



## THE EDGE MALAYSIA

# Property Excellence Awards 2015 **Winners**





SERENIA  
CITY

An opp  
quality  
Distinctive h

An opportunity  
to prosper

Sime Darby  
Business Park

An opportunity for  
an adrenaline rush

Adventure park

An opportunity to  
expand horizons

International universities



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Malaysia's Top Property Developer



Sime Darby Property Berhad (Co. No. 15631-P)

# Property Excellence Awards 2015

## THE EDGE *Top Property Developers Awards 2015*



From left: Sarena Cheah, **Sunway**; Edward Chong, **IJM Land**; Datuk Jauhari Hamidi, **Sime Darby Property**; Datuk CJ Khor, **S P Setia**; Tan Sri Leong Hoy Kum, **Mah Sing Group**; C S Kong, **UOA Development**; Anwar Syahrin Abdul Ajib, **UEM Sunrise**; Teh Chin Guan, **IOI Properties**; Datuk Seri Robert Tan, **IGB Corp**; Chow Chee Wah, **Gamuda (Property Division)**

### TOP 10

- 1 Sunway Bhd
- 2 IJM Land Bhd
- 3 Sime Darby Property Bhd <sup>(N)</sup>
- 4 S P Setia Bhd
- 5 Mah Sing Group Bhd
- 6 UOA Development Bhd
- 7 UEM Sunrise Bhd
- 8 IOI Properties Group Bhd <sup>(A)</sup>
- 9 IGB Corp Bhd
- 10 Gamuda Bhd (Property Division) <sup>(N)</sup>

### TOP 11 – 30

RANK	COMPANY	RANK	COMPANY
11	Tropicana Corp Bhd	22	Matrix Concepts Holdings Bhd
12	Eastern & Oriental Bhd	23	Selangor Dredging Bhd
13	MKH Bhd	24	Plenitude Bhd
14	PJ Development Holdings Bhd	25	Malaysian Resources Corp Bhd
15	Paramount Corp Bhd	26	OSK Property Holdings Bhd
16	Glomac Bhd	27	Malton Bhd
17	WCT Land Sdn Bhd <sup>(N)</sup>	28	YTL Land & Development Bhd
18	TA Global Bhd	29	Symphony Life Bhd
19	KSL Holdings Bhd	30	SHL Consolidated Bhd
20	Naim Holdings Bhd		
21	Wing Tai Malaysia Bhd		

<sup>(N)</sup> Non-listed property developer    <sup>(A)</sup> Listed on Jan 15, 2014



 **Go to TheEdgeProperty.com**  
for interviews, pix and videos



**THEEDGE**  
MALAYSIA  
**Lifetime Property Achievement**  
Award 2015

**Datuk Alan Tong**  
Bukit Kiara Properties Sdn Bhd



**THEEDGE**  
MALAYSIA  
**Outstanding Property**  
**Entrepreneur** Award 2015

**Tan Sri Leong Hoy Kum**  
Mah Sing Group Bhd



**THEEDGE**  
MALAYSIA  
**Outstanding Property**  
**Entrepreneur** Award 2015

**Tan Sri Danny Tan**  
Tropicana Corp Bhd



**THEEDGE**  
MALAYSIA  
**Outstanding Property CEO**  
Award 2015

**Datuk Chang Khim Wah**  
Eco World Development Group Bhd



**THEEDGE**  
MALAYSIA  
**Outstanding Property CEO**  
Award 2015

**Tan Sri Abd Wahab Maskan**  
Sime Darby PropertyBhd



**THEEDGE**  
MALAYSIA  
**Property Development**  
**Excellence** Award 2015

**Kota Kemuning, Shah Alam**  
Gamuda Land: Chow Chee Wah



**THEEDGE**  
MALAYSIA  
**Property Development**  
**Excellence** Award 2015

**Desa ParkCity, Kuala Lumpur**  
Perdana ParkCity: Lee Lam Chye



**THEEDGE - PEPS**  
**Value Creation Excellence**  
Award 2015 | Residential

**Winner :Phase 15, Ambang Botanic,  
Bandar Botanic, Klang**  
Gamuda Land: Chow Chee Wah



**THEEDGE - PEPS**  
**Value Creation Excellence**  
Award 2015 | Non-Residential

**Winner : Ativo Plaza**  
TA Global: Kimmy Khoo



**THEEDGE - PAM**  
**Green Excellence**  
Award 2015

**S P Setia Bhd Corporate HQ**  
S P Setia Bhd: Tan Hon Lim



**THEEDGE**  
MALAYSIA  
**Affordable Urban Housing**  
**Excellence** Award 2015

**Pines@Hillpark Shah Alam North**  
MKH Bhd: Tan Sri Eddy Chen



**THEEDGE**  
MALAYSIA  
**Affordable Urban Housing**  
**Excellence** Award 2015

**Saron, Bandar Bukit Raja**  
Sime Darby Property: Mohd Salem Kailany



**THEEDGE**  
MALAYSIA  
**Notable Property Achievement**  
Award 2015

**The Light Waterfront, Penang**  
IJM Land: Datuk Toh Chin Leong



**THEEDGE**  
MALAYSIA  
**Notable Property Achievement**  
Award 2015

**Leisure Farm, Johor**  
Mulpha International: Lee Seng Huang



**THEEDGE**  
MALAYSIA  
**Notable Property Achievement**  
Award 2015

**Setia Eco Park, Shah Alam**  
S P Setia Bhd: Datuk Koe Peng Kang



**THEEDGE - PEPS**  
**Value Creation Excellence**  
Award 2015 | Residential

**Merit : The Z Residence**  
Trinity Group: Datuk Neo Soo Keat





# Thank you

for being our inspiration



Sunway City Ipoh Sdn. Bhd. (219749-M)

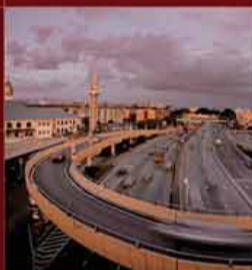
# SUNWAY PROPERTY

Master Community Developer



Every one deserves the best, from spaces to share and places where people interact to communities where lives flourish.

To all of you who have supported us in building communities, your hopes and aspirations have been, and will always be, our inspiration.



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# THE FACTS, FIGURES & FEATURES



## 7 ACRES RESIDENTS' CLUBHOUSE

Fronting the Eastlake Park, it has a unique strip of greenscape surrounding the entire clubhouse that encompasses of leisure and sports facilities. Sweat, chill & relax in this luxurious atmosphere, encircled by foliage and glistening water.



## 198 ACRES OF COMMERCIAL ACTIVITIES

Vibrant neighbourhood retail and commercial plots are connected to residential enclaves via walkways and bike trails, making it easy and convenient for residents to enjoy an urban lifestyle.



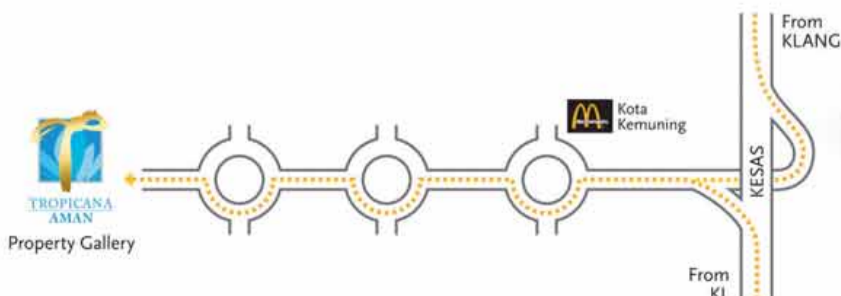
## 7 KM-LONG WALKING AND BIKING TRAIL

Within the Central Park lies a 7km-long trail designed specifically for walking, jogging and biking. The trail is lit for safety reasons and meanders around the park, giving you a chance to experience the park design in full.



## 17 PAVILIONS AND 10 LINK BRIDGES

Beautiful pavilions complete with seating are peppered around the lake, giving you a place to sit down and take in the serenity of the park with your family and friends. Link bridges traversing the lake are also placed at strategic locations, making it easy for people to get from one side of the park to the other. All these features are designed to draw people into Mother Nature's embrace, creating comfortable and pleasant common spaces where you can converse and enjoy life.



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e enquiry@tropicana.com.my

Tropicana Aman Property Gallery  
No 2, Persiaran Aman Perdana 3, Bandar Tropicana Aman  
42500 Telok Panglima Garang, Selangor Darul Ehsan  
GPS Coordinate: 2.951494 N, 101.546007 E  
Waze: Tropicana Aman New Property Gallery  
<https://waze.to/lr/hw28oy9r9d>



# OF BANDAR TROPICANA AMAN

## BAYAN RESIDENCES

2 & 3-storey Link Homes



### 5 LANDSCAPED ROUNDABOUTS

A feature roundabout marks the entrance to Tropicana Aman, signifying your arrival into this lush walking and biking community. The luxuriant greenery found here is replicated in the entire enclave, creating an inviting and magnetic environment that draws residents from their homes.



### 1,800 STUDENTS CAPACITY TENBY INTERNATIONAL SCHOOL

The renowned Tenby International School offers international-oriented programmes for pre-school, primary and secondary education, with 225,000 sq. ft. of facilities and classrooms that can accommodate up to 1,800 students. The school will be ready for the first intake in September 2018.



- 20 Feature Roundabout
- 21 Wetland and Marginal Fringe
- 22 Boulevard
- 23 Viewing Deck
- 24 Link Bridge

- 11 Eastlake
- 12 Pavilions Promenade
- 13 Promenade
- 14 Playground
- 15 Basketball Courts
- 16 Pavilions
- 17 7km Trail
- 18 Link Bridge
- 19 Floating Pavilions

### 100 FOOT WIDE TREE-LINED BOULEVARD

Tropicana Aman is ringed by a 100' foot wide tree-lined boulevard, with the Central Park sitting in the heart of the enclave. Each residential precinct in Tropicana Aman is laid out around the ring road, giving each equal access to the surrounding amenities within Tropicana Aman. 3m-wide pedestrian pathways are separate and clearly delineated from vehicular roads, creating a safe and aesthetic environment for walkers and joggers.



### 85 ACRES OF PARKLANDS

A park life full of greenery is the mainstay of life in Tropicana Aman. Taking 10% of the total development land, the Central Park is a picture of blue and green, with the two main parks being the Eastlake Park and the Westlake Park.



### 2,400 TREES AND 39 BENCHES

A wide variety of greenery is used in the landscaping of the Central Park to create lifescapes that grow with your family. Many native and tropical tree species can be found in and around the park, creating an environment that is warm and inviting, making it truly a pleasure to walk, jog and cycle in Tropicana Aman.



## A WALKING & BIKING COMMUNITY

Spanning 85 acres, Tropicana Aman's Central Park is a lush landscape of beauty and surprises, designed to draw people out from their homes to explore, exercise and experience nature. Walking, jogging and biking are an extension of everyday life, and living in a park environment is the new standard of normal in Tropicana Aman.

Slow down, take a deep breath, and come along for the ride in Tropicana Aman's idyllic environment.



TROPICANA AMAN MASTER LAYOUT PLAN  
85 Acres Central Park



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tropicanaaman.com.my

Cherry 012 9300 920  
Steve 016 6688 647  
Sam 012 6194 645



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# ANOTHER DEFINING MOMENT



*SP Setia Corporate HQ*

*Setia Eco Park, Shah Alam*

## **S P SETIA BERHAD** (19698-X)

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 S P SETIA BHD GROUP



This time, not only were we named **The Edge Malaysia Top Property Developer**, we were also awarded **The Edge-PAM Green Excellence Award** for Setia Corporate HQ and **The Edge Malaysia Notable Property Achievement Award** for Setia Eco Park.

Thank you for this recognition.



**9-TIME WINNER**  
 FIABCI Malaysia  
 Property Awards



**8-TIME WINNER**  
**THE EDGE**  
 MALAYSIA  
 Top Property Developers Awards  
 Eight-Time Winner  
 2005-2008, 2010-2012  
 2013



**6-TIME WINNER**  
 FIABCI  
 Prix d' Excellence  
 Awards

**Aon Hewitt**  
**Best Employers**  
 2015 Best Employer - Malaysia  
 2013 Best of the Best - Malaysia  
 2011 Overall Best - Malaysia



Recipient

**THE EDGE**  
MALAYSIA  
**Property Excellence**  
Awards 2015

# THE BEST PLACE TO LIVE INDISPUTABLE.®

*By A Multi-award Winning Developer:*

**PARKCITY**®  
PERDANA PARKCITY SDN BHD (33751-K)



PLACE

Much admired and often emulated, the Desa ParkCity township which was launched in 2002 by Perdana ParkCity Sdn Bhd, continues to retain its edge as one of the first Malaysian developments to achieve the ideals of New Urbanism.

Crafted out of a barren quarry site, Desa ParkCity has truly come into its own with the completion of each component of its development master plan. Over the last 13 years this uber chic community has not only shed its previously harsh mantle but also

gentrified and elevated the status of its surrounding suburbs in KL West.

With its clean lush wide open spaces and safe streets, Desa ParkCity is now home to over 10,000 residents who enjoy a thriving neighborhood mall, a reputable medical facility, a stellar international school and some of the most prized real estate in the country.

