, 265 acres of land with a GDV of RM1.4 billion are going to be developed into landed residential homes and a commercial village. These three joint ventures will be launched at the end of 2012.

BRDB's mixed-use development

on 25.5 acres in Subang will comprise commercial, retail and residential components. It is scheduled for launch in 2012 with a projected GDV of about RM2 billion. In Johor, our thriving township of Permas Jaya will be hosting a number of launches. The third through sixth phases of The Straits View Residences, with a GDV of RM188 million, are being launched from 2011 to 2013. Elita, the final phase of The Straits View Condominium, was recently launched with a GDV of RM89 million and the launch of 3-storey shopoffices with a GDV of RM61 million is planned for later this year.

In November 2010, BRDB entered into an agreement with UEM Land Bhd, the master developer of Nusajaya, Johor, to jointly develop Puteri Harbour in Nusajaya as a prime waterfront destination for the region. To be developed in six phases over seven years, the 111-acre development is expected to have a GDV of about RM2.3 billion with Phase One scheduled to commence in 2012.

**What are some of the trends in real estate development that you have noticed? How is BRDB addressing these trends or consumer demands?**

BRDB is working the mid-end. Just like BMW was happy to run the 7 Series, I think we need a decent number

of 5 Series and 3 Series [models]. We are very much like BMW.

We want to sit down and tell the market that we are capable, not just guys who operate at the very top. We can give you that same ethos at a mid-market price too.

**What does BRDB plan to do with the proceeds from the disposal of assets?**

With the funds from the divestment of its property investment assets, BRDB will settle its debts, pay a special dividend to its shareholders and use the remaining as working capital to fund the acquisition of new landbank and our upcoming developments.

**There are concerns about a loss of recurring income following the divestment of the group's investment properties. Any comments?**

Despite accounting for almost 30% of our property segment's total assets, property investment has contributed less than an average of 5% to our property segment's total revenue and profit after tax over the past three years.

The divestment presents an excellent opportunity for BRDB to unlock the value of its investments, reward its shareholders and pare down its current borrowings by up to 60%, improving its debt coverage ratio



BRDB will launch luxury homes in Puteri Harbour, Nusajaya, down south next year

and placing it in a better position to take on further leverage for future property developments.

It also enables the group to rationalise and streamline its resources to focus on its more profitable property development business. The divestment of these mature assets will place BRDB in good stead to recycle its capital as well as take on further leverage for new projects and to increase its landbank.

While we may lose some revenue and profits from the property investment division, plans are already underway to mitigate any losses through its upcoming projects.

Moving forward, BRDB has residential property developments worth about RM6 billion in recognisable GDV over the next three to five years. Given the planned projects and its recent acquisitions of land and joint ventures, there is a great amount of positive activity to drive the brand.

**What are some of the challenges the real estate industry is facing?**

Over the years, we have learnt that expectations increase. As people travel more and see more, people have developed expectations and want to experience this in their own lives. This is where the real challenge for developers is and we keep pushing the standards.

There was a time when you could take stock-standard solutions and roll them out. You cookie-cut, it works, you carry on. Today, I don't think you can do that anymore.

If you look at the top developers, in the past five years, they have raised the bar. And I think this is part of what the market requires but it is also partly due the developers' effort to move things forward. So I think all round, Malaysian developers are doing a fantastic job competing on ideas. I think we are doing a fantastic job.

There is also the issue of skilled labour — when we train labourers

to deliver products our consumers expect, they end up leaving for better-paying jobs abroad. This is something we will have to solve.

**What is the outlook for real estate considering both the global and local economic situations?**

We have seen uncertainties in the market over the years. We had Lehman Brothers in 2008 and 2009. Not long after that, everything settled down and life went on. We are seeing Europe and America going through a phase [that is] maybe hugely self-inflicted.

But it is an adjusting phase and at some point there will be a solution to Greece, as there will be a solution to Europe. Markets will calm down. The US will have to adjust its debt level and it will find a way through it.

It may muddle through. You read a lot of the financial press and the prognosis is probably stagflation — low growth, inflation — in North America. But the rest of the world is happily carrying on.

I feel Asia is still in a good position. It is the growth story of the 21st century. I think Malaysia is well poised, and in the short term we are going to see money through the system. [It takes time but] the multipliers [from the large infrastructure projects under the Economic Transformation Programme] will be in effect. If you look at what happened in the Asian financial crisis, we had Putrajaya and [other projects] that kept us more than afloat.

You are going to see wages rise because it is part of government policy. So that means middle-class Malaysia [professionals] will get paid better and have money to buy homes — better homes.

Well, my gut feeling is that while there may be some, what I call, temporary caution, if a good product comes up in a good location and is fairly priced, it will find a market. ■





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Puteri Harbour

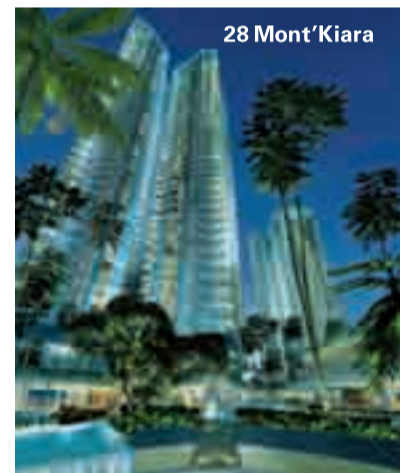
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# MPI puts Malaysia's best foot forward

BY E Jacqui Chan

“We know nothing about Malaysia” is something Kumar Tharmalingam, CEO of Malaysia Property Inc (MPI), hears often on his trips overseas to promote Malaysian properties. MPI, an initiative of the government's Economic Planning Unit, was created in February 2008 to attract real estate investment to Malaysia.

Kumar, who took over as CEO in February 2010, found that there was no perception at all about Malaysia as a destination for property investment. “Foreign investors simply do not consider Malaysia a potential for property investment. We are known as a tourist spot and some thought we are an agricultural economy because of our palm oil trade,” he says.

One of the first things Kumar did when he took the helm was to revamp its strategy, which was to lure investors from Western countries. But since the financial crisis, MPI has seen real money and investment opportunities coming from India, China, South Korea, Japan, Indonesia and the Middle East.

MPI then set out to create a profile for Malaysia to be presented at international speaking engagements and presentations. The profile would include the number of households with electricity and fresh water supply, as well as mobile Internet penetration.

“We went to about 18 ministries to gather the necessary data. It was an eye-opener for many. The fact is, even foreigners in Singapore would fly to Phuket or Bali, but have never set foot in Kuala Lumpur. When we showed them the opportunities here, they were surprised,” says Kumar.

He notes that one of the downsides of property investment in Malaysia is that there is no corporate content to sell at anytime for the international market, unlike Singapore where there is an active trade in completed buildings.

“The content in Malaysia is very shallow as most of our buildings are owned by private equity firms, banks, financial institutions and old money. These are net buyers, not net sellers,” says Kumar.

The situation proved to be difficult for MPI as selling off the plan is harder than selling completed property because it is deemed speculative. “We had great difficulties initially. It is

so easy to sell a building with a yield to fund managers because it comes across as a low-risk asset. The first thing potential investors ask when we try to sell them property off the plan is, who are the tenants?” says Kumar.