Focused on organic and holistic development, Perdana ParkCity intends to ensure that the "Best place to live in KL" will only be getting better.

# THE BEST IN KL.



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AZAM ARIS

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FOR US TO VERIFY.

## 2003–2009 RANKINGS

### TOP 10 (2003)

RANKING	COMPANY
1	IGB Corp Bhd
2	S P Setia Bhd
3	IOI Properties Bhd
4	Bandar Raya Developments 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 Developments 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 Developments 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 Developments Bhd
9	Island & Peninsular Bhd
10	Talam Corp Bhd

**2008 NOTES**

(N) Non-listed developer

**2009 NOTES**

(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.  
(G) UEM Land Holdings was listed on 18 Nov 2008.  
(N) Non-listed property developer

### 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
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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









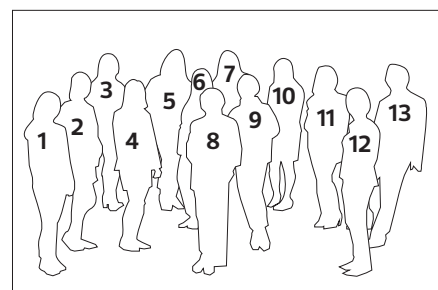








# The Team



- From left:
1. Chai Yee Hoong, writer
  2. Natalie Khoo, writer
  3. Rachel Chew, writer
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  9. Au Foong Yee, managing director
  10. Racheal Lee, senior writer
  11. Hannah Rafee, writer
  12. Lam Jian Wyn, assistant editor
  13. Wong King Wai, deputy editor

This is the 13th edition of *The Edge Malaysia's* property awards, introduced to recognise Malaysia's best developers and to raise the benchmark for them and their development projects.

The awards were launched in 2003, though the categories have since been refined. The changes were needed to ensure that the spirit of the awards remained intact in the face of an evolving real estate sector that is influenced by economic and political sentiments both at home and abroad.

This year, we introduced *The Edge Malaysia* Lifetime Property Achievement Award and *The Edge Malaysia* Outstanding Property CEO Award. Three awards were also renamed — *The Edge Malaysia* Outstanding Property Entrepreneur Award replaces *The Edge* Outstanding Property Personality Award, *The Edge Malaysia* Outstanding Property Award is now known as *The Edge Malaysia* Property Development Excellence Award and *The Edge Malaysia* Notable Property Achievement Award replaces *The Edge Malaysia* Notable Achievement Award.

## Debut in 2003

*The Edge* property awards debuted in 2003 as *The Edge Malaysia* Top Property Developers Awards, which have since 2010 anchored *The Edge Malaysia* Property Excellence Awards (see milestones).

*The Edge Malaysia* Top Property Developers Awards initially ranked only developers listed under properties on Bursa Malaysia but was opened to privately owned developers and the property arms of companies listed on Bursa Malaysia in 2008, thus providing a platform for all developers, irrespective of size, to be ranked. But while the former are automatically scrutinised, the latter are required to submit their financials — signed off by their respective auditor — for our perusal.

All developers are judged on their quantitative and qualitative attributes. From 50:50 when the awards started, the weightage was changed to 35:65

in 2010 to better reflect a changed marketplace where consumers are selecting developers based more on their qualitative attributes.

The qualitative attributes of all the companies are ranked by a panel of distinguished property experts familiar with the real estate market and players. For credibility, all judges are required to abstain from voting on development companies in which they may have a direct or indirect interest. The results are tabulated and audited by Deloitte Malaysia.

Over the years, questions, such as “Why do the same names keep appearing on the winners list?” “How fair is the panel of judges?” and “What if a member of the panel decides to vote out a competitor’s company?” have been asked of us.

*The Edge* property awards do not recognise developers on a rotational basis but those who work hard to reach the top and who continue to work hard to stay there.

*The Edge* representatives apart, the judges are selected for their wide and deep knowledge of the property industry and its players. It must be noted that all of them are highly regarded by their peers in the industry.

Excellence in a real estate product is what property investors seek and excellence is what the winners of *The Edge Malaysia* Property Excellence Awards stand for. Ultimately, it is all about the awards staying relevant. — *By Au Foong Yee*

**Au Foong Yee was an executive editor of *The Edge* when she conceptualised *The Edge Malaysia* Top Property Developers Awards in 2003, which have since evolved into the anchor for *The Edge Malaysia* Property Excellence Awards. She is now the managing director of *The Edge Communications Sdn Bhd*, which publishes *The Edge Malaysia* weekly, *The Edge Financial Daily* and *haven*. Au is also managing director of *TheEdgeProperty.com* and *The Edge Galerie Sdn Bhd*.**

## The Edge Malaysia Property Excellence Awards

### Milestones

- |   |   |
|---|---|
| <p><b>2003</b> <i>The Edge</i> initiates a ranking for all property developers listed on Bursa Malaysia</p> <p><b>2004</b> <i>The Edge's</i> ranking of top property developers is officially named <i>The Edge Malaysia</i> Top Property Developers Awards (TPDA). Winners were honoured in an award presentation ceremony.</p> <p><b>2007</b> TPDA results were audited for the first time</p> <p><b>2008</b> TPDA was opened to privately owned developers and property arms of companies listed on Bursa Malaysia</p> <p><b>2010</b> TPDA and two new awards — namely <i>The Edge</i> – PEPS Value Creation Excellence Award and <i>The Edge</i> – PAM Green Excellence Award — come under the overarching banner of <i>The Edge Malaysia</i> Property Excellence Awards (TEPEA)</p> <p><b>2010</b> TPDA: Qualitative attributes were given greater weightage (65% for qualitative, 35% for quantitative) in the evaluation, compared with a 50:50 weightage for both attributes previously</p> <p><b>2012</b> New awards were introduced under TEPEA, namely <i>The Edge</i></p> | <p><i>Malaysia</i> Notable Achievement Award, <i>The Edge Malaysia</i> Outstanding Property Personality Award, <i>The Edge Malaysia</i> Outstanding Property Project Award and the Best in Qualitative Attributes Award</p> <p><b>2013</b> Honorary, merit and special mentions were awarded in <i>The Edge</i> – PEPS Value Creation Excellence Award and <i>The Edge</i> – PAM Green Excellence Award</p> <p><b>2014</b> <i>The Edge Malaysia</i> Affordable Urban Housing Excellence Award was introduced</p> <p><b>2015</b> New awards were introduced under TEPEA, namely <i>The Edge Malaysia</i> Lifetime Property Achievement Award and <i>The Edge Malaysia</i> Outstanding Property CEO Award. Three awards were renamed. <i>The Edge Malaysia</i> Outstanding Property Entrepreneur Award replaced <i>The Edge</i> Outstanding Property Personality Award while <i>The Edge Malaysia</i> Outstanding Property Award was renamed <i>The Edge Malaysia</i> Property Development Excellence Award. Lastly, <i>The Edge Malaysia</i> Notable Property Achievement Award replaced <i>The Edge Malaysia</i> Notable Achievement Award.</p> |
|---|---|

# Congratulations

to the winners of



## THE EDGE MALAYSIA Top Property Developers Awards 2015

- 1 Sunway Bhd
- 2 IJM Land Bhd
- 3 Sime Darby Property Bhd
- 4 S P Setia Bhd
- 5 Mah Sing Group Bhd
- 6 UOA Development Bhd
- 7 UEM Sunrise Bhd
- 8 IOI Properties Group Bhd
- 9 IGB Corporation Bhd
- 10 Gamuda Bhd - Property Division

## THE EDGE MALAYSIA Top Property Developers Awards 2015

**Best In Qualitative Attributes 2015**  
Sunway Bhd



S P Setia Bhd  
Corporate Headquarters  
Bandar Setia Alam Sdn Bhd



### NON-RESIDENTIAL

**Ativo Plaza**  
Indo Aman Bina Sdn Bhd

### RESIDENTIAL

**Phase 15, Ambang Botanic,  
Bandar Botanic**  
Harum Intisari Sdn Bhd

*Residential - Merit Award*  
**Z Residence**  
Trinity Group Sdn Bhd



**Pines @ Hillpark Shah Alam North**  
Hillpark Resources Sdn Bhd

**Saron - Double Storey Link Homes**  
Sime Darby USJ Development Sdn Bhd



**Desa ParkCity**  
Perdana ParkCity Sdn Bhd

**Kota Kemuning**  
Gamuda Land



**YBhg Dato' Alan Tong Kok Mau**



**YBhg Tan Sri Dato' Sri  
Leong Hoy Kum**

**YBhg Tan Sri Dato' Danny Tan  
Chee Sing**



**YBhg Tan Sri Dato' Seri  
Abd Wahab Maskan**

**YBhg Dato' Chang Khim Wah**



**The Light Waterfront Penang**  
IJM Land Bhd

**Leisure Farm**  
Leisure Farm Corporation Sdn Bhd

**Setia Eco Park**  
Bandar Eco-Setia Sdn Bhd





# IJM LAND



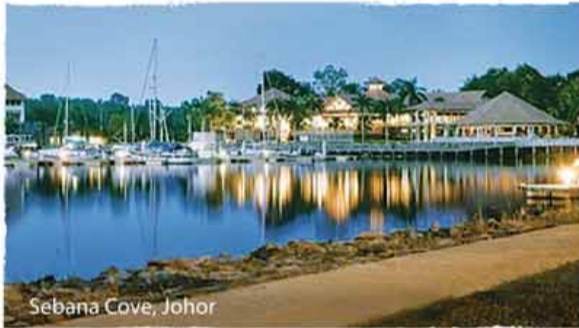
Bandar Rimbayu, Selangor



Seremban 2, Negeri Sembilan



The Light Waterfront, Penang



Seban Cove, Johor



Pantai Sentral Park, Kuala Lumpur

Over the years, we have worked tirelessly at building sustainable townships that translate into cozy homes, wholesome lifestyles and thriving communities for you. And through this time, you have shared your dreams with us, trusted us to co-create your special haven.

We are greatly humbled, knowing that our lifestyle shaping ideas and passion for innovation have delivered lasting value. Ever devoted to helping you build a beautiful today, and an even more promising tomorrow, we will never shy away from creating what is best for you...

**The success of the IJM Land family comes from the happiness of yours!**



WINNER OF FIABCI WORLD PRIX D'EXCELLENCE AWARDS 2015



WINNER OF FIABCI MALAYSIA PROPERTY AWARD™ 2014



PUTRA BRAND AWARDS BRONZE

An **IJM** Company

THE EDGE MALAYSIA  
Top Property  
Developers Awards  
2015

The winners with The Edge Media Group publisher and CEO Ho Kay Tat (seventh from left, front row), and The Edge Communications Sdn Bhd and TheEdgeProperty.com managing director Au Foong Yee (fourth from right, front row)

# The winner's circle

BY LAM JIAN WYN

This has been an eventful year for *The Edge Malaysia* Property Excellence Awards (TEPEA). The turbulence in the property market shook up the rankings — with some interesting results — and new and revamped award categories to recognise the larger-than-life personalities and outsized developments that have shaped the sector kept things fresh and exciting as TEPEA entered its 13th year.

The awards gala night was held on Nov 30 at the Mandarin Oriental in Kuala Lumpur and more than 300 of real estate's biggest players and experts came together to celebrate the industry's best and brightest stars.

Sunway Bhd reprised its winning performance for the second straight year, taking home the coveted top prize in *The Edge Malaysia* Top Property Developers Awards (TPDA) — the anchor for TEPEA — and the Best in Qualitative Attributes sub-award.

The developer seems to have emerged from the last two recessions stronger and wiser. Its gearing ratio is at a tolerable 0.3 times and it is in a position to acquire prime distressed assets.

The group made a net profit of RM734 million on revenue of RM4.56 billion in its financial year ended Dec 31, 2014 (FY2014). In comparison, net profit and revenue in the previous year stood at RM1.5 billion and RM4.72 billion respectively.

The company's dividend payout ratio for FY2014 was 23.5% versus 12% in FY2013. It also recently rewarded its shareholders at group level with a special dividend of 26 sen per share.

"We are very honoured to be recognised yet again and we thank all our stakeholders and customers who believe in us. We will continue to deliver quality products," said Sarena Cheah, managing director of Sunway's property division for Malaysia and Singapore, after receiving the award.

She added that she will celebrate the twin triumphs with her team, who she credited with continuing to inspire her.

In recent years, TEPEA has expanded to include various sub-awards, including *The Edge Malaysia*-PEPS Value Creation Excellence Award, *The Edge Malaysia*-PAM Green Excellence Award, *The Edge Malaysia* Affordable Urban Housing Excellence Award and *The Edge Malaysia* Notable Property Achievement Award.

New additions are *The Edge Malaysia* Lifetime Property Achievement Award and *The Edge Malaysia* Outstanding Property CEO Award.

Sub-awards that were renamed are *The Edge Malaysia* Outstanding Property Entrepreneur Award (formerly *The Edge Malaysia* Outstanding Property Personality Award) and *The Edge Malaysia* Property Development Excellence Award (formerly *The Edge Malaysia* Outstanding Property Project Award).

Companies listed under properties on Bursa

Malaysia are automatically in the running for the TPDA while seven unlisted developers submitted their financials to qualify.