Other issues awaited MPI when it got down to the softscape. Investors that were already in Malaysia warned of issues such as delays in approving permits and the liberalisation of the stock market, among others. These may seem like small matters, but it does affect profitability, stresses Kumar.

“If an investor puts in RM100 million to buy a building in Kuala Lumpur only to find that it will take about six months for the transfer to go through, while in Singapore you can do this in four weeks, it creates the perception that Malaysia is a difficult place to do business,” he reasons.

Thus, it came with some relief that government agencies such as the Performance Management & Delivery Unit (Pemandu) were working to ensure faster delivery and approval time. However, Kumar feels more should be done. “While our developers have risen to the challenge, the public sector has not been upgraded in the same way. Until that happens, we do not have a seamless relationship. In fact, it is the government that should be seen as the more proactive party instead of the private sector,” says Kumar.

## Understanding the opportunities

MPI has taken pains to study and come up with a snapshot of what each of the targeted countries look for in real estate investments. Markets such as Japan and South Korea are easy to penetrate as Malaysia is viewed positively there, with the two key attractions being the Malaysia My Second Home (MM2H) programme and education in Malaysia.

Most long-stay Japanese and Koreans are inclined to invest in real estate for their own use, and there have been instances of en bloc acquisitions of condominiums which were then sold to buyers of their nationalities.

“We also found that the Japanese don't want large apartments because they don't spend a lot of time at home. The average size they look for is 600 to 800 sq ft. In terms of selling homes, the 35 to 50 age group is a very good market for us, particularly the Korean market,” says Kumar.



Kumar: We are telling people to come talk to us whether you want to rent an office, buy a home or build a tower

As for Middle Eastern investors, their real estate investment in Malaysia tends to be more substantial, but they are very particular about what they want. “They don't trust stocks, but they love real estate. They have a very short investment time frame of not more than five years. They will come in with small investments first, then wait and see what is being done with the money. If they are satisfied, they will pump in more funds. Soon, the members of the family will also start investing. That's how they operate in cities like Singapore and Bangkok. So, we need to approach them in small bites first,” says Kumar.

When it comes to India, Kumar says it will be hard to compete with the real estate opportunities there as the turnover of real estate is very high. This is due to the sheer pressure of the population in urban areas, which Kumar estimates increases 10% to 15% every year.

“The migration of people to the urban centres is more than one million a year, similar to China. What we can offer India, and to a certain extent China, is to invest in Malaysia for education, medical treatment, MM2H and permanent residencies (PR),” says Kumar, noting that Singapore has tapped into the PR market very well.

Due to the lack of manpower and funds, MPI sought out partnerships in countries such as India, Indonesia and China.

“We give them the materials and they promote for us. If anything comes out of it, we will pay them a fee. The only exception is in the Middle East as our connections there are strong,” explains Kumar, adding that the parachuting days of flying from city to city daily for promotions are over as what was needed was a more consistent presence and role in the city.

In addition to working closely with the Malaysian Industrial Development Authority and Malaysia External Trade Development Corp offices overseas, MPI has found a resource in the Malaysian ambassadors overseas.

“The ambassadors have been extremely supportive of MPI's efforts, and they see this as an opportunity to drive investment in Malaysia. Sometimes, we even hold our functions in the ambassadors' offices. A lot of the government offices overseas were surprised that MPI existed, but once they learnt about what we do, they became very focused

on helping us,” enthuses Kumar.

He admits that it has been a difficult journey, having had to first break stereotypes and then educate foreign investors on the opportunities in Malaysia and how it could be a conduit for business in the region. Malaysia, says Kumar, also has one very important thing to offer — the logistic base to serve China and India.

“For centuries, Malaysia has been the logistic centre to look after business and trade in China and India. Companies are now starting to take the opportunity to use Malaysia as a regional centre for business in Asia. If you include Indonesia, these businesses can actually look after about 50% of the world population out of Malaysia,” says Kumar.

Singapore is a contender in this area, but Malaysia offers a more affordable opportunity to start a new business compared to Singapore, he adds.

When it comes to costly overseas events, MPI has put together a cost-savings strategy that charges participating developers a premium. With the exception of Singapore, MPI does on average one event a month.

“The premium will cover the operational cost of the event. If there is any shortfall, it's only about 5% to 10%. Developers are happy to participate because our events are very focused with a clear objective. We also have local partners, the embassies and government ministries on our side,” says Kumar.

## Becoming the first port of call

MPI's aim is to be the first port of call for investors coming to Malaysia. “We are telling people to come talk to us whether you want to rent an office, buy a home or build a tower. We do not charge a fee for our services and we will help you achieve your objectives in Malaysia,” says Kumar.

MPI is modelled after the Singapore Economic Development Board (SEDB), which offers similar services. Kumar considers the SEDB a very powerful body in Singapore as almost every business that wants to relocate there will go to them first.

MPI has seen some success in the past year, most notably the MPI property gallery in Singapore. The gallery was set up to achieve three objectives — disseminate information on Ma-

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# Evolution of

## At the forefront of property development

1964



### BIRTH OF A DEVELOPER

Incorporation of BOLTON Properties Sdn Bhd on 15 July 1964



Campbell Complex



Bolton Court

1970s



### 1970s - TAMAN MIDAH

Development of a 350 - acre township in Cheras, KL

### 1973 - LISTING OF BOLTON ON KLSE

Bolton Properties Berhad was listed on 5 December 1973

### 1973 - CAMPBELL COMPLEX

KL's first retail / office high-rise complex

### 1975 - BOLTON COURT

One of KL's first modern luxury condominiums in Jalan Ceylon

### 1978 - LISTING OF BOLTON ON SGX

Bolton Properties Berhad was listed on 24 July 1978, one of the first Malaysian developers to list on SGX

1980s & 1990s



### 1992 - BOLTON INDUSTRIAL PARK

One of KL's largest industrial parks

### 1996 - HOTEL MIDAH

Bolton's first hotel in Jalan Kampung Attap, KL

### 1997 - LANGKAWI FAIR

Langkawi's largest shopping mall

### 1997 - BANDAR AMANJAYA

Development of 1,400-acre township in Sungai Petani, Kedah



Langkawi Fair

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**2000 - TIJANI**

Bolton's signature 40-acre luxury development in Bukit Tunku

**2002 - TAMAN TASIK PRIMA**

Development of a 345-acre lakefront resort township in Puchong, Selangor

**2007 - SURIN**

Bolton's first foray in Penang, a 390-unit condominium project

**2010 - 6ceylon**

Bolton's urban rejuvenation initiative, a 215-unit service apartment, built on the site of Bolton Court

**2011 - THE WHARF WINS APPA 2011 AWARD**

The Wharf, a 3-in-1 integrated mixed development comprising serviced apartments, office suites and a retail mall facing a 200-acre lake, won the Highly Commended award in the Mixed Use category for Malaysia at the Asia Pacific Property Awards, 2011