Judges who abstained from qualitative scoring were Tan Sri Eddy Chen for MKH Bhd, Datuk Seri Michael Yam for Sunway Bhd and Paramount Corp Bhd, Datuk Jeffrey Ng for Sunway and Datuk Soam Heng Choon for IJM Land.

*The Edge Malaysia*-PEPS Value Creation Excellence Awards drew 13 entries this year.

## Simply the best

"Condo King" Datuk Alan Tong Kok Mau, the founder of Sunrise Bhd and current chairman of Bukit Kiara Properties Sdn Bhd, was the proud recipient of the inaugural *The Edge Malaysia* Lifetime Property Achievement Award.

The spry octogenarian is revered in the real estate circles for his integrity, foresight and gumption in transforming a rubber estate in Segambut into Mont'Kiara, an international high-rise enclave.

"I am quite speechless," said a beaming Tong. "This award was completely unexpected." He attributed his success to the principles instilled in him by his father. "Be someone people are proud to say they work with," he said.

*The Edge Malaysia* Outstanding Property Entrepreneur Award was shared by Tropicana Corp Bhd founder and adviser Tan Sri Danny Tan and Mah Sing Group Bhd group managing director Tan Sri Leong Hoy Kum.

Tan, whose various ventures in sales ultimately led him to real estate, spent over 23 years building Tropicana into one of the nation's top property developers, whose stable includes its flagship 625-acre Tropicana Golf & Country Resort in Petaling Jaya and a host of other multibillion-ringgit projects, such as the 863-acre Tropicana Aman (RM13 billion), 199-acre Tropicana Heights (RM2.18 billion), and 88-acre integrated development Tropicana Metropark (RM7.2 billion).

Leong was recognised for his business acumen in leading his company's diversification drive — first into plastic manufacturing in 1986 and then into property in 1994.

With his can-do attitude, the group's initial three multimillion-ringgit projects have become 46 projects across the country with a remaining gross development value (GDV) of RM26.4 billion. These include the Meridin East township in Johor Baru (RM5 billion) and Ferriangi Residences Phase 2C (RM735 million).

*The Edge Malaysia* Outstanding Property CEO Award was conferred on Eco World Development Group Bhd president and CEO Datuk Chang Khim Wah and Sime Darby Property Bhd managing director Tan Sri Abd Wahab Maskan.

In the TPDA, IJM Land vaulted from 14th place last year to second place this year, marking the developer's return to the Top 10 list after a two-year hiatus. It was last in 10th spot.

In its financial year ended March 31, 2015



Presented by  
**TheEdgeProperty.com**

# THEEDGE MALAYSIA Property Excellence Awards 2015



(FY2015), the developer's revenue dropped to RM2.203 billion from RM2.224 billion a year ago. Property sales stood at RM1.8 billion compared with RM2.9 billion a year ago — including RM700 million from its maiden London venture Royal Mint Gardens.

IJM Land also took home *The Edge Malaysia* Notable Property Achievement Award for its 152-acre coastal integrated development The Light Waterfront in Penang.

Sime Darby Property, meanwhile, dropped one place to No 3. In FY2014 ended June 30, it achieved gross sales of RM2.1 billion with 1,659 units sold that comprised new supply and existing stock. The group plans to raise its sales target for its current financial year to RM3.6 billion from about 4,626 units.

The developer's Saron in Bandar Bukit Raja won *The Edge Malaysia* Affordable Urban Housing Excellence Award.

S P Setia Bhd slipped one spot to No 4. The group saw its best financial performance yet with its third-quarter revenue surging to RM1.63 billion while profit before tax came in at RM406.3 million.

Total sales for the first nine months of its current financial year ended July 31 amounted to RM2.54 billion while unbilled sales were RM9.9 billion as at Sept 30.

S P Setia took home *The Edge Malaysia*-PAM Green Excellence Award for its corporate headquarters in Setia Alam and *The Edge Malaysia*

Notable Property Achievement Award for its 791-acre Setia Eco Park in Shah Alam.

Mah Sing Group rose four places to No 5. The group posted revenue of about RM1.6 billion and net profit of RM189.4 million for the six months ended June 30 — up 16.1% and 10.8% respectively from the same quarter in the previous year. Unbilled sales stood at RM4.8 billion.

Also returning to the Top 10 was UOA Development Bhd (No 6), the development arm of UOA Group. The developer, listed on Bursa with a market capitalisation of RM3.1 billion in June 2011, is one of the largest property developers in the country.

Its upcoming projects include an integrated development on 30 acres in Jalan Ipoh, Kuala Lumpur, modelled after Bangsar South and boasting a GDV in excess of RM6 billion, a 10-acre mixed-use development in Kepong with a GDV of over RM1.5 billion and a nine-acre mixed-use development in Sentul worth RM1.5 billion.

UEM Sunrise Bhd dropped three places to No 7 this year. The development arm of UEM Group Bhd has total assets worth over RM5 billion and owns sizeable tracts of land in Johor. It is the master developer of the 4,551-acre Nusajaya, one of the five flagship zones in Iskandar Malaysia. Some catalytic projects coming up there include Nusajaya Tech Park, Motorsports City, Signature Residences and Gerbang Nusantara.

IOI Properties moved up two spots to No 8 this year. The property development arm of IOI Group had a momentous year, opening the largest shopping mall in southern Klang Valley — IOI City Mall — near Putrajaya and Four Points by Sheraton Puchong, a partnership with Starwood Hotels and Resorts, at the Puchong Financial Corporate Centre in Bandar Puteri Puchong.

The group owns 10,000 acres in Malaysia and abroad and is making its presence felt in Xiamen, China.

IGB Corp Bhd dropped to ninth spot this year from eighth. The developer has residential, retail, commercial and hospitality projects here and overseas, most notably its iconic Mid Valley City in Kuala Lumpur — home to Mid Valley Megamall and The Gardens Mall — and the St Giles brand of hotels in Penang, Sydney, London, New York and the Philippines.

Gamuda Bhd's property division Gamuda Land fell five places to No 10. The group sold an impressive RM1.5 billion worth of properties in its financial year ended July 31, mostly at its Gamuda City and Celadon City projects in Hanoi and Ho Chi Minh City in Vietnam. Currently, the group has 3,332 acres of undeveloped land at home and 571 acres abroad.

The developer took home the *The Edge Malaysia* Property Development Excellence Award for its flagship Kota Kemuning township in Shah Alam and *The Edge Malaysia*-PEPS Value Creation Excellence Award in the residential cate-

gory for Phase 15 of Ambang Botanic in Bandar Botanic, Klang.

Gamuda Land's flagship township in Shah Alam was recognised for its green and tranquil environment underpinned by good engineering and planning.

Kota Kemuning and Perdana ParkCity Sdn Bhd's Desa ParkCity jointly won *The Edge Malaysia* Property Development Excellence Award in recognition of their positive contribution to the vibrancy of the surrounding areas.

Tropicana, which had debuted in the Top 10 list at No 6 last year, fell to No 11 this year while Eastern & Oriental Bhd, which was in eighth place last year, was ranked 12th this year.

*The Edge Malaysia*-PEPS Value Creation Excellence Award's non-residential winner was TA Global Bhd's Ativo Plaza in Bandar Sri Damansara, Kepong, Kuala Lumpur, while the merit award went to The Z Residence by Trinity Group Bhd, a familiar name in this category.

*The Edge Malaysia* Notable Property Achievement Award went to Mulpha International Bhd's Leisure Farm in Johor. The project is one of the pioneers of luxurious landscaped precincts with security and top-notch facilities.

MKH Bhd's Pines @ Hillpark Shah Alam North project won *The Edge Malaysia* Affordable Urban Housing Excellence Award this year. The developer had won the award when it was introduced last year for its Pelangi Semenyih 2 (Phase 2A) project. **E**

# Scenes from the gala night



The dinner in progress

1. From left: Sunway Bhd executive director for central region property development division Ang Kee Ping, senior general manager of strategic marketing and customer relations Joyce Sin, deputy chief financial officer Ng Lai Ping, deputy managing director for Malaysian and Singaporean property development division Tan Wee Bee, managing director for Malaysian and Singaporean property development division Sarena Cheah, product development senior general manager Ronn Yong, senior general manager for central region property development division Tan Wooi Teong, corporate communications manager Vivien See
2. A string trio serenading the guests
3. From left: Eco World Development Sdn Bhd divisional general manager Phan Yan Chan, general manager Ho Kwee Hong, CFO Datuk Heah Kok Boon, president and CEO Datuk Chang Khim Wah, Rehda Johor branch chairman Hoe Mee Ling, Eco World executive director Datuk Voon Tin Yow, general manager Evon Yap, divisional general manager Wong Sheue Yann, and executive vice-president Datuk Richard Ong Kek Seng



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4. Rehda Youth deputy chairwoman Carrie Fong, UOA Group manager Kong Sze Choon, Rehda Youth advisor Teo Chui Ping, Cheah, TA Enterprise assistant human resource manager Tiah Sook Lin, TA Global director of business development Ernest Yeap
5. From left: Gamuda Land senior manager of finance Annaliza Foo, Gamuda Land senior general manager of architecture and planning department Eddie Chan, Gamuda Land manager of business development Dede Pong, Gamuda Land managing director Chow Chee Wah, Gamuda Land senior general manager of strategic marketing and branding Linda Lim
6. From left: S P Setia Bhd acting president and CEO Datuk Khor Chap Jen, IJM Corp Bhd CEO Datuk Soam Heng Choon, REHDA vice-president Datuk Anthony Adam Cho and Bukit Kiara Properties group managing director Datuk NK Tong.
7. Chur Associates managing partner Chris Tan taking a picture of Tong and Bukit Kiara Properties group chairman and founder Datuk Alan Tong Kok Mau
8. IOI Properties Group Bhd's subsidiary Jutawan Development Sdn Bhd director Tan Keng Seng, immediate past president of Rehda Malaysia Datuk Seri Michael Yam; Pertubuhan Akitek Malaysia council member Alice Leong and IOI Properties Group Bhd general manager Chung Nyuk Kiong
9. From left: The Edge Media Group publisher and group CEO Ho Kay Tat, Tropicana Bhd founder and advisor Tan Sri Danny Tan, Puan Sri Ivy Tan and Diana Tan
10. Mah Sing Group Bhd marketing and special projects deputy general manager Rachel Leong Hueih Yi, Mah Sing Group managing director Tan Sri Leong Hoy Kum, Puan Sri Sulvian Leong, Mah Sing Group group strategic development and projects general manager Lionel Leong Jihn Haur, Mah Sing Group group strategy and operations senior general manager Jane Leong Jheng-Yi
11. Standing, from left: Sime Darby Property head of niche/TOD/strata Mohd Pouzi Che Nik, The Edge Communications and TheEdgeProperty.com managing director Au Foong Yee and Sime Darby Property senior vice-president, property investment and asset management Datuk Wan Hashimi Albakri. Sitting, from left: executive secretary to Sime Darby Group chief operating officer Suziana Abd Samat and Sime Darby group managing director Tan Sri Abd Wahab Maskan's children Amira Sofiya and Irfan Khaliq



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- 12. Sunsuria Bhd communication executive Nichelle Ng Xu Lee (left) and marketing general manager Mandy Phang
- 13. From left: Ho Chin Soon Research Sdn Bhd CEO Ishmael Ho, Malaysian Institute of Estate Agents (MIEA) president Erick Kho and Chur Associates managing partner Chris Tan
- 14. From left: S P Setia Bhd divisional general manager of niche development Paul Soh Hee Pin, executive vice-president Datuk Koe Peng Kang, acting president and CEO Datuk Khor Chap Jen, general manager of north property division Ng Han Seong, executive vice-president Kow Choong Ming and deputy general manager Koh Sooi Meng
- 15. DrTanLM Architect principal Dr Tan Loke Mun, Khong & Jaafar Sdn Bhd managing director Elvin Fernandez and Perdana ParkCity Sdn Bhd group CEO Lee Liam Chye
- 16. From left: IOI Properties Bhd senior central marketing executive Ling May Yuen, Synergie Communications (M) Sdn Bhd managing director Sunny Seah and executive director May Foo
- 17. Medini Iskandar Malaysia Sdn Bhd chief marketing officer of strategic marketing Dr Gerard Kho, Kim Realty CEO Vincent Ng Eng Sim, C H Williams Talhar & Wong Sdn Bhd managing director Foo Gee Jen and UOA Development Bhd managing director C S Kong
- 18. UEM Sunrise Bhd assistant manager for brand and customer operations Baktiari Affendi Omar, senior manager for brand and customer operations Siti Naizah Mohd A'asi, chief operating officer Datuk Roslan Ibrahim, general manager for brand and customer operations Shahrul Bariah Mohd Rejab, The Edge Communications and TheEdgeProperty.com Au Foong Yee and head of project for Serene Heights and East Ledang Zulkifly Garib
- 19. IGB Corp Bhd director of design of group design John Slater Bailey, IGB Corp Bhd senior general manager of architectural and project developments Tan Yee Seng, IGB REIT Management Sdn Bhd CEO Antony P. Barragry, IGB Corp Bhd head of property development Teh Boon Ghee, Eco World Development Group Bhd executive vice-president for integrated commercial development Datuk Richard Ong Kek Seng