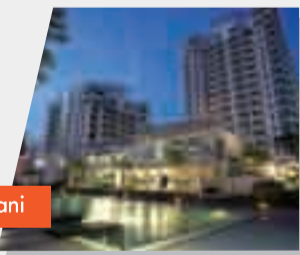
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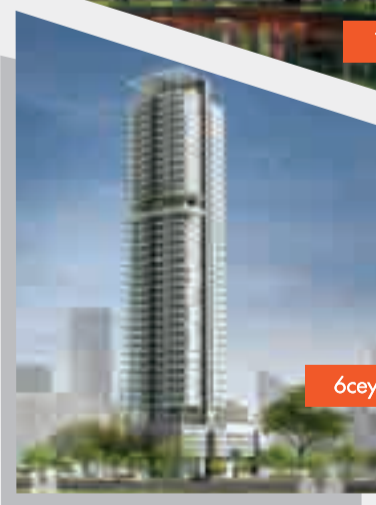
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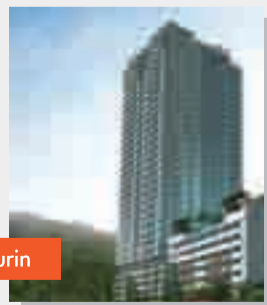
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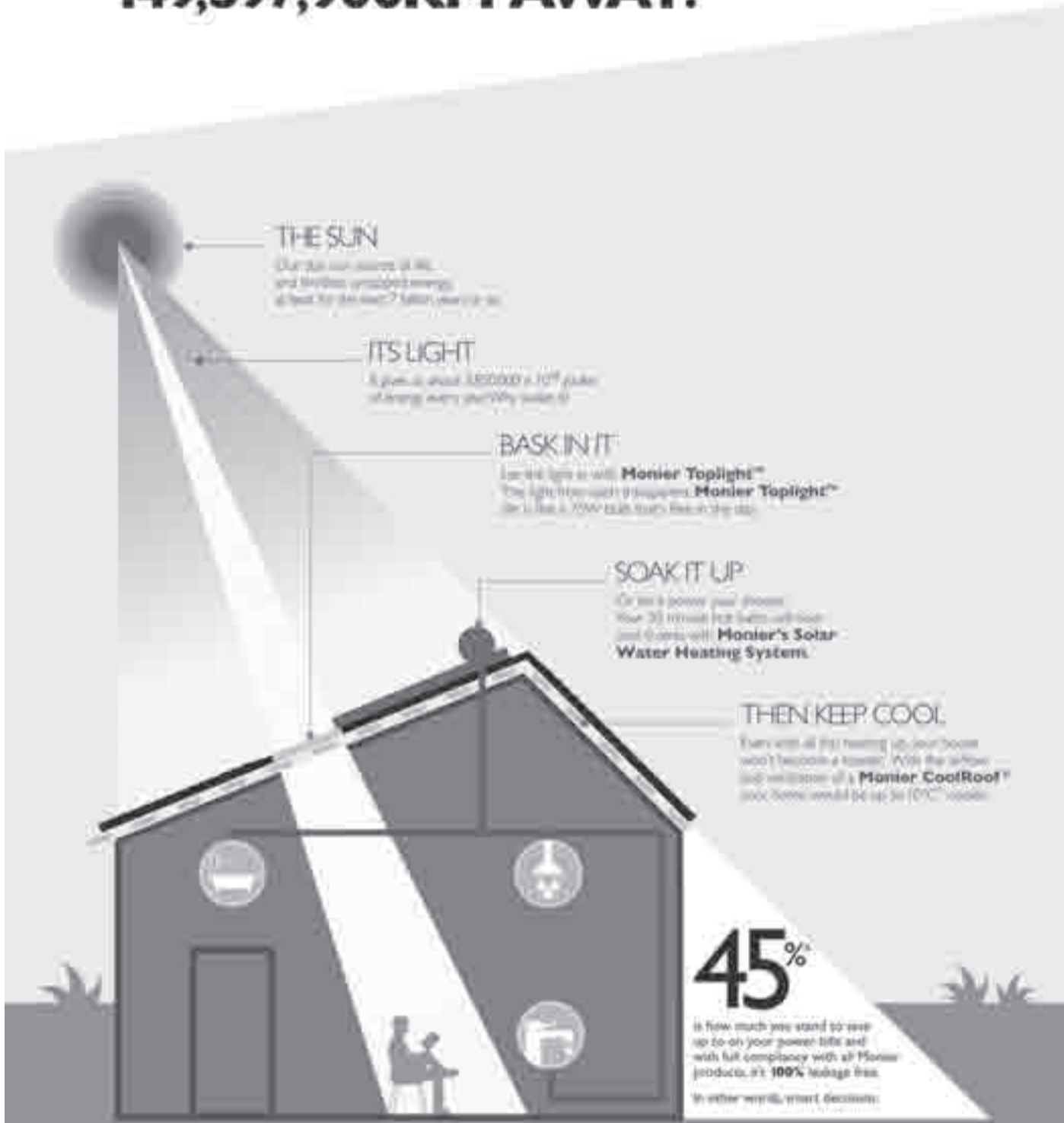
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## Reaping the rewards

FROM PAGE 50

laysia property, showcase the best Malaysian developers and present opportunities for investment to high net worth individuals through seminars and talks.

"We had a slow start in November and December last year, but it took off after Chinese New Year. Now, we are 100% occupied by Malaysian developers almost every month. Every quarter, we publish a report on the Malaysian property market, which we present to the press and public, and we even had officials from Pemandu going over to talk about the Economic Transformation Programme. So we are exposing Malaysia to Singaporeans on a larger platform," says Kumar.

Another crucial initiative taken by MPI is to neutralise any negative comments about Malaysian properties and developers in the Singapore press by arranging for a discussion between the affected individual and the developer. "Once the problem has been resolved, we will write to the paper to inform them. The service has been very successful," says Kumar.

This, however, has led many Singaporeans to believe that developers which showcase their products at the MPI gallery are Malaysian government-approved developers. It puts responsibility on MPI to make sure only reputable developers are allowed to exhibit at the gallery.

Even though the move has ruffled a few feathers, Kumar believes it is necessary and has achieved its objective of only taking trusted developers that can deliver the product even if the market is not performing.

MPI is also starting to get enquiries from companies abroad looking to invest in Malaysia. Among them are enquiries for vacant land for industrial facilities, investments in Malaysian property companies and the acquisition of shopping centres and commercial buildings.

"There was even a request for 500 acres of land to develop a housing project. We also have people calling to see if we can introduce them to companies that can build a facility for them in Malaysia. We have tabulated these inquiries and are putting them up on our website as well as sending them to our database to find a match. It is a pleasant by-product of all our efforts," says Kumar.

On the corporate investment side, MPI has introduced potential investors to developers in Malaysia, including 1Malaysia Development Bhd, the master developer of the Kuala Lumpur International Financial District (KLIFD).

At present, Singapore is its largest market, having sold RM150 million worth of properties to them in the last 10 months. MPI is targeting sales of RM200 million next year.

Kumar sees Indonesia as the second largest market, noting that Indonesians are moving away from Singapore due to the rising costs there and the education opportunities in Malaysia.

"We are targeting the Middle East next, particularly Dubai, Abu Dhabi and Qatar, because they are ready to come to Malaysia in a big way. We think the current crisis will blow over by year-end, except for Syria, Yemen and Libya. They have money to spend and we need to pull them in, especially now since their usual investment destinations, Europe and the US, are performing badly," says Kumar.