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- 20. VPC Alliance (Malaysia) Sdn Bhd managing director James Wong, IJM Land Bhd managing director Edward Chong and Henry Butcher Marketing Sdn Bhd chief operating officer Tang Chee Meng
- 21. From left: MKH Bhd property division assistant general manager Soo Theng Seong, Malton Bhd Corp Communications general manager Irene Ang and MKH Bhd group deputy property director Datuk Kenneth Chen
- 22. From left: Fernstate Sdn Bhd director Shawn Fernandez, Henry Butcher Marketing Sdn Bhd chief operating officer Tang Chee Meng, ExaStrata Solutions Sdn Bhd chief real estate consultant Adzman Shah bin Mohd Ariffin, Carey Real Estate Sdn Bhd managing director Nixon Paul, and Chur Associates managing partner Chris Tan
- 23. From left: Knight Frank (M) Sdn Bhd managing director Sarkunan Subramaniam, Sunway Property Bhd managing director Sarena Cheah, Trinity Group Sdn Bhd managing director Datuk Neoh Soo Keat and Tropicana Bhd group CEO Datuk Yau Kok Seng
- 24. Matrix Concepts Holdings Bhd head for group sales and marketing Lim Kok Yee, Ho Chin Soon Research Sdn Bhd chairman Ho Chin Soon, Plenitude Bhd group general manager of sales and marketing Khaw Hock Seang and Plenitude Bhd chief operating officer Pee See Hoe exchanging business cards
- 25. The Edge Communications and TheEdgeProperty.com managing director Au Foong Yee with Sime Darby Property Bhd Property Investment and Asset Management senior vice-president Datuk Wan Hashimi Albakri (left) and Gamuda Land managing director Chow Chee Wah
- 26. Malaysian Institute of Estate Agents councillor of international liaison chairperson Ong Poh See, MIEA vice president Kayte Teh, MIEA councillor of ICT and National Youth Chairman Raphael Wong
- 27. The VIP table
- 28. Mulpha International Bhd group chief financial officer Eric Lee Eng Leong (left) and The Edge Foundation CEO Dorothy Teoh
- 29. Raine & Horne International Zaki + Partners Sdn Bhd senior partner Michael Geh and Ho Chin Soon Research Sdn Bhd chairman Ho Chin Soon
- 30. From left: Sime Darby Property head of sustainability and quality management Nor Azahar Husain, senior vice-president of property investment and asset management Datuk Wan Hashimi Albakri, and head,



TPDA judges (from left): Rosalynn Poh, Ho Chin Soon, Tan Sri Eddy Chen, Datuk Soam Heng Choon, Datuk Jeffrey Ng, Kumar Tharmalingam, Datuk Seri Michael Yam, Tan Sri Teo Chiang Kok and Au Foong Yee

## Judges' remarks

### Tan Sri Teo Chiang Kok

A patron and past president of the Real Estate and Housing Developers' Association (Rehda) of Malaysia. He was also a past president of Fiacbi Malaysia and is an adviser to the Malaysian Association for Shopping and Highrise Complex Management (PPK).

He is a director of See Hoy Chan Holdings Group in Malaysia and has 38 years of experience in the property development industry. He oversaw the development of the Bandar Utama township and to date, the company has developed 30,000 residential units and 20 million sq ft of commercial properties.

"All the winners of this year's awards are familiar names and prominent players in the property industry.

The positions of the winners have changed somewhat, basically due to their respective activities in the market and the timing of their projects' completion during the past few years.

This is not unexpected as projects take considerable time from planning to launch.

This determines exactly when the projects are launched, completed and consequently, when profits are recognised and factored into the quantitative scoring.

Congratulations to all the Top 10 winners."

### Tan Sri Eddy Chen

He is the group managing director of MKH Bhd and is also a patron and past president of Rehda Malaysia. Chen is serving as a National Council and Executive Committee Member of Rehda Malaysia for the 2014 to 2016 term.

He has been involved in property development and construction-related businesses for nearly three decades. Chen sits on various government-private sector committees that formulate policies on housing and the property sector. He is the president of the Malaysia Shopping Malls Association for 2014 to 2016.

He is also the president of the Building Management Association of Malaysia (BMAM) for 2014 to 2016.

"First, let me congratulate all the Top Property Developers Awards winners. As always, we saw very competitive performances by all winners.

While *The Edge Malaysia* Top Property Developers Awards continue to command high respect and integrity in the award process, more awards of all kinds are being churned out by many other organisations, many with conditions attached.

For this, I applaud *The Edge* for continuing to stay above the fray as others commercialise theirs.

On another note, 2015 was a challenging year, with many developers adjusting downwards their target achievement. Going forward, developers with strong balance sheets supported by high unbilled sales will do well.

Given the two factors and looking at the Top Property Developers Awards 2015, I expect the 2016 line-up will be very much the same. Again, my heartiest congratulations to all the winners."

(Note: Chen abstained from voting for MKH Bhd)

### Datuk Soam Heng Choon

He is the current deputy president of Rehda Malaysia and was the chairman of Rehda Negeri Sembilan from 2004 to 2010.

On April 6, 2015, he was appointed CEO and managing director of IJM Corp Bhd. Prior to his current role in IJM Corp, he was CEO and managing director of IJM Land. He had been with Road Builder (M) Holdings Bhd since 1989, which eventually merged with IJM Corp in 2007. Prior to that, he was with the Ministry of Works for 10 years.

He is a professional engineer and a member of the Institution of Engineers, Malaysia.

"I would like to take this opportunity to congratulate all the top ranking developers of this year's *The Edge Malaysia* Top Property Developers Awards. Competition has been keen for the top 10 spots. Consumer perception and brand loyalty are leading contributors to the scoring.

This year, the property players made the top 10 rankings because of their high levels of consumer awareness, customers' positive associations with the brand and their ability to create meaningful value compared with their competition.

Indeed, it is heartening to see that the top 10 developers and professionals have made customer focus and sustainable innovation strategic priorities.

And today, as the market becomes more challenging, branding plays an important role in helping discerning customers to decide which product to buy, or whom to buy from. And it is in times like this that property developers need to focus their efforts on continuing to build and maintain their brand by being more resilient, creative and sensitive to the needs of customers.

(Note: Soam abstained from voting for IJM Land)

### Ho Chin Soon

A Fellow of the Royal Institution of Surveyors, Malaysia, and a registered valuer with the Board of Valuers, Appraisers and Estate Agents, Malaysia. He holds a Professional Diploma from the Royal Institute of Chartered Surveyors (UK).

He is currently the chairman of Ho Chin Soon Research, a property information company that specialises in land use and ownership maps. He has authored several property-related books.

"2015 is turning out to be a challenging year for property developers. However, I note that developers with strong brands do continue to bring in the crowds when they launch their real estate products.

Branded developers are proactive and some have already tailored their merchandise and offerings to suit market conditions.

The workload for us judges is increasing and I notice the quality of the submissions has improved greatly. Keep up the good work."

### Datuk Seri Michael Yam

He is the immediate past president of Rehda Malaysia. His experience in the real estate and corporate sectors includes being CEO of two different Bursa listed companies. Now, he manages his own private equity, corporate advisory and development consultancy firm.

He is currently chairman of InvestKL Corp and also an independent non-executive director of Standard Chartered Bank Malaysia Bhd, Standard Chartered Saadiq Bhd, Paramount Corp Bhd, Sunway Bhd, Malaysia Airports Holdings Bhd, Cahya Mata Sarawak Bhd and CLAB Bhd.

He is professionally qualified as a Fellow of the Chartered Institute of Building and also a Fellow of the Royal Institution of Chartered Surveyors.

"It is commendable that after 13 years, *The Edge Malaysia* Top Property Developers Awards still garners immense interest and participation from property developers.

It reaffirms this competition's premium status and prestige as the industry recognises it as the gold standard in establishing the standing of developers among their peers, not only quantitatively but also qualitatively, especially in the eyes of the public at large and consumers.

Competition this year is still intense, gauging from the submissions. Notably, there are some marked changes in the rankings compared with previous years. Perhaps this may be attributed to the lack of projects by previous performers, or maybe budget cuts have lowered the companies' visibility and market positioning.

Regardless, in a highly competitive market and in light of the prevailing challenges, developers would need to harness all their resources to ensure the sustainability and relevance of their business. It is in times like this that one sorts out the men from the boys!"

(Note: Yam abstained from voting for Sunway Bhd and Paramount Corp Bhd)

### Datuk Jeffrey Ng

A patron and past president of Rehda Malaysia. He has more than 30 years of experience in finance, corporate planning and executive management in the property and hotel industries in both Malaysia and Australia.

He is a member of the Malaysian Institute of Certified Public Accountants, a fellow member of Chartered Accountants, Australia and New Zealand and a fellow member of the Malaysian Institute of Directors. He holds a Capital Markets Services Representative's Licence under the Securities Commission Malaysia.

Currently, Ng is CEO of Sunway REIT and chairman of Rehda Institute. He is also a director of United Overseas Bank (Malaysia) Bhd and Urban Hallmark Properties Sdn Bhd. He was recently reappointed as panel member of the Appeal Board under the Federal Territory (Planning) Act 1982.



SUHAIMI YUSUF/THE EDGE



## Kumar Tharmalingam

A past president of Fiacbi Malaysia and a past board member of Fiacbi International, Kumar is a Fellow of the Royal Institution of Chartered Surveyors, Fellow of the Institution of Surveyors Malaysia and a registered real estate valuer and property consultant with the Board of Valuers, Appraisers and Estate Agents, Malaysia. He has been in the real estate industry for more than 35 years.

From 2010 to 2013, Kumar was CEO of Malaysia Property Inc (MPI) and an executive director in Sunway Bhd. He is currently the senior advisor to Area Management Sdn Bhd, a private equity fund developing gated industrial projects in Malaysia.

"People often ask me why *The Edge* awards are the barometer of excellence in property awards in Malaysia.

The primary reason is you can't buy *The Edge* awards. Judges selected from the property industry consider every property company listed on Bursa Malaysia, looking for the top 30 property companies in the country. Non-listed property companies have to send in a detailed checklist, including audited results, to be considered.

You will not see 1,000 paying guests at the strictly by-invitation only awards dinner. Just Malaysia's best developers. And the judges. No exceptions.

The desire to be there one day spurs every developer to excel in their business so they can be considered.

If that was *The Edge* group's raison d'être for the launch of *The Edge Malaysia* Top Property Developers Awards, then they have achieved their objective."

## Au Foong Yee

Au was an executive editor at *The Edge Malaysia* when she conceptualised *The Edge Malaysia* Top Property Developers Awards in 2003, which has evolved into the anchor for *The Edge Malaysia* Property Excellence Awards. She is now managing director of *The Edge Communications* Sdn Bhd, which publishes *The Edge Malaysia*, *The Edge Financial Daily* and *haven*. Au is also managing director of *TheEdgeProperty.com* and *The Edge Galerie* Sdn Bhd.

"The so-called property mantra of location, location and only location is almost, well, dead. Branding is the all new and encompassing real estate buzzword.

Being a judge of *The Edge Malaysia* Top Property Developers Awards from its start in 2003, has allowed me to scrutinise the insights into Malaysia's best and most important developers for more than a decade. It is clear that developers with a strong brand are increasingly finding a strong and loyal following in property buyers.

Make no mistake; the brand perception of a developer is more complex than that of, say, luxury wearables.

It is not just about market visibility. And unlike wearables, the shelf life of a developer's brand is almost perpetual; in fact, the brand's lifespan is as long as the project stands.

The risk exposure of a developer's brand does not stop at its latest project. Remaining on the radar are all its ongoing activities, and a lot goes on before a property can be put on the market, is completed and subsequently handed over to the buyer.

All the developers who made it to *The Edge Malaysia* Top Property Developers Awards 2015, naturally, have displayed exceptionally strong branding, coupled with a strong financial performance. Competition is getting tougher, with developers raising the bar for themselves in a trying market.

Sunway Bhd must be applauded for remaining in the No 1 spot for the second consecutive year. As they say, winning is tough; staying at the top is tougher.

Special mention must be given to IJM Land for making a spectacular jump in ranking from the 14th spot last year to second place this year.

Congratulations to all the winners."

## Rosalynn Poh

Poh is editor of *City & Country*, the property pullout of *The Edge Malaysia*.

"It has been another interesting year for *The Edge Malaysia* Top Property Developers Awards. Congratulations to Sunway for remaining in the top spot for the second year and great job to all the outstanding developers! Once again, it shows that making huge profits alone is not enough anymore. The 65% weightage for qualitative attributes (since 2010) makes it all just a bit more interesting.

I have been fortunate to have been part of these prestigious property awards for the past few years. While the whole process can be rather long, and at times, tedious, due to its complexity, the team and I are proud of the fact that it is audited and you cannot buy the awards for the strictly by-invitation awards night ceremony. In other words, *The Edge Malaysia* Top Developers are truly deserving winners and therefore should be very proud of themselves.

So to all the winners, congratulations on your great performance!"



## AWARDS METHODOLOGY

*The Edge Malaysia* Top Property Developers Awards is an exercise to rank Malaysia's top property players based on their quantitative and qualitative attributes – from the consumer's perspective. The ranking is published annually.