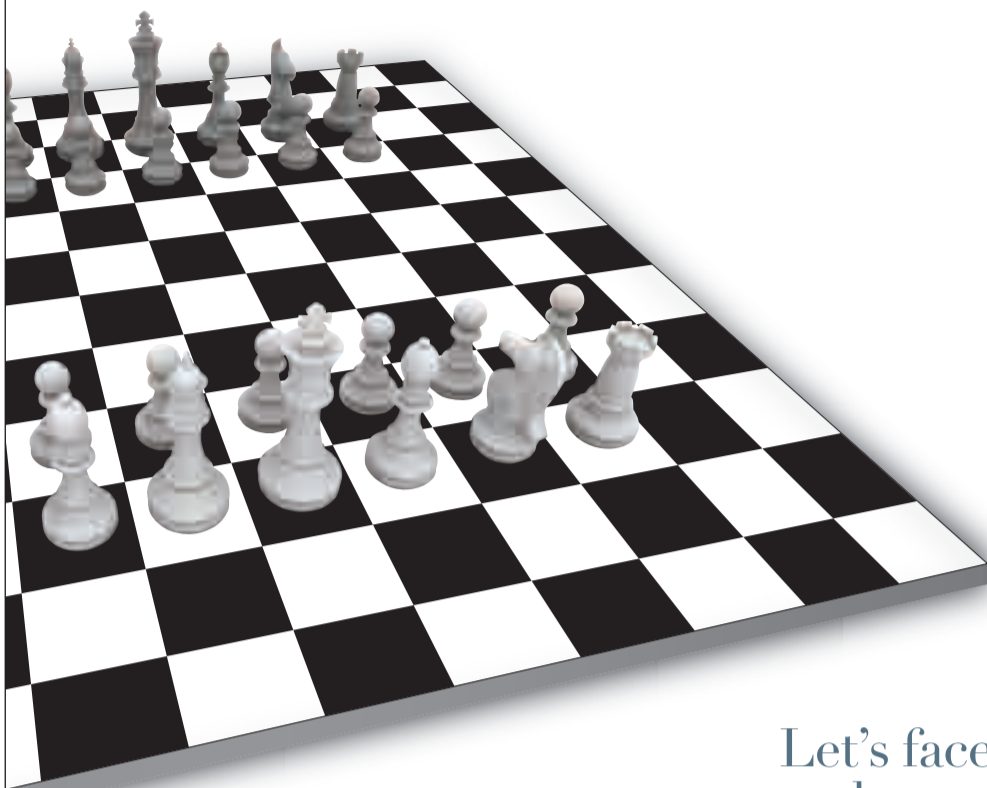
He feels that having a strong Islamic financial market gives Malaysia an advantage over Singapore and Hong Kong, and it is an opportunity the government needs to explore as soon as possible.

On the Western side, Kumar says fund managers have the money but most of their initial investments have gone to Australia, China and India. The latter two, despite transparency concerns, are still big draws because of their massive populations.

"But the inflation rates in China and India have reached such a stage that very soon, fund managers will find that they have negative returns. Officially, the inflation rate in India is about 8.5%, while China is 5.5% to 6%. But on the ground, inflation is higher than that. Even Hong Kong and Singapore are facing the same problem," says Kumar.

After a year of pushing the envelope, Kumar is optimistic that MPI's efforts will soon be rewarded. ■

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Period: 19/08/2011-18/08/2012 • Expected Date of Completion: July 2012 • Tenure of Land: Freehold • Land Encumbrance: Nil • Total No. of Unit: 12  
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# Making a transaction

BY **Tho Li Ming**

As a property market matures, the number of ways buyers and sellers can find each other proliferates. In developed countries such as the US and the UK, properties are advertised on dedicated television channels, auction portals such as eBay.com and free online classifieds such as craigslist.com. In Malaysia, a few channels have emerged to serve the vibrant secondary property market.

Appointing a real estate agent is the most popular channel and many of them advertise their available properties and services on online property portals such as theedgeproperty.com and iproperty.com. A less common channel for secondary properties are private deals, whereby a buyer and seller connect either through classified advertisements placed online or in the newspapers, or through word-of-mouth. The third channel is property auctions, which are usually organised by banks that want to sell off foreclosed properties. Auctions dealing with property that have not been foreclosed, known as exclusive property auctions, have also entered the market. Each channel has its own unique advantages and drawbacks.

## Choosing convenience

The advantages of using an agent are clear. Besides acting as an intermediary between the buyer and seller, he assists the latter in doing the preliminary legwork, such as marketing and advertising the property, approaching and screening interested buyers and showing the property.

## How to buy a property through a real estate agent

**Step 1:** Call an agent and specify the type of property you are looking for, the preferred location and your budget.

**Step 2:** The agent narrows down the choices of properties in his portfolio and arranges viewings for you.

**Step 3:** You offer what you think the property is worth on the current market. (Depending on how fast you and the seller come to an agreement, the process can be as short as an hour or as long as several weeks.)

**Step 4:** When the amount is agreed upon, the earnest deposit of 3% (of the purchase price) is paid to the agent.

**Step 5:** Engage a lawyer to draw up the sale and purchase agreement (S&P). You have 14 days to sign the S&P, upon which the remaining 7% of the down payment has to be paid.

**Step 6:** You may then want to get a bank loan, which takes about a month to complete.

**Step 7:** The transfer of title takes place. With a freehold property, it takes about three months from the signing of the S&P. For a leasehold unit, it takes six months to a year.

SOURCE: GERARD KHO, SENIOR VICE-PRESIDENT OF REAPFIELD PROPERTIES SDN BHD

Tang Chee Meng, chief operating officer of Henry Butcher Marketing Sdn Bhd, says the traits of a good agent includes being knowledgeable about the property and the neighbourhood it is in. "He must be very familiar with the area, know how much the properties there have been selling for, and be able to tell you who is moving in and out. He should also be able to tell you whether you are getting a good deal for your property."

"If you're a seller, the agent must be able to highlight the strengths of your property. He must be able also suggest minor touch-ups to prop up the price. He should have contacts ranging from contractors and interior design specialists to a person who disposes of unwanted furniture. He should also be able to introduce a lawyer to attend to the transaction, if needed, and even help the buyer to source for financing."

A good agent is also fair to both parties during negotiations. Gerard Kho, senior vice-president of Reapfield Properties Sdn Bhd, says when emotions prevent the reaching of an agreement, the agent should act as an intermediary. "If there is an issue with the price, he should advise the parties on what is acceptable."

The drawback to hiring an agent is the cost. The agent can charge up to 3% of the property's value, which means that if your property is valued at RM400,000, he can receive a maximum fee of RM12,000. Says Tang, Henry Butcher's agents usually charge a commission of at least RM1,000 per property, which includes the service tax of 6%.

"In Malaysia, the seller usually pays the fee, although sometimes, it is the buyer who pays, depending on how the transaction is brokered. Nevertheless, the agent is not legally allowed to collect fees from both parties," says Tang.

Some agents have collected fees from both parties before absconding, says Kho. "Thus, it is always best to engage the services of a licensed agent, whose licence carries a serial number with an 'E' in front."

This channel provides a quick option for those who urgently want to buy or sell a property, provided the agent is experienced and keen on transacting the deal. It is possible for the sale to go through within a day. "Expect the agent to leverage his or her network and to give you an update as soon as possible, even if it is after office hours," says Tang.

## Dealing privately

An advantage with private deals is that the owner would know more about the property, especially if he has been living in it. He will be on hand to provide more details, such as the build-up and the interior finishing. In talking to him, the buyer will be able to gauge the type of owner he is and how well he has taken care of the property.

A disadvantage is the possibility of manipulation. For example, a seller may be coerced by a shrewd buyer. "If so, the seller may end up selling below the market rate or back out of the deal," says Tan, adding that the buyer may also take advantage of the seller if he knows that the latter is desperate to sell. "If the buyer knows that the owners of the property do not get along and want to dispose of it quickly, he will use this as an opportunity to negotiate for a lower price."

The speed in completing such a transaction depends on the professionalism of both sides and not allowing emotions to get in the way.

## Bargains at bank auctions

Auctioned foreclosed properties are attractive because of the bargain prices. "In a bank auction, the reserve price for the property is usually a bargain. Yet, there is the possibility that prices may be pushed above the market rate, especially if there is a bidding frenzy," says Tang. To attend, look at the notices found in newspapers under the "Proclamation of Sale"



Expect the agent to leverage his or her network and to give you update as soon as possible  
— Tang

Engage the services of a licensed agent, whose licence carries a serial number with an 'E' in front  
— Kho

Exclusive auctions are more transparent than bank auctions  
— Chew

category, or enquire at banks' collection or legal departments.

This channel is only popular with seasoned property buyers as a lot of homework is involved, including checking on the viability of the property (foreclosed properties are generally not open for viewing), conducting an official land search and getting acquainted with the auction process.

There are a few clear rules that interested parties have to bear in mind: there is no guarantee that the property will be vacant, the property is bought on an "as is, where is" basis, and all utility bills received after the property has been foreclosed will be borne by the successful bidder. This means that the new owner might have to deal with evicting tenants, or worse, evicting the previous owner. Property investor Winston Tan (not his real name) checks out the premises to ensure that it is vacant and does not have a nasty history. He knows people who have had bad experiences with auctioned properties. "I had a friend who bought a property at his first auction. After obtaining ownership, he went to check on the property with his young children in tow, only to find that the previous owner was still living there. She wielded a knife and refused to be evicted."

It is not unusual to see syndicates working on behalf of "clients" to prevent interested buyers from bidding at foreclosed property auctions held at the High Courts or the land offices. It is difficult for organisers to prevent such happenings.

## Speed with exclusivity

Exclusive property auctions are relatively new in Malaysia and they differ from bank auctions in that it is the owner who approaches an exclusive auction organiser to sell his properties.

They will then agree upon the reserve price.

Josephine Chew, managing director of Marco Management Sdn Bhd, says exclusive auctions are more transparent than bank auctions. "The process is laid out in black and white. Before the auction date, we ask the seller whether he would be willing to open his house for viewing for a day. This is similar to auctions conducted overseas, like in Australia, whereby prospective buyers can inspect the condition of the property. The owner can be present or leave us to manage the viewing."

The seller must give the auctioneer the exclusive right to sell the property for a period of time. "The reserve price that the owner agrees upon can be below, on par with or above the market rate, depending on the property's location and condition. Our lawyers do a search on the property to authenticate its ownership. If there are no problems with the documentation, the verification process takes two to three weeks," says Chew.

After that, various methods are used to market the property, including advertisements in newspapers and flyers and sounding out real estate agents. This process takes two to three weeks. During the auction, the owner has to accept the highest bid, provided it meets or exceeds the reserve price. If there are no bidders, a second auction date is offered, which is two weeks to a month after the first.

The successful bidder has to place a 10% down payment immediately after the auction and sign a memorandum of sale and a sale and purchase agreement within 14 days. A fee comparative to real estate agents' commission of 3% is chargeable.

This article was first published in the July 2011 issue of *Personal Money*



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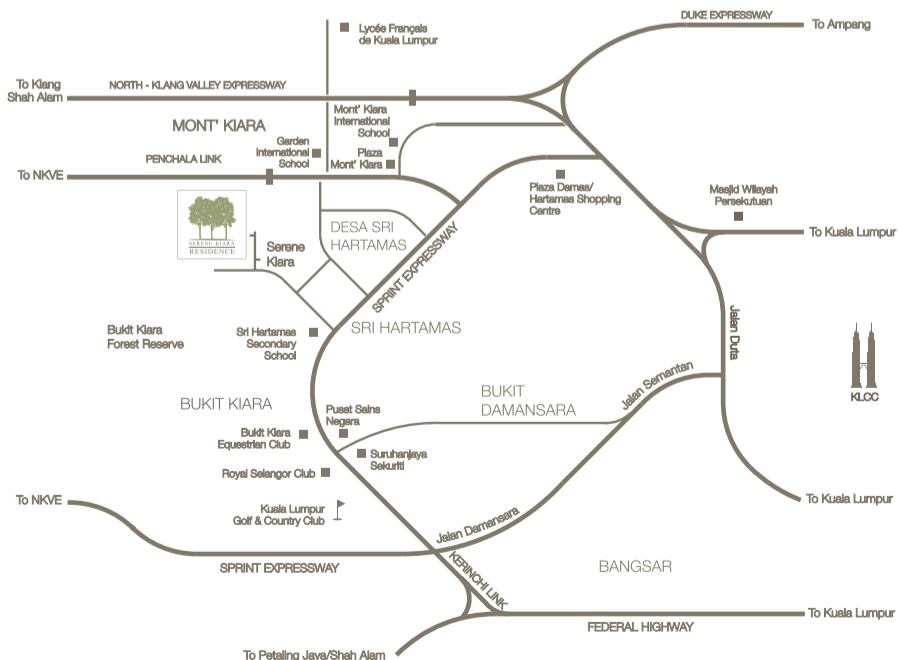


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**S P Setia's second Aussie project in the works**

S P Setia Bhd's wholly-owned subsidiary S P Setia International Ltd has entered into a contract of sale with Portbridge Pty Ltd to acquire a freehold plot of land measuring 2.23 acres in the South Yarra suburb of Melbourne, Australia, for RM81 million.

This will be its second property project in the country and plans are for a residential development with an estimated gross

development value of A\$250 million (RM772 million). The site is on a prime corner of Melbourne's premier boulevard, St Kilda Road. S P Setia said its maiden Fulton Lane project had received demand from its existing Malaysian customers.

**Open tender for BRDB assets**

The proposed asset disposal exercise by Bandar Raya Developments Bhd (BRDB) to its major shareholder Ambang Sehati Sdn Bhd has been

scrapped, and an open tender will be undertaken instead. This was after analysts and the media pointed out that its minority shareholders could be on the losing end if the deal goes through without opening it to competing bids.