Introduced in 2003, it is 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 judged not only on how profitable the company is or how many homes it builds and sells each year but also on its qualitative attributes.

All companies listed on Bursa Malaysia's property sector are automatically considered for the awards while non-listed developers which are interested to be ranked need to submit entries. 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, profit before tax, revenue and cash/net gearing make up 35% of the overall score. Net gearing is defined as the total of long and short-term loans minus cash divided by shareholders' funds.

All financial data considered for the 2015 awards was based on a developer's FY2014 results. The quantitative data of listed developers was derived from documents submitted to Bursa. Non-listed companies were required to submit copies of their audited accounts. Where signed audited financial statements were not available, data certified by the developer's external auditors was used. Seven non-listed developers took part this year.

### Qualitative attributes

Qualitative attributes contribute a greater weightage of 65%. The five attributes evaluated are product quality (finishing and timeliness), innovation and creativity (in the products and marketing), value creation for buyers (capital appreciation), image (includes credibility) and expertise (includes management and experience).

### Points awarded

A maximum of 10 points are awarded for each qualitative and quantitative attribute. Points for quantitative attributes are based on the financial data of the company while points for qualitative attributes are awarded by a panel of judges comprising industry experts and veterans as well as *The Edge*.

This year's judges were Datuk Jeffery Ng, Tan Sri Teo Chiang Kok, Kumar Tharmalingam, Tan Sri Eddy Chen, Datuk Seri Michael Yam, Datuk Soam Heng Choon and Ho Chin Soon. *The Edge* was represented by its managing director Au Foong Yee and *City & Country* editor Rosalynn Poh.

Judges who abstained from the deliberation and judging of companies in which they had direct or indirect interests were Ng for Sunway Bhd (he is CEO of Sunway REIT Management Sdn Bhd), Chen for MKH Bhd (managing director), Soam for IJM Land (CEO and managing director of IJM Corp Bhd) and Yam for Paramount Corp Bhd and Sunway Bhd (director for both).

### Results audited

The property developers were ranked according to their overall score. After the points for the quantitative and qualitative attributes were tabulated, the results were audited by Deloitte Malaysia.

HARIS HASSAN/THE EDGE



The results were audited by Deloitte Malaysia.

"Congratulations to Sunway for retaining the No 1 position.

Great to see IJM and UOA gaining such strong market recognition and momentum. It is also interesting to note that only Mah Sing and IOI moved up in ranking this year, while last year's Top 10 winners dropped in their rankings.

This year's ranking of the Top 10 winners holds true the old adage of what market competition is about.

It is hard enough to reach the Top 10, but it is equally difficult to maintain or improve your ranking once you have reached there.

The property cycle has enjoyed its upswing for more than half a decade. With the current property market slowdown, these top property developers are forced to adjust their marketing, product and business strategies in order to compete for their market share.

Clearly, some top property developers are adjusting faster to cope with the current tougher market conditions than others."

(Note: Ng abstained from voting for Sunway Bhd)



## The Edge Malaysia-PEPS Value Creation Award 2015 Judges' remarks



From left: Chee Kok Thim, Foo Gee Jen, James Wong, Au Foong Yee and Rosalynn Poh

### Foo Gee Jen

Managing director of C H Williams, Talhar & Wong Sdn Bhd  
Vice president of PEPS

All the entries impressed us with their high quality and innovative planning, which made them stand out in the marketplace.

These projects were all launched in 2010 when the property market was beginning to recover, and despite competitive market conditions, they achieved nearly 100% take-up.

In the residential category, Gamuda Land's subsidiary Harum Intisari Sdn Bhd took the blue ribbon for phase 15B of Ambang Botanic 1 in Bandar Botanic, comprising 128 units of 2-storey semi-detached houses and bungalows.

Bandar Botanic in Klang is also the winner of the International Real Estate Federation's FIABCI Malaysia award for Best Master Plan in 2003.

Bandar Botanic is a well-planned parkland-waterfront township and resort. The semi-detached houses are designed to be more spacious than typical units. The developer also constructed wider road shoulders for the residents. This new gated and guarded township also features a dedicated flyover for convenient access from the Shah Alam Expressway.

Another project that won a merit award in the residential category is Z Residence by Trinity Group. It is a breath of fresh air compared with the typical high-rise in the Bukit Jalil area. Facilities provided exceed that of its competitors and include a large infinity pool, generous greenery and pool and mahjong tables for indoor recreation.

In the non-residential category, Ativo Plaza by Indo Aman Bina Sdn Bhd – a subsidiary of TA Global Bhd – emerged the winner.

Ativo Plaza in Bandar Sri Damansara combines both retail and office use in a single development. The linear landscaping with a modern open concept distinguishes itself from the conventional square plaza layout and reinforces the impact of a green and serene ambience. Tenanted by Hero Mart and other F&B outlets, Ativo Plaza provides shopping convenience to existing office tenants and the catchment population.

This retail-office development with ample green space introduced a refreshing development concept and broke new ground in Bandar Sri Damansara.

### Chee Kok Thim

Director (valuation services) of Rahim & Co  
Chartered Surveyors Sdn Bhd  
Honorary secretary of PEPS

There were 13 entries in all for the residential and non-residential categories. Most of the participating projects were by established developers, indicating growing recognition of *The Edge Malaysia* –PEPS Value Creation Excellence Awards.

The Z Residence by Trinity Group was chosen merit winner in the residential category for its innovative landscape and master plan that create value to the buyers.

The facilities include an infinity swimming pool and a gym facing the pool, landscaping, and common areas such as a sky lounge and meeting room on the top floor for the residents. The developer also put effort in designing the lift lobby and improving the access road to the condominium.

Ativo Plaza, the winner in the non-residential category, has a good mix of commercial activities on the ground floor, such as niche brand restaurants and supermarket. Notably, there is a 7-acre park with lush greenery, good lighting and water features for people to take a walk or indulge in other activities.

### James Wong

Managing director of VPC Alliance (Malaysia) Sdn Bhd  
Past president and current council member of PEPS

The winners truly deserved the awards. Congratulations.

Bandar Botanic's outstanding attributes were the creation of a resort style environment, with 15% of the land area dedicated to green parks and lakes, three-tier security, gated and guarded community concept and its freehold status.

For the merit winner of the residential category, I salute the Trinity Group for developing the interesting Z Residence, which is built on a difficult slope site, into a value-for-money condominium development, with its posh lobby, infinity pool, elevated floating garden and sky lounge.

Ativo Plaza, the winning project in the non-residential category, is not a conventional commercial development. The office suites were complemented by 43 units of F&B and lifestyle shops, with an open arena for entertainment and other activities, landscaping and ample car parking.

Under the Damansara Avenue Master Plan, this development will be linked to a proposed shopping mall and new MRT station.

### Au Foong Yee

Managing director of The Edge Communications Sdn Bhd  
and TheEdgeProperty.com

Winning *The Edge Malaysia*-PEPS Value Creation Excellence Award is no mean feat – it is a statement that these developers have been recognised for creating substantial value for their buyers.

Such a track record would naturally sit well with investors and owner-occupiers alike. This becomes more relevant at a time when property prices in preferred or dream addresses show little sign of easing, although growth has slowed.

For first-time homebuyers, putting down what could amount to one's life savings on a property whose value could go up substantially would mean better prospects of upgrading to a better one in the near future. On the flipside, make a wrong choice and you could be stuck with the property for a long time.

This year, we received a total of 13 submissions. All these developers must be applauded for having done well in creating value for their buyers. It may be a sign of the times, but it is heartening to see more and more developers paying more attention to ensuring that buyers do not regret their purchase.

Congratulations to the winners!

### Rosalynn Poh

Editor of *City & Country*, the property pullout of *The Edge Malaysia*

We saw many competitive entries this year. The submissions by themselves would have been no easy task as there was a long list of detailed information and certified documentation to comply with. Those who made it to the shortlist were notified, and presentations and walkabouts carried out with the judges.

This award is important to homebuyers and prospective investors as we all want properties that are not only good to live in, but which can get a decent return on investment and provide peace of mind. We recognise outstanding performance by the developers as the value of a property does not solely lie on how fabulous the location is. It is a package deal that discerning investors and owners look for these days – good location, design, great master plan, sustainable concept and so on – we want it all.

To the winners, kudos for building not only good properties, but also creating great value for the owners!

### Ativo Plaza in Bandar Sri Damansara and Phase 15 Ambang Botanic in Bandar Botanic win value creation excellence awards

TA Global Bhd's Ativo Plaza in Bandar Sri Damansara (non-residential) and Gamuda Land's Phase 15 Ambang Botanic in Bandar Botanic, Klang (residential) bagged *The Edge Malaysia*-PEPS Value Creation Excellence Award 2015. Merit award was given to Trinity Group's Z Residence in the residential category.

This award is a joint initiative of *The Edge* and the Association of Valuers, Property Managers, Estate Agents and Property Consultants (PEPS) to recognise property developments that have rewarded their purchasers in terms of capital appreciation in an outstanding way.

Read more on Pages 60, 62 and 110.



WINNER (NON-RESIDENTIAL)

Ativo Plaza

Company: TA Global Bhd



WINNER (RESIDENTIAL)

Phase 15, Ambang Botanic,  
Bandar Botanic, Klang

Company: Gamuda Land

MERIT

Z Residence

Company: Trinity Group Sdn Bhd

### METHODOLOGY

The award is aimed at helping consumers find properties that have the greatest value creation in terms of capital appreciation and recognising 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 not more than five years, derived from the average capital appreciation as stated in the criteria above.
- Qualitative attributes based on the occupancy rate, master planning and the sustainability of value.

Scores are tallied based on a weightage of 65% for criteria A, 15% for criteria B and 20% for criteria C. The five-member judging panel comprised three representatives from the Association of Valuers, Property Managers, Estate Agents & Property Consultants in Private Sector Malaysia (PEPS) and two from *The Edge*.



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Tenure of Land: Freehold - Developer License No.: 12427-3/09-2016/0904(L) - Validity Period: 06/09/2014 - 05/09/2016 - Advertising & Sales Permit No.: 12427-3/09-2016/0904(P) - Validity Period: 06/09/2014 - 05/09/2016 - Approving Authority: Majlis Bandaraya Shah Alam - Reference No.: MBSA/BGN/BB/600-1(PS)/SEK.U1/0220-2013 - Land Encumbrances: Charged to RHB Islamic Bank Berhad - Expected Date of Completion: August 2017 - Restriction in Interest: Nil - Property Type: Serviced Apartment - No. of units: 253 (Total) - Type D, Total Units: 67, Built up size: 1,202 sq ft, 2 carpark bays/unit, Min. Price: RM 911,900, Max. Price: RM 1,038,700 - Type E, Total Units: 101, Built up size: 1,030 sq ft, 2 carpark bays/unit, Min. Price: RM 773,300, Max. Price: RM 883,300 - Type F, Total Units: 68, Built up size: 1,162 sq ft, 2 carpark bays/unit, Min. Price: RM 876,000, Max. Price: RM 999,000 - Type G, Total Units: 17, Built up size: 797 sq ft, 1 carpark bays/unit, Min. Price: RM 640,400, Max. Price: RM 681,300 - Discount for Bumiputra: 7%



## The Edge Malaysia-PAM Green Excellence Award 2015 Judges



SHAHNIN YAHYA/THE EDGE

From left: *The Edge City & Country* editor Rosalynn Poh, The Edge Communications Sdn Bhd and TheEdgeProperty.com managing director Au Foong Yee, PAM honorary secretary Sarizal Yusman Yusoff (convener), PAM Council members Alvin Lim and Erdayu Os'hara Omar, and Malaysia Green Building Confederation (MGBC) board and PAM council member Alice Leong.

### Judges' citation

S P Setia's Corporate Headquarters in Setia Alam is a deserving winner as a lot of effort has been done to fulfil the green criteria. It is very encouraging as it sets a very good precedent for future green buildings.

A point to highlight is that the construction cost is a mere RM200 psf for a building that saves on energy costs, compared to one that doesn't have green features and technology.

Over and above that, the building is certified GBI Platinum (Provisional). There is a story and thought behind the project – it shows a commitment and the fact that they want to make a statement that this is going to be iconic. It also gels with the company's vision that hopes to set a benchmark, and as a guideline, for neighbouring projects and developments to follow.



S P Setia's  
Corporate  
Headquarters

### 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 Malaysian Institute of Architects (PAM) with projects in Malaysia. The projects – of any size and type – must be completed.

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, Leadership in Energy and Environmental Design, Singapore's Building and Construction Authority's Green Mark or other recognised green-building certification.

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

The judges comprised three representatives from PAM and two from *The Edge*. Read more on Page 68.

### Other awards and methodology

*The Edge Malaysia* Property Excellence Awards, introduced in 2010, has *The Edge Malaysia* Top Developers Awards, *The Edge Malaysia*-PEPS Value Creation Award and *The Edge Malaysia*-PAM Green Excellence Award. Last year, *The Edge Malaysia* Affordable Urban Housing Excellence Award was introduced. This year, joining the prestigious awards are *The Edge Malaysia* Lifetime Property Achievement Award and *The Edge Malaysia* Outstanding Property CEO Award. The new awards and its inaugural winners, as well as other awards and winners are:

#### 1) The Edge Malaysia Lifetime Property Achievement Award 2015 (NEW)



The award recognises an individual who has contributed significantly to

– and has had a positive impact on – the Malaysian property industry through the years. The recipient would be visionary and innovative, and have successfully played a major role in raising the image and benchmark of the property industry in the country.