On Sept 5, BRDB announced that it had received a proposal by Ambang Sehati to acquire four of its assets — the Bangsar Shopping Centre, Menara BRDB and CapSquare Retail Centre in Kuala Lumpur, and the Permas Jusco Mall in Johor

Baru. The offer for a total of RM914 million, comprising RM430 million cash and RM484 million in net liabilities, was accepted by the board of BRDB at the end of Ambang Sehati's two-week deadline on Sept 19.

**Court rules SunREIT rightful owner of Putra Place**

The Court of Appeal has ruled that Sunway Real Estate Investment Trust (SunREIT) is the rightful owner of Putra Place building and dismissed the appeal by Metroplex Holdings Sdn Bhd.

Sunway Group said in a Sept 27 statement that the Court of Appeal had dismissed Metroplex's appeal against the High Court's ruling that was granted on June 28. "With the dismissal of the appeal, it is affirmed that OSK Trustees Bhd (as trustee for SunREIT) is the rightful owner of Putra Place," it said.

OSK Trustees, on behalf of SunREIT, had successfully bid for Putra Place on March 30 at a public auction held at the High Court for RM513.94 million, where the reserve price was fixed by the High Court.

**MCA buys Menara Multi Purpose**

The Malaysian Chinese Association (MCA) recently purchased Menara Multi Purpose for RM375 million from Multi-Purpose Holdings Bhd (MPHB), which had disposed of the property along with 414 parking bays. The 17-year-old freehold building was valued at RM384 million in April by Henry Butcher Malaysia Sdn Bhd. Menara Multi Purpose sees RM2.09 million in monthly rental income, and is 99.07% occupied. The building is expected to give MCA a steady recurring income.

**Rehda members expect property prices to increase 20% in 2H**

Property prices are expected to rise by 20% owing to the rising cost of building materials, according to a survey by the Real Estate and Housing Developers' Association of Malaysia (Rehda). About 65% of the developers surveyed expect property prices to increase by up to 20% in 2H2011.

At a media briefing on Sept 26, Rehda revealed that property developers were facing rising prices of bricks, steel, cement and sand, in addition to the problem of labour shortage. Rehda said the price of bricks had increased 27% to 42 sen this year from 33 sen last year, while that of steel reinforcements grew 13% to RM2,589 per tonne this year from RM2,285 per tonne last year. Apart from rising costs, Rehda said the bumiputera quota was also a burden to developers as they had to reserve 30% to 70% of the housing units for bumiputeras, and unsold units could only be released after applying to the state. They are then required to pay the 7% bumiputera discount as a levy to the state.

**Seringin Residences sees brisk sales**

See Hoy Chan Sdn Bhd, developer of Damansara Uptown in Petaling Jaya, has sold 75% of its latest project Seringin Residences. Situated in Happy Gardens, off Jalan Klang Lama, the 6.4-acre freehold condominium project has a GDV of over RM500 million.

See Hoy Chan executive vice-president Joe Tan said about 60% of the units was sold before the official launch, while another 15% was sold during the launch. The project features two 25-storey towers, offering a total of 542 units ranging from 1,707 to 2,638 sq ft. Some of the larger units offer a "built-in" studio within the unit.

There are also 10 garden villas with built-ups of 2,928 and 4,024 sq ft. Prices are from RM530,000 to RM4.3 million. Facilities include a 2-storey Sustainable Application of Green Energy (SAGE) building that features green building technologies, eco-friendly fittings and an organic roof garden, three-tier security, swimming pool, gymnasium and racquet sports courts. **E**

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PICTURES: GWYNETH YEO/THE EDGE SINGAPORE



Some residents at the 452-unit Chuan Park, a 99-year leasehold condo, are interested in a collective sale

# Racing against time

BY **Cecilia Chow** OF  
THE EDGE SINGAPORE

In August, six owners of units at Chuan Park, Singapore, got together to conduct a poll to gauge fellow owners' interest in pursuing a collective sale. The 452-unit condominium sits on a 99-year leasehold site and with the lease starting from 1980, this means it is already 31 years old.

One of the reasons given in favour of a collective sale in a letter circulated to the owners is that "it will be increasingly difficult for new buyers to secure a full loan and [use] their CPF [Central Provident Fund] to fund a purchase in our estate as our property ages. We will face a possible property-decay situation where our homes, however priced, would have a diminishing pool of buyers".

The letter also cited the case of The Arcadia, which was reported in May to have failed in its attempt to top up its lease to 99 years without going through a collective sale. This was despite having obtained 100% consent from the owners of the 164-unit condo, who were even willing to foot the bill for the top-up if permission was granted.

Chuan Park's land area is 402,995 sq ft and it currently has a plot ratio of 2.1, which means a new development with a maximum gross floor

area (GFA) of 846,289.5 sq ft can be built on the site. It was also estimated that based on the current average market transaction price of S\$850 psf and assuming a 40% premium, the collective-sale price would be around S\$1,200 psf.

The sale price of S\$1,200 psf was probably benchmarked against the average launch price achieved at The Scala, a 468-unit condo across the road from Chuan Park, says a source. Launched by developer Hong Leong Holdings at the end of July last year, the 99-year leasehold condo had 75% of its units snapped up by balloting at an average price of S\$1,150 psf on the first day of its public preview.

The site is located next door to the Lorong Chuan MRT station and has a plot ratio of 2.8, which is higher than the plot ratio of 2.1 of existing condos in the neighbourhood such as Chuan Park, Chiltern Park and Springbloom.

According to sources, about half of the more than 100 respondents registered interest in a collective sale at Chuan Park. "If 25% of the owners, based on the number of units, or 20% by share value, express interest in a collective sale, they can call for an EOGM [extraordinary general meeting] and form a sales committee, which will be the first step in the collective-sale process," says Ian Loh, associate director of investment at Knight Frank.

Chan Chee Keong, 68, is a retired Singaporean businessman who has lived in Chuan Park for 11 years. He is also chairman of the Management Corporation Strata Title (MCST) at Chuan Park. "As chairman of the MCST, I want to remain neutral and keep an open mind," says Chan. "When residents approach me to advise them, I tell them this is something they have to decide for themselves; it's a very personal decision. To be honest, when people ask you if you want to sell [your property], it's very difficult to answer. Where is the tipping point? What is the price threshold?"

Chan adds, "A lot of people think money is the only consideration [for the owners], but it's not true. The location is very convenient — it's near the Serangoon Garden Market, the [Lorong Chuan] MRT station and, for those who drive, the CTE is nearby."

Quite a few owners at Chuan Park moved into the condo recently after selling their landed homes in the Serangoon Gardens housing estate nearby. Some of the residents also have grown-up children living nearby. "Many adult children moved to the area to be near their parents," says Chan. "So, it doesn't make sense for the parents to move." Chan's son, for instance, recently relocated his young family to within 1km of Chuan Park. Previously, he lived 10km away.

In any collective sale, residents tend to fall into two camps, observes Chan. He understands the position of those in favour of a collective sale. "Their view is that at the current all-time-high market price, it's perhaps a good time to consider a collective sale, as years down the road, when the lease runs low, prices could drop," he says. "So, both sides have a valid argument."

Watching the en-bloc sale attempt at Chuan Park closely are the owners of units at the neighbouring Chil-

tern Park, a 500-unit condo that was completed in 1995. The 99-year lease on the site starts from 1991, which means it's in its 20th year.

PS Lee, a 60-year-old businessman, owns two units at Chiltern Park. One is a 1,259 sq ft, three-bedroom apartment on the ninth floor that he purchased four years ago for S\$760,000 (S\$604 psf) and uses as his residence. The other is a 915 sq ft, two-bedroom apartment on the 10th floor that he bought for S\$720,000 two years ago and rents out at S\$3,500 a month. "The units have high ceilings and I have unobstructed views of Marina Bay Sands and the city skyline even from the ninth floor," says Lee.

He reveals that he has received offers of up to S\$1.2 million for his three-bedroom apartment and more than S\$900,000 for the two-bedroom unit, but he is not selling. Besides being located across the street from the Lorong Chuan MRT station, Chiltern Park and Chuan Park are also near the Stamford American School, Australian School and the NewTech Park coming up near the MRT station, he notes. "As such, units here are a draw for buyers, both homeowners and investors."

Some of the residents at Chiltern Park are also considering doing a similar poll to the one conducted at Chuan Park to find out residents' interest in a collective sale, says Lee. "In District 19, Chiltern Park and Chuan Park are the two condo developments with the greatest en-bloc-sale potential."

## Collective sale hopefuls

The future isn't all that bleak for ageing 99-year leasehold condos, even for places with just 30 or 40 years left on their lease. "If they are well maintained, they can still fetch good rental rates," says Chuan Park's Chan.

Mortgage financing for condos such as Chuan Park and The Arcadia is also not an issue for now. "DBS does finance properties with less than 60 years' lease, as long as the remaining lease is at least 20 years at loan maturity," says Lui Su Kian, managing director and head of deposits and secured lending at DBS Bank. "The key considerations for approving such loans, as with all mortgage loans, are the customer's commitment and ability to make repayments."

Chia Siew Cheng, head of the loans division at United Overseas Bank, says: "We look into several factors when reviewing a loan application. The loan quantum that a borrower would qualify for does not only depend on the age of the property, but on other factors as well. These would include regulatory requirements and the profile and creditworthiness of the borrower."

There is, however, a restriction on CPF usage for properties with less than 30 years remaining on the lease, which in turn may affect the resale value, notes DBS's Lui.

It's not just Chuan Park and Chiltern Park that are exploring the possibility of a collective sale. There are more than twenty 99-year leasehold condos that have crossed the 25-year mark, and these may be put up for collective sale, says Susie Mok, director of investment sales at Savills Singapore. In the east, Tampines Court is in the midst of a second collective-sale attempt, while Bayshore Park,

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Owners at the 500-unit Chiltern Park are watching the outcome of Chuan Park's collective-sale attempt



Owners at the 164-unit The Arcadia tried to top up their 99-year lease without going through a collective sale

Mandarin Garden and Loyang Valley are also some of the large 99-year leasehold condos that are potential collective-sale candidates, according to Mok.

There's also Thomson View at Sin Ming; Sherwood Tower above Bukit Timah Plaza in Upper Bukit Timah; and Lakepoint Condo, a five-minute walk from the Lakeside MRT station. In the prime districts, Mok says Orchard Bel-Air on Orchard Boulevard and Chancery Court on Dunearn Road are likely candidates.

### Is this the right time?

"Most of the owners at the older, 99-year leasehold developments must be wondering what their options are," says Karamjit Singh, managing director of Credo Real Estate. "Is it a good idea to spend more money in retrofitting or should they think of a collective sale? But even then, not all projects crossing 30 years may be ideal for a collective sale. You need certain market conditions to fall in place for a collective sale to be viable."

In fact, owners of some of the older, 99-year leasehold condos have already approached property consultants with the intention of pursuing a collective sale. "But they have to form a collective-sales committee first," says Knight Frank's Loh.

Often, after setting up the committee, the sale could still be aborted because of various factors such as pricing and timing. "The timing must be ideal. Sentiment also plays a part and so does the health of the global economy, as well as developers' appetite," says Loh. Getting the 80% consensus to facilitate a collective sale is also a challenge for large sites, he adds.

"Currently, developers' appetite for large leasehold en-bloc sites is weak," says Jeremy Lake, executive director of investment properties at CB Richard Ellis (CBRE). "Large developers that still have an appetite for big sites will target 99-year leasehold sites in the GLS [Government Land Sales] programme as there is greater certainty of completion and they can launch the site far more quickly than buying a collective-sale site."

And the government has been injecting a lot of new supply of 99-year leasehold development sites through the Confirmed List of the GLS programme. In 1H2011, it released 17 sites on the Confirmed List that could yield 8,100 residential units. Including 13 sites on the Reserve List, a total of 30 sites that could generate 14,300 residential units were offered in 1H. In 2H2011, another 17 sites were offered on the Confirmed List, which could also yield 8,100 residential units. Together with those on the Reserve List for 2H, the total supply was 14,200 residential units.

That has not stopped large, 99-year leasehold collective-sale sites from being rolled out this year. The largest was Pine Grove, a privatised HUDC estate in Ulu Pandan that was put up for tender with a price tag of S\$1.7 billion in March. Laguna Park at Marine Parade Road was put on the market for S\$1.33 billion by Knight Frank

in May. This was after a failed attempt in 2009, when its asking price was S\$1.2 billion.

In early September, Park West Condo was put up for collective sale, with an asking price of S\$803 million. The differential premium and topping-up of the lease is estimated to be S\$230 million. This will bring the total price tag to about S\$1.033 billion. The existing project comprises a 432-unit condo and four commercial units and sits on a 99-year leasehold site measuring 633,644.39 sq ft. With a plot ratio of 2.1, 1,000 to 1,200 units can be built on the site, assuming an average size of 1,200 sq ft for the new units, says ERA Realty Network, the marketing agent for the development. The tender closes on Oct 20.

In April, Pearl Bank Apartments, a high-rise residential block on Pearl's Hill, near the Outram MRT station, was put up for en-bloc sale with a price tag of S\$750 million. The tender closed at end-May. Knight Frank will be re-launching the site for sale a second time next month at a slightly reduced price of "over S\$700 million", says Loh.

In May, Vista Park, a large, 99-year leasehold condo located off Pasir Panjang Road was also put up for collective sale, with an indicative price of S\$338 million. The sale was also handled by Knight Frank.

Another collective-sale attempt was that at Peace Centre and Peace Mansion at 1 Sophia Road. Savills Singapore marketed the property a third time, at a reduced asking price of S\$675 million. The tender closed on Aug 3.

### Bite-sized deals dominate

So far this year, developers seem to favour the lower- to upper-middle tier of the residential segment, with a ballpark figure of S\$200 million. "All the deals that have taken place this year have been below S\$200 million," says Credo's Singh.

The most recent transaction was announced on Sept 21, namely the en-bloc sale of Hong Leong Garden Shopping Centre to listed Oxley Holdings and a consortium of niche developers. The mixed-use development located in West Coast was sold for S\$171.1 million. The 956-year leasehold site sits on a land area of 150,816 sq ft.

"This is the largest collective sale this year in terms of quantum price and the largest in four years in terms of land size," says Singh. "During the last en-bloc fever in 2006 to 2007, S\$171 million would have been considered a small deal. How things have changed."