The first recipient of this inaugural award is Datuk Alan Tong Kok Mau of Bukit Kiara Properties Sdn Bhd.

#### 2) The Edge Malaysia Outstanding Property Entrepreneur Awards 2015 (RENAMED)



The award replaces *The Edge Malaysia* Outstanding Property Personality Award,

which was introduced in 2012. It honours industry captains who have made significant and outstanding contributions to growing their companies into dynamic players at the forefront of the industry. The recipients of the award are selected by *The Edge*.

This year, they are Tropicana Corp Bhd's Tan Sri Danny Tan and Mah Sing Group Bhd's Tan Sri Leong Hoy Kum.

#### 3) The Edge Malaysia Outstanding Property CEO Award 2015 (NEW)



This is a new award, conceptualised to recognise CEOs or professionals who have successfully

taken their companies to an exceptional level under their leadership. The winners are selected by *The Edge*.

The recipients of the inaugural award are Tan Sri Abd Wahab Maskan, managing director of Sime Darby Property Bhd, and Eco World Development Group Bhd president and CEO Datuk Chang Khim Wah.

#### 4) The Edge Malaysia Property Development Excellence Award 2015 (RENAMED)



Previously known as *The Edge Malaysia* Outstanding Property Award, the

award recognises successful, large-scale property developments that have made a significant impact. The projects would have proved to be catalysts for growth while continuing to contribute positively to the vibrancy of the area they are located in.

There are two recipients of the award for 2015. They are Gamuda Land for Kota Kemuning in Selangor and Perdana ParkCity Sdn Bhd for Desa ParkCity in Kuala Lumpur.

#### 5) The Edge Malaysia Notable Property Achievement Award 2015 (RENAMED)



The award recognises outstanding projects that showcase not only

unique concepts and designs but also the commitment of the developers in translating them into reality.

There are three winners this year – IJM Land Bhd's The Light in Penang for its marine waterways, Mulpha International Bhd's tranquil 1,765-acre Leisure Farm for being a pioneer in Johor with its security and eco-sustainable design, and S P Setia Bhd's Setia Eco Park for its eco-features.

#### 6) The Edge Malaysia Affordable Urban Housing Excellence Award 2015



Introduced in 2014, this award seeks to identify and encourage the private sector to

provide more and better quality affordable housing. Only projects undertaken wholly by private sector developers who receive no aid or participation, direct or indirect, from the government are eligible. There are two winners for this category – MKH Bhd for Pines @ Hillpark Shah Alam North and Sime Darby Property Bhd for Saron in Bandar Bukit Raja, Klang.

# "Your Dream Palace For The Price Of A Cottage"

We are honoured to receive the Merit Award for the Edge PEPS Value Creation Excellence Award 2015 in the residential category.

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## NO. 1 - SUNWAY BHD

## Bigger, stronger and wiser

BY LAM JIAN WYN

Sunway Bhd has retained its top spot in the overall ranking of *The Edge Malaysia* Top Property Developers Awards for the second year running. It also takes the sub award for Best in Qualitative Attributes again.

The four-decade-old conglomerate — whose operations range from construction, retail, hospitality, leisure, healthcare, trading and manufacturing to quarrying across Malaysia, Singapore and China — has had an eventful year.

For starters, its construction arm was relisted at end-July this year, raising RM478.4 million. Given the warm reception of the initial public offering, Sunway is looking at similar ways to capitalise on its massive portfolio of investment assets, Malaysia and Singapore managing director Sarena Cheah tells *The Edge*.

The group has weathered two financial crises so far, emerging from each one stronger than before.

“The key to riding out the slowdown or consolidation is holding power, especially in the property market, which is very capital intensive.

“Compared with the 1997 crisis, we are more comfortable with our gearing level at 0.3. We also recently rewarded our shareholders at the [group holding company] level with a dividend of 26 sen per share,” she says.

“We want to recognise shareholders and reward them for being with us through our ups and downs, and to also tell them that we are financially stable.”

She shares Sunway’s plans for its property division, its strategies during this slow period and what else needs to be done.

**The Edge: How have the past 12 months [since October last year] been?**

**Sarena Cheah:** If you look at the property market in the last five years, after the global financial crisis of 2008 to 2009, the property market experienced a lot of growth in terms of value and units, especially in 2010 and 2011.

So, as in a typical cycle, it will have to come down to a period of consolidation and I think the past 12 months were perhaps the start of it all. This was together with new events such as the imposition of the Goods and Services Tax and the tightening measures — all very significant to the property industry.

Of course, one saving grace is that interest rates remain very low. Otherwise, the overall environment, together with political sentiments and the weakening ringgit, have resulted in uncertainty in the market. It is very uncertain globally as well.

Some people have described it as the perfect storm. We at Sunway should prepare for the rainy days, and also prepare to catch the market when it comes back up again. It’s very typical for markets to go up and down.

**Do you think the property market has hit bottom? If so, how prepared is Sunway to face this?**

## Sunway Bhd

	2015	2014
Overall	1	1
Quantitative	5	6
Qualitative	1	1

We are not one to chase sales for the sake of it. Instead, it is more important to create the community feel and the value, reinvesting and appreciating with the township. — Cheah

I think there are a few things to look at, especially unemployment and interest rates. These two things are key to whether the market will pick up or go down even further.

We have been hearing of some form of unemployment, such as in the banking sector, but overall unemployment numbers are fair.

Another concern obviously is household debt. These are all very relevant to any property purchaser. We are on the high side, and the only way to alleviate that is to make the gross domestic product (GDP) grow.

From the recent tabling of Budget 2016, the government plans to sustain growth at 4.5% to 5.5% next year. As citizens and corporations, we will work towards that, but whatever we cannot control we will just have to manage as best as we can.

This is especially so in the property market, which is very capital intensive. The key to riding out the slowdown or consolidation is holding power.

In this sense, compared with the 1997 crisis, we are more comfortable with our gearing level at 0.3. We also recently rewarded our shareholders at the [group holding company] level with 26 sen [dividend per share]. This is because we want to recognise our shareholders and reward them for being with us through our ups and downs, and to also tell them that we are financially stable.

But more importantly, we must plan ahead and be careful with our launches and the kind of captive investments we have.

As a company, we not only plan and develop properties but also invest a lot in our investment properties. To date, we have about RM2.3 billion investments that are being constructed.

We have completed The Pinnacle [a 27-storey office tower in Bandar Sunway] and the new Sunway University block [12 storeys and 880,000 sq ft]. In 2016 and 2017, we will have the Sunway Velocity mall [in Cheras] and the hotel next to Sunway Lagoon.



PATRICK GOH/THE EDGE



SHAHRIN YAHYA/THE EDGE

Cheah with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

When they are completed, they will start earning revenue and income for us. It is really a balancing act of allocating resources between development and investment products.

**A lot of your properties, such as retail, are part of your strategy to ride out the property cycles. However, people are not spending. So, are you earning enough from the investment properties to protect you from the cycles?**

Of course, when the economy is down, everyone is affected. But the diversification of our offerings will help because even if consumers don’t buy property, they will shop for other things that they need.

We have to stand out first. We know that, for instance, there is an oversupply of malls. But which are the ones that can truly stand out and thrive?

What makes these malls stand out? Sometimes it’s their size, sometimes it’s what’s around them. Accessibility also matters.

Malls also have to deal with the growth in e-commerce. So, how do malls and entertainment correlate and become one? We have both, so we can create a stronger offering, as opposed to just another mall.

The weakening ringgit is also an opportunity for local retailers and hospitality operators. For example, Sunway Lagoon will be a destination of choice. We just came back from [the Lost World

of Tambun in] Ipoh, and it is doing well.

Our terrain for the theme parks is a unique selling point. For instance, Sunway Lagoon is the only one you can look into from outside. It is also considered the city centre and is water-based. Meanwhile, our Tambun theme park is built against limestone caves, and the Iskandar one [in Nusajaya] will be in a river.

People are becoming more conscious about returning to nature, so that is the space we play in. They are outdoors and family-oriented.

Hotels should also do better because people will prefer to travel domestically now instead of abroad to places such as Singapore, whose currency is three times stronger than ours. So, we have that perspective.

We also lease hospitals, which offer a very resilient income stream. We are looking at expanding that business. We are expanding the Sunway Medical Centre here [in Sunway Integrated Resort City] to 600 rooms from 300, while we will open another 300-room hospital in Sunway Velocity. The Seberang Jaya one will have 250 rooms. We are looking at a hospital in Ipoh, and potentially one in Johor.

The beauty of this is that we can list it separately, just like Sunway Construction Group Bhd. We can get higher returns if we list it.

The whole idea of listing and capitalisation is different financing strategies. We can list different parts of the busi-



ness, while the talent and knowledge all remains under the Sunway umbrella.

All of our investment products now are about RM3.3 billion. We have the REIT (real estate investment trust), and if we do it well, the capital will come back.

So, even in a downturn, there is a silver lining. Because of our diverse offerings, we are able to leverage this downturn.

**Are you planning to buy or sell anything?**

We have built this business model with property development, investment and REIT. We will continue to build and give the first right of refusal to the REIT because we feel that as long as we are managing the property — and the REIT is a kind of financing recycling capital mechanism for us — that gives us the ability to reuse our capital for expansion to different locations.

So, we are not saying we will not sell outside, but the first right of refusal is for the REIT.

We will be looking for things to buy. If the market is slowing down now, we are standing on a strong foundation and can look for opportunities. We will look for landbank and depressed and distressed assets. Perhaps we [the property arm] or the REIT will buy it ... it depends. But it must be at a price that makes sense. Yes, property sales are slow, but we can afford the time to review our strategies and plan properly to catch the market when it returns, and at the same time, look for these assets and land.

**How big is your war chest?**

Our gearing is at about 0.3 times. I will not name the exact budget but as a company with diversified earnings, we can go up to 0.5 times as a guide if we are buying good assets to ride out the property cycle. The banks must obviously be comfortable and do their due diligence.

As for returns [yields], because we can buy different types of assets, they should be at least around 20%.

**Have these kind of assets started appearing in the market? What kind of yields and discounts are you seeking?**

They are starting to appear, but I think this time around, more people are holding strong as the economy and


 SUNWAY  
 Sunway Integrated  
 Resort Centre

corporations are stronger this time. Previously, we were in a very bad shape as well and we had to sell some of our assets.

We're looking for at least 20% to 30% [discounted to market value]. Assets should generate a yield, depending on the type of asset. Currently, we feel that there is a bit of oversupply in all segments, so we may require something that offers more than our regular yields. Therefore, we expect to pay less. Perhaps the cost profile of everything has changed, with inflation and all. One of the things that we need to become a progressive country is foreign investors. I can understand the need to set a limit on property prices for foreign investors, but perhaps the government can give waivers for certain locations such as international zones.

This is because we are not a big country. Our population at 30 million is quite small. We need people with the purchasing power to come and stay with us, work here and spend here.

So, a relaxation of the foreign property investment threshold, with incentives from InvestKL, and trying to get multinational corporations to set up offices here will actually help quite a bit ... because the amount of supply coming up compared with [the number of] foreign purchasers, it's minute. They comprise less than 3% of the overall market.

That of course needs to be balanced with good policies that take care of Malaysians who cannot afford homes. But there are many factors that could be driving prices up, not just foreign investors.

#### What are your views on Budget 2016?

Actually, the property industry did not get a lot of goodies. But in the end, the focus is to get the GDP up so that the banks can start lending again, and obviously the banks are not lending because household debt is very high.

Datuk Alan Tong wrote a very good article about household debt. He pointed out that only 40% of it is due to property.

Property is a hard asset that's right in front of you, it's a very good hedge against inflation and it does not depreciate.

#### You had lowered your sales target by 40% to RM1 billion for FY2015. It

#### sounds drastic. Why did you reduce it by that much?

If you remember, during the middle of the year, I said we were going to keep to the same target but continue watching and reviewing, because the first half of the year is traditionally a slow period for us.

There are two reasons why we had to review the target. Firstly, the market is slow. If it sounds a bit drastic, it's because we strategically delayed some launches such as the final phase of Sunway Geo 3 [at Sunway South Quay]. That project is worth RM500 million, so obviously it's going to have a huge impact.

We feel that our potential buyers would be better able to appreciate the value of the project closer to the township's completion, and we are also going to open our hotel and Nickelodeon Lost Lagoon early next year. They can then see the value the township will give them, so why not time the launches with the opening of the hotel and theme park?

We timed it like this because we are in a township, and once we have put an investment product up, with the publicity we put in, it will bring a different light to the overall township. So, we will strategically launch it next year.

Also, because all the indicators and sentiments are weak, it's about not wanting to shoot ourselves in the foot. We timed it in such a way that it will not affect our profits as much because what I sell now will affect our profits in the next few years.

So for the calendar year, the numbers might look low. But to launch during the year end when the sentiment is weak will not do it justice. We are, however, very proud and confident of the product. It's just that we don't want to come out when it will not get the due response.

If I had high gearing and a lot of holding cost, I would have no choice but to launch. But we are still launching at Sunway Iskandar. It is different because it is a new township and I need people to see that I am developing.

We have a launch in Bangi that we've moved to next year, as well as two smaller launches. But these are more due to delays in getting approvals.

Most of our launches will be in Singapore because the government will not let you sit on your projects! Our exposure to Singapore current-

## Sunway Bhd

FINANCIAL YEAR-END DEC 31 (RM MIL)	2014	2013	2012	2011	2010
Revenue	4,558	4,721	4,129	3,692	3,102
Pre-tax profit	960	1,900	840	499	716
Paid-up share capital	1,730	1,724	1,293	1,293	*
Shareholders' funds	5,936	5,328	3,215	3,017	3,518
Profit attributable to shareholders	734	1,490	439	388	684
Dividend payout ratio (%)	23.5	12	18	NA	NA

\* Representing 2 ordinary shares of RM1.00 each amounting to RM 2

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Sunway Rymba Hills	Zero-lot bungalow	80	308	2010	91
Sunway A' Marine @ SSQ	Condominium	242	217	2010	100
Sunway Rydgeway	Semi-detached house	30	196	Feb 2009	100
	Zero-lot bungalow	40			
Arc @ Tampines, Singapore	Executive condominium	574	1,200 (S\$493)	Sept 2009	100
LaCosta @SSQ	Condominium	377	424	2011	98

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH PERIOD	TAKE-UP (%)
Sunway Velocity	Serviced residence	1,009	1,100	2011-2014	85
	Shop and office	499		2011-2013	100
Sunway Geo, SSQ	Retail, office and residence	1,314	1,500	2012 - 2014	90
Citrine, Sunway Iskandar	Designer office and serviced apartment	495	374	2014	80
	Retail	51	65	Nil	Nil
Sunway Lenang Heights	Semi-detached house and bungalow	112	243	3Q2013	60
Sunway Montana - Phases 1, 2 and 3	Courtyard villa, semi-detached house and townhouse	315	643	2011-2014	92
	Courtyard villa				
	Townhouse			Oct 2014	

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Sunway Geo Residences 3, SSQ	Condominium and townhouse	464	480	1Q2016
Serene Villas, Sunway City Ipoh	2-storey cluster and superlink villa	88	72	4Q2014
	First block of serviced apartment	252	156	3Q2016
Sunway Gandaria	Retail	34	51	1Q2016
	Serviced apartment	259	175	1Q2016
Sunway Emerald Residence, Sunway Iskandar	Landed residence	222	330	4Q2015
Sunway Casa Klara 3	Condominium	288	294	2Q2016

ly is only 30%, as we have a minority share in joint ventures. We've sold S\$2 billion so far, and we have only three projects left to sell. Royal Square at Novena, that's 60% sold. It has medical suites and a hotel, which we will sell to our partner [Hoi Hup Realty Pte Ltd].

There's also Sophia Hills at Mount Sophia. It's in District 9 near Bras Basah and Orchard Road, which is a very strong location.

Of course, we launched during a slow market — and Singapore's tightening measures are very, very tough! — but we believe over time, it will sell because it is a very good location. Last but not least is a landed development in Sembawang.

Singapore, Australia and London

are on our radar screen. We are currently studying some potential areas and we will see how that goes. China, we are there. But we don't want to spread our resources too thin. During times like these, to be diversified and earn in different currencies is quite helpful.

We are not one to chase sales for the sake of it. Instead, it is more important to create the community feel and the value, reinvesting and appreciating with the township.

So, if you look at us as a whole, property sales alone are not reflective of our business.

#### What is your outlook?

We are cautious, but we will look

for opportunities. I think during slowdowns, it is a good time to spend internally, reflect on how our new generation of consumers is spending, restructure and reinventing ourselves to be more relevant going forward.

Now, the property market is crowded. Everyone is a developer. How do we differentiate ourselves?

We have the build-and-operate model, but what I think we really need to look at is the service-level model.

Everyone can build, but how do we maintain and take good care to maintain value? How do we bring in traffic?

We have done all that but there is room for improvement. **E**

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**DATUK ALAN TONG,**  
GROUP CHAIRMAN OF BUKIT KIARA PROPERTIES SDN BHD

# A man of vision

BY ROSALYNN POH

**D**atuk Alan Tong needs no introduction in the Malaysian property industry. In his more than 50 years in the industry, he has received numerous awards

and recognition for his achievements and contributions. These include Property Man of the Year at the Fiabci (The International Real Estate Federation) Malaysia Property Awards in 2010 and being the first Malaysian to be elected Fiabci world president, in 2005/06. During his term, he helped increase Fiabci Malaysia's international membership fivefold in less than a year, giving its members access to a greater global network. Tong, group chairman of Bukit Kiara Properties Sdn Bhd, served as a judge for *The Edge Malaysia* Top Property Developers' Awards from its establishment in 2003, before retiring in 2014.

He started off as a small property developer before venturing into politics for 12 years from 1974. In the 1990s, he expanded his property development activities and Tong became known as the "KL Condo King" for building one of the first condominiums in the country — OG Heights in Old Klang Road, Kuala Lumpur.

One of Tong's greatest legacies in the industry would be the development of the upmarket condominium enclave of Mont'Kiara in Kuala Lumpur. As the founder of Sunrise Sdn Bhd which eventually became a listed company known as Sunrise Bhd, he was the first to begin the transformation of Mont'Kiara from a rubber estate into what is now a bustling, much sought-after international enclave.

Tong is also known as the man who "saved" the international Fiabci Prix d'Excellence Awards when it almost had to cease at the end of a large sponsorship. He took over the operation of the awards in Malaysia and even used his own money to fund the global property awards so it could continue.

For his contributions to the industry both here and abroad, Tong receives the inaugural *The Edge Malaysia* Lifetime Property Achievement Award. This award recognises an individual who has contributed significantly to the property industry through the years, not limited to within his/her own company. The individual should also have played a major role (or roles) in raising the image of the industry in Malaysia and beyond.

Tong appears energetic and in high spirits, having just celebrated his 80th birthday. "I'm not sure why I am getting this award," he smiles. "When I was first informed, I was very shocked as I never expected this. Terribly overwhelmed! I am very, very humbled by this award," he tells *The Edge*.

Tong mentions "fate" more than a few times when speaking of his family and his experience in the in-

dustry. "Somebody up there has been very kind to me."

During the interview at Bukit Kiara Properties' Verve Suites KL South in Old Klang Road, Kuala Lumpur, Tong recounts the steps of his journey in the property industry.

**The Edge: Can you share with us your earliest memory of your involvement in the property industry?**

**Tong:** I went to Sydney to study architecture. There was no such thing as student counsellors then. I heard about architecture and it sounded very romantic to me so I took the course. To my horror, I discovered that the main focus was design. My standard of design is something I am not proud of. My university days were a huge challenge but I managed to pass. After three years, there was a six-month practical training period and I took the opportunity to return to Malaysia. My mother, just like any parent, was anxious and asked me how was I doing at university. I told her my problem and she took me to a few temples and prayed for me.

Then, I went back to university and for the first time, to my surprise, I got a merit for my design assignment! Before that, I only got passes and credits. I was very pleased and was thankful to my mother. After I graduated, I tried to get a job with a big architectural firm but when they looked at my work from university, I knew they were not impressed. I did not hear from them at all. Then I went to meet Eric Taylor, the head of the the KL Municipal Architect's Department (Kuala Lumpur City Hall), and was told they did not have the budget to hire anyone. But two days later, I received a telegram (there were no handphones then) asking me to see them as soon as possible. I was living in Klang and rushed to Kuala Lumpur the very next day.

They asked if I would consider taking a temporary job and I said 'sure!' I got a three-year contract and in 1964, when my contract expired, I was told again that there was no budget to continue my contract. I was left in the lurch again.

I then started my own architectural office (Akitek Barat). This went on for about four years, and my clients



KENNY YAP/THE EDGE

**Tong:** I never imagined how Mont'Kiara would grow into what it is today. I feel overwhelmed and honoured to be the one who opened the doors to Mont'Kiara.



SHAHKRIN YAHYA/THE EDGE

**Tong with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group**



**Tong in his Akitek Barat office in Pudu Road**



PICTURES BY BUKIT KIARA PROPERTIES

**Tong and his son, NK, after receiving the Medal of Appreciation at the Fiabci Prix d'Excellence Awards in Taiwan in 2013**

acumen to be frugal, starting with owning one taxi to two ... and next thing you knew, he had a bus company. He had a good reputation because of his honesty, so I had no problem with my job as people believed that, as his son, I couldn't go wrong.

At the same time, my eldest brother (12 years my senior) was known as a very sociable person and was involved in many associations. He also played mahjong, and what happened was, his mahjong kaki asked him to get me to do something with his five shophouses. Mr Soon became my first client through a joint venture. I remember one of the first buyers of the two-storey houses was my favourite wan tan mee seller! He brought the cash when the property was completed. Trust ... he knew my family — my mother and father, my brother — if I did anything wrong ... my mother would have come after me!

My father had 13 children and a wife to support and out of eight boys, six were sent overseas. I really don't know how he managed it. But when I look back, he did not spend much. The culture of frugality is within us all. He sent me to Australia to study with 200 Australian pounds (Australian dollars were introduced in 1966) and it lasted me one whole year!

At the peak of his bus company business, he had 34 buses. And he managed to accumulate his money and bought four pieces of land in Klang. Each piece of land was about three acres — quite impressive, even back then.

**Who influenced you the most?**

I would say my mother, father and my eldest brother. Why my eldest brother? Being the oldest, you would think he would be the first beneficiary of anything. He was a brilliant scholar — always No 1 in school. He was offered a job as a clerk when he was in Year 7, and after discussions with our father he said he would take the job to help out the family. So when I was studying in Australia, I always

came to me for low-cost homes. It was a one-man show but it was enough to keep me alive. I learnt a lot and in 1968, I thought I should develop properties myself, and that's when I formed Sunrise Sdn Bhd. I roped in some of my siblings and relatives to invest and in the first year, I managed to round up RM100,000 to start the business.

**Did you ever imagine back then how big Sunrise would grow?**

No way! I feel my life is always fated — on the good side. I didn't expect anything but it all came together. I grew up in Klang and my father, who started off as a taxi driver, had the

CONTINUES ON PAGE 40



# THANK YOU

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## Against the odds

### FROM PAGE 38

felt he should have been the one overseas, not me.

He taught me honesty and integrity. In fact, Mr Soon was not his only mahjong kaki who became my client. There was Mr Yap who had 10 acres of land and wanted to build light industrial factories — one of a kind back then. I also built homes on my father's land.

This led to my political involvement — the influence of my family to serve society, especially after the 1969 [May 13 riots] incident. I became very active in politics and before you know it, in the general election of 1974, my chapter president said I would be well suited to stand for election. I wasn't smart enough to refuse and that's how I got stuck for 12 years [in politics]. During that time, I must say I did not pay enough attention to Sunrise.

### Which is your most memorable project and why?

I would say OG Heights in Old Klang Road. It was after politics, in 1986. I had bought the land from a broker ... 10 acres for RM600,000. I couldn't see anything there and I only decided to do something with it 13 years later.

I decided OG Heights shouldn't compete against OUG Garden, which were mainly landed properties. It should be something different, especially because there was a recession then.

I went all out to market the project. We even rented a space at the airport, where we had just a model of the project. But it was enough to pique the curiosity of travellers. My intention was to capture the Singapore market. We received quite a good response.

I sometimes wondered if I had wasted 12 years being in politics. But perhaps not. If I could convince people to vote for me, perhaps I could convince them to buy my houses! If I am not mistaken, I was probably the first developer to put up a stall at a pasar malam in Section 17, Petaling Jaya! It wasn't that bad — we sold one unit!

To make OG Heights different, I considered the surroundings and added facilities to the project. Back then, due to the financial crisis, thousands of projects were stalled. That was how bad the situation was in 1986.

### How would you describe the experience then?

Horror! It was quite a big project and the challenges were new. My situation was like Sun Tzu's *The Art of War* — if you push your enemy to a wall, he will fight you right to the end. That was my situation. Behind me was a wall, I had no choice but to go ahead and fight. I remember I had a team of 20 in the sales department. I took a map and assigned groups to certain streets. Their job was to explain the concept of OG Heights to people — 23 floors and three blocks — it was a big project. People hesitated in the beginning due to the recession, but it got better after that.

I focused a lot on marketing OG Heights. I may have been the first developer to organise open-air concerts



Aerial shots of the ex-rubber estate at Mont'Kiara and how it has since grown to be a sought-after international enclave

when I was launching OG Heights. The site was maybe 1.7km from the main road. There was nothing there at the time, so I had to create something to attract people. At that time, local singer Elaine Kang was famous and we invited her to perform a concert there. The concert attracted almost 2,000 people on a Saturday night. I did that quite a few times. At least, they could see OG Heights coming up. I told the contractors to continue their work ... leave their lights on so people could see that while other projects had stalled, our project was still going on.

### You were known as the 'KL Condo King' in the 1990s. You were the one who first started Mont'Kiara and look at it now. Tell us how it all began.