According to Credo, so far this year, a total of 37 sites worth close to S\$2.24 billion have been sold in en-bloc deals, compared with 36 totalling S\$1.77 billion for 2010. "None of the deals for the big, freehold sites went through, and the 99-year leasehold sites offered for sale this year were all large," says Credo's Singh. "For the en-bloc sale of a large project, the market outlook must be very positive. When sentiment is mixed, developers tend to prefer small, bite-sized projects."

### Location, site attributes and differential premium

The "most ideal location" for a property going for en-bloc sale is next to an MRT station, says Stella Hoh, head of investments at Jones Lang LaSalle (JLL). "To developers, the differential premium — which includes topping up the lease — is very important. If they are confident about the site, they would not focus on the differential premium. But if they are not so [confident], then it becomes important. It's also a matter of timing."

The measures introduced by the government earlier this year have also affected market sentiment and cooled the demand for residential property. With effect from Jan 14, the seller's stamp duty (SSD) increased from a tiered rate of 3%, 2% and 1% for those who sell within the first, second and third year of purchase, respectively, to a hefty 16%, 12%, 8% and 4% for those who sell within the first, second, third and fourth year of purchase. The result has been slower sales at new project launches and a longer holding period for developers, says Knight Frank's Loh.

The success rate of collective sales has been low this year, says CBRE's Lake. "It's a function of both quantum price and price psf per plot ratio," he says. "The success rate in 2006/07 was about 90%; now, it's probably 20%."

The main difference is that in 2006/07, land prices escalated quickly and developers were able to meet the rise in reserve prices, explains Lake. "The reserve price is always based on forward price. And if developers don't see any substantial price increase in the future, they will just sit tight."

Even the large freehold en-bloc sites have

failed to find buyers, for instance, Tulip Garden at Farrer Road, which was launched for sale at S\$650 million and later reduced to S\$600 million; Hawaii Tower on Meyer Road, which had a price tag of S\$700 million; and Brookvale Park at Sunset Way, which was offered for collective sale at an indicative price of S\$550 million.

But there's no stopping the queue of collective-sale hopefuls from entering the market. On Sept 22, PropNex put up for tender at S\$500 million Cavenagh Gardens, a freehold site in prime District 9.

And JLL is marketing Parkway View, a 26-unit condo along Marine Parade Road for S\$81 million. JLL's Hoh is also planning to launch for collective sale Faber Garden, a 233-unit condo developed by UOL Group in 1984. The project sits on a large, elevated freehold site and has already achieved 80% consensus from its owners to proceed with a collective sale. In the pipeline are also two adjoining plots at Kim Keat Lane in Balestier, as well as another site in the northeast region. "All these sites are freehold," notes JLL's Hoh.

The rate of success for collective sales may be low, especially for large sites. And given developers' lack of interest in large collective-sale sites, "owners' expectations have to be tempered in order to bridge the price gap," says CBRE's Lake. "However, if the price premium is not large enough, there's little incentive for owners to go through a collective-sale process. Replacement cost for owners has also gone up. Therefore, at different points of the property cycle, it may not be viable to do a collective sale." ■

Cecilia Chow is the editor of *City & Country* at *The Edge Singapore*

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# US housing market to limp along despite aid

BY Margaret Chadbourn

The US Federal Reserve's twist will help, but it won't be enough to turn around the troubled US housing sector.

Ditto for Washington's other plans to help homeowners.

The Fed surprised investors when it said it would help keep mortgage interest rates low by reinvesting proceeds from past purchases of housing debt into government-backed mortgage

securities. The program is part of the Fed's latest easing initiative, which investors dubbed Operation Twist, after a similar program in the 1960s.

Frustrations are growing in Washington that efforts to revive housing have failed in the face of high unemployment and rampant foreclosures that have ravaged home prices.

"They are trying to do anything they can to pump up the housing market," says Bert Ely, a banking consultant and CEO of the firm Ely & Co, in Alexandria, Virginia. "This may have some

slight positive impact at the margin, but it's not salvation."

Investors in mortgage bonds have worried about talks between the White House and federal housing regulators to try to spur refinancing efforts.

The Obama administration is considering two proposals: increasing refinancing options for troubled borrowers, and clearing the overhang of foreclosed properties on the market by renting out the large stock of repossessed homes.

After more than three years of trying to remedy one of the root causes of the US recession and the slow economic recovery, the administration has largely exhausted efforts involving tax credits, mortgage modification programs, government-backed loans and other tools intended to keep home values up and help delinquent borrowers avoid foreclosure.

The prevailing view of the White House economic team has been that any aggressive remedies would cause at least as many problems as they solved.

"Housing finance is in some ways the trickiest policy challenge we face on the domestic front today, given the complexities, the number of industries involved, and the degree of importance ... to the economy," James Parrott, senior adviser at the White House's National Economic Council, tells the North Carolina Bankers Association at a conference.

### A harp is not a home

The government's mainstay effort to stabilise housing for the past two years, the Home Affordable Refinance Program (HARP), is under the microscope as federal housing regulators search for ways to expand its reach.

HARP allows borrowers who have loans backed by Fannie Mae and Freddie Mac, and who hold little or no equity, to refinance to take advantage of low interest rates.

The programme, rolled out in April 2009, has modified about 838,000 mortgages — although it was originally intended to help five million homeowners avoid foreclosure.

"The administration has not been sufficiently aggressive," says Richard Green, director of the Lusk Center for Real Estate at the University of Southern California, which receives funds from a major residential development company.

"I don't think there's any panacea, but at minimum, they should streamline HARP and make it more effective for those borrowers who are making payments on time."

Mortgage rates are at record lows, yet many US homeowners have been unable to refinance because they owe more than their homes are worth or have less-than-perfect credit.

The current average for a 30-year fixed loan is 4.09%, the lowest since the early 1970s when Freddie Mac began tracking them.

The housing sector faces a small hurdle at the end of September when the size of the loans that Fannie and Freddie, as well as the Federal Housing Administration, can purchase are set to fall back to pre-financial crisis levels.

The so-called conforming loan-limit caps are set to decline from US\$729,500 (RM2.3 million) in the highest-priced real estate markets to US\$625,000 on Oct. 1.

Karen Petrou, managing partner of Federal Financial Analytics Inc in Washington, says the administration's best hope to support housing would be to ramp up the refinancing initiative.

"If there was an easy way out of this, then a solution would be done," says Petrou. "The refinance proposal is the remaining cannon in the arsenal."

Still, many borrowers cannot keep up with loan payments and record numbers of people are defaulting. Default notices on US home loans posted their biggest monthly increase in four years in August, according to the data firm RealtyTrac, showing that lenders are starting to speed up the foreclosure process.

Government-run Fannie Mae, Freddie Mac and the Federal Housing Administration own about 250,000 foreclosed properties. With that inventory predicted to grow, they are examining ways to rent out the repossessed homes. The aim is to shrink the stock of government-owned homes to help stabilise prices.

"That effort is more about putting a bottom on the foreclosure issue," Petrou says.

"Unless you're ready to deal with those that are delinquent and not foreclosed, even those that are current but struggling, then I don't think you will see a recovery." — Reuters



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