After OG Heights, I worked on Cascadium in Bangsar and Taman Seri Bahagia. It was around that time that a broker came to ask if I was interested in a 10-acre parcel in Segambut. I told her I was busy and to see other developers first. Six months later, she came back and insisted I must see the land. By then, Cascadium was successfully launched. The 120 units were sold within a week by word of mouth. I think it was wrongly priced — too cheap! (laughs). We also launched Taman Seri Bahagia [in Cheras]. The launch was at Sungei Wang Plaza. I hired a real estate agent and they reported that out of over 50 housing projects in Cheras, only 60 units per month were sold in total. How was I going to sell more than 500 units? Again, it was against the odds but I managed to beat them. We built shorter two-storey terraced houses with built-ups of about 1,200 sq ft.

So back to the broker, I finally went to see the land. We viewed it from Sri Hartamas. She pointed out the land



OG Heights in Old Klang Road is one of Tong's memorable project

to me. It was just 500m away from where we stood and it was a rubber estate. The undergrowth was so thick you couldn't even walk through it. So I would have to buy the land without even walking on it. Back then, many would have found it too hilly and the valley a bit too deep. I did not want to build houses on that type of terrain, it would have been prohibitive. So I thought to just buy it first at a good price and think about it later. Within 18 months, the broker came back with more land for sale there. I bought over 100 acres and I took out a huge bank loan for it — up to 80%! They must have had good foresight, too, to take on such risks.

But yes, Mont'Kiara, I never imagined it would grow into what it is today. I feel overwhelmed and honoured to be the one who opened the doors to Mont'Kiara. More than 10 developers have jumped on the bandwagon to build there. It still has such an appeal to the international community.

### Let's talk about Mont'Kiara Sophia. You thought about retirement homes back then, when it

### was almost unheard of. Didn't you think it was risky, especially in our culture? Is now the right time to develop such homes?

The first few projects in Mont'Kiara — Mont'Kiara Pines, Mont'Kiara Palma and Mont'Kiara Pelangi — did well. I built Mont'Kiara Sophia like a real retirement home — I even put in a space with artificial turf for lawn bowls. I forgot that in this weather, who would want to play that game? (laughs). The cost went up and it became so luxurious and it had a low density, and I priced it very high compared with the rest. For the first time, the response was not very good. Only 5% to 10% were sold during the soft launch. I also had a restriction — only for people 50 years old and above. It was a problem, so I removed the condition but the response was still not so good.

This time, I went to Singapore to get buyers and the response was quite good and it gave me confidence to go ahead. And yes, I think now is the right time for retirement homes.

### What are the lessons learnt and what is your motto in life?

Never do unto others what you wouldn't want others to do unto you. My parents, they were very caring with their neighbours and I think it is something that has been embedded in us.

Even though I am the third son in my family, I act more like the eldest, really. When the company started to grow, my family looked up to me. My eldest brother was quite happy about this and even encouraged it. As for my employees, I treat them like friends. However, they must not forget integrity. In the development industry, we pay a lot of attention to our buyers to let them feel they have made the right choice in buying our properties.

### If you had the opportunity to change the past, what would you change and why?

If I could change anything about OG Heights? I was very lucky with that project and to expect something more than that, especially at a time when there were so many stalled projects? I wouldn't think so (smiles).

I probably would not have sold Sunrise at the age of 62! I thought perhaps it was time for me to retire when I sold Sunrise soon after getting it listed, just before the financial crisis in 1997. It was probably one of the biggest mistakes I have ever made. In other words, I don't really know how to retire (laughs) and I would tell younger people to really think about it before retiring.

I think I could have contributed more instead of retiring — perhaps something more constructive and meaningful. After about four years of travelling and playing golf, I became very restless and decided to form Bukit Kiara Properties Sdn Bhd with my son, NK (Datuk NK Tong). ■

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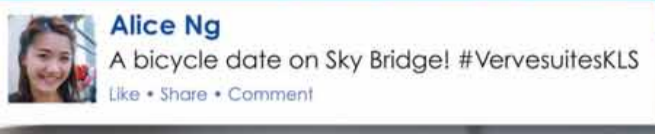
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**Outstanding Property  
Entrepreneur Award 2015**

**TAN SRI LEONG HOY KUM,**  
GROUP MANAGING DIRECTOR, MAH SING GROUP BHD

# 'Right product, right timing, right target market'

BY **WONG KING WAI**

**B**usiness challenges, financial crises, market slow-downs are all part and parcel of life for a businessman. The only way to get through them is to not give up. This holds true for Mah Sing Group Bhd group managing director and this year's joint winner of *The Edge Malaysia* Outstanding Property Entrepreneur Award, Tan Sri Leong Hoy Kum.

"Giving up is not in my vocabulary. Where there is a will, there is always a way. It is not always easy to achieve the targets and goals you set, which is why the appetite for success or the willpower you have within is the internal reserve that pushes you on to persevere," Leong says. Under his leadership, Mah Sing has appeared in the Top 10 of *The Edge Malaysia* Top Property Developers Awards five times.

This can-do attitude has stood Leong in good stead through the years since Mah Sing expanded into property development. The group started off as a plastics trading company in 1965. In 1986, Leong founded the plastics manufacturing division, which he grew with propriety and original equipment manufacturing products for the automotive and electrical and electronics industries.

In 1994, Leong entered the property development arena with Mah Sing's maiden project in Ulu Yam, Selangor. The 45-acre project with a gross development value (GDV) of RM21.5 million featured link houses. Once he started, Leong got hooked. Besides a new-found passion for real estate, he also saw the property industry as an avenue to maximise shareholder value.

"When I cut my teeth on property development, I had to separate the highly successful and established Mah Sing Plastics from the new entity of Mah Sing Properties," Leong says. "This ensured that both grew organically and did not compete for my time and resources."

Today, the plastics division is go-

ing strong with operations in Malaysia and Indonesia.

"There is a separate management team for the plastics division and as they are very capable, they have been running the division independently for many years," he says. "The plastics division has been steadily winning various corporate and product awards and we have our own patent-pending products. The Malaysian operation is a wholly-owned subsidiary of the group while the Indonesian operation is a 65%-owned subsidiary."

Besides the project in Ulu Yam, Mah Sing also developed Sungai Petani Business Centre in Sungai Petani, Kedah (GDV: RM13.4 million) and the Mah Sing Integrated Industrial Park in Sungai Buloh, Selangor (GDV: RM750 million) in 1994. The following year, it developed Saujana Akasia Country & Resort Homes (GDV: RM70.8 million), also in Sungai Buloh. There has been no holding back its rapid rise in property development since — Mah Sing today has 46 projects spread across Malaysia.

## Business evolution

Leong notes that one of the challenges that a property developer faces is to carve a niche for itself among the competition.

"The competition among property developers in Malaysia is very high, and this is a good thing! It is through healthy competition that we can push ourselves to be better and to grow Mah Sing to where the company is today.

"As a premier lifestyle developer, we aim to enhance the lives of our buyers and investors through our products.

"Hence, we aim to impart a lifestyle that is a step up from what our purchasers have experienced before. This includes having exclusivity, security and amenities that address their lifestyle needs. To our investors, we present high-value properties that have good capital gains as well as rental yields."

This direction and vision have seen the business of property devel-



PATRICK GOH/THE EDGE



Leong with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

SHAHNIN YAHYA/THE EDGE

"We are a financially prudent company. We have kept our gearing very reasonable and this will allow us to tap any good opportunities that may arise. We will also focus on offering affordably priced products as consumer spending power has been affected." — Leong



The interior of Mah Sing's plastics factory

PATRICK GOH/THE EDGE

opment evolve from merely building houses.

"We have evolved from a developer building houses to building communities. For example, in Mah Sing's Southville City@KL South, we have a sustainable township with a cohesive master plan that delivers a conducive and safe environment. We have also adopted this model at our other townships such as M Residence in Rawang, and Bandar Meridin East in Johor Baru," Leong says.

In addition to master planning, Mah Sing partners experienced contractors, architects, consultants and other suppliers. And it is always on the lookout for talent and is committed to develop and retain its staff.

Customer service is another key aspect of its business. "We are al-

ways working to improve the experience of our users as they are our best brand advocates. With all these components in place, we can ensure that the quality of our products is of the highest standard, that we are able to continuously innovate to meet market demand and improve our branding," says Leong.

As the founder of the company, Leong has imparted some of his entrepreneurial skills and experience to the present management.

"I am very proud that Mah Sing has retained an entrepreneurial spirit and professional management. Building Mah Sing together with my team over the years, we have found that life is about continuous learning and improvement.

CONTINUES ON PAGE 44



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## Rolling out products based on market needs

**FROM PAGE 42**

“The world is constantly changing. As a market-driven developer, we need to adapt to and stay ahead of the market. As we strive to live up to our brand promise, which is to be a premier lifestyle developer, we have learnt to invest strongly in our human capital. This is because, at the end of the day, it is my team who have led Mah Sing to where the company is today, and it is my team who will lead Mah Sing to the next level.”

**Building for everyone**

While the running of the company is in good hands, Leong realises the importance of creating homes that cater for all strata of society.

“Our portfolio of projects not only serves the upper end of the market but also provides an enhanced lifestyle for the masses. In fact, many of our properties meet the value-for-money demand of the middle-income group, who desire a higher quality of life in an affordable price range.”

Despite the current soft property market, Leong believes Mah Sing’s healthy balance sheet and philosophy of “right product, right timing, right target market” will stand it in good stead.

“Mah Sing has a strong team, a comprehensive range of products and a strong financial position,” he says. “Hence, we believe we can weather challenging times better ... We are careful to plan and maintain our market leadership position and to roll out products that are relevant at a price point based on market needs.”

“We are a financially prudent company. We have kept our gearing very reasonable and this will allow us to tap any good opportunities that may arise. We will also focus on offering affordably priced products as consumer spending power has been affected.”

“At the same time, the quality must be there, and we will offer good concepts that will appeal to the younger generation. In today’s time and age, quality is a given, and this is the reason we focus on delivering good quality with good customer service.”

Leong believes there is much more the property market in Malaysia can absorb.



Aman Perdana in Klang

“Currently, while market sentiment is poor, there is still a supply and demand gap — only 70,000 to 80,000 new homes are completed each year while about 200,000 new properties are required to meet the number of new households formed from new marriages. This is why we still have selective launches.

“In the face of inflationary and economic concerns, we believe property will continue to be the preferred investment option to hedge against such concerns. We are practical in our product launches as we garner a decent 70% take-up rate for a project block before launching a new one.”

**Forward-looking**

After more than two decades in the industry, Leong is still going strong. His business verve is unabated, but he is under no illusion that this will continue and is infusing new blood into the business.

“To the future leaders of Mah Sing, we are very pleased that you have chosen to grow your careers with us. As I said before, we are a company that is highly invested in our human capital



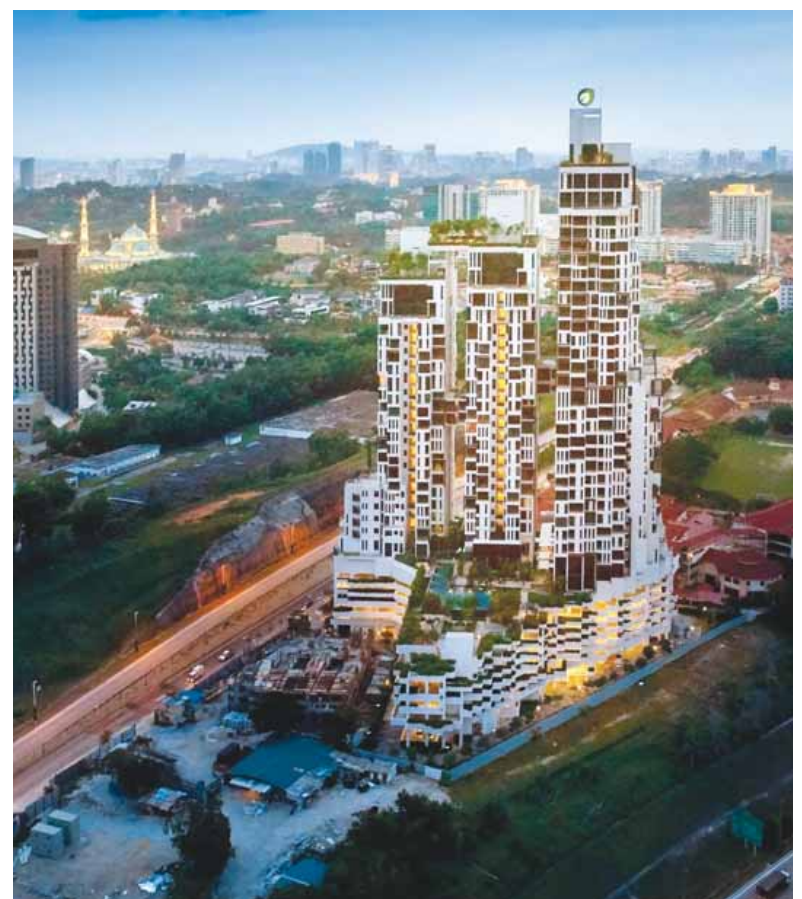
Sri Pulai Perdana in Johor was Mah Sing’s first township development

because we believe that our team is our greatest asset.

“Team Mah Sing will further enhance the value of the company by providing great customer service, quality products and by innovating to meet the market demand.”



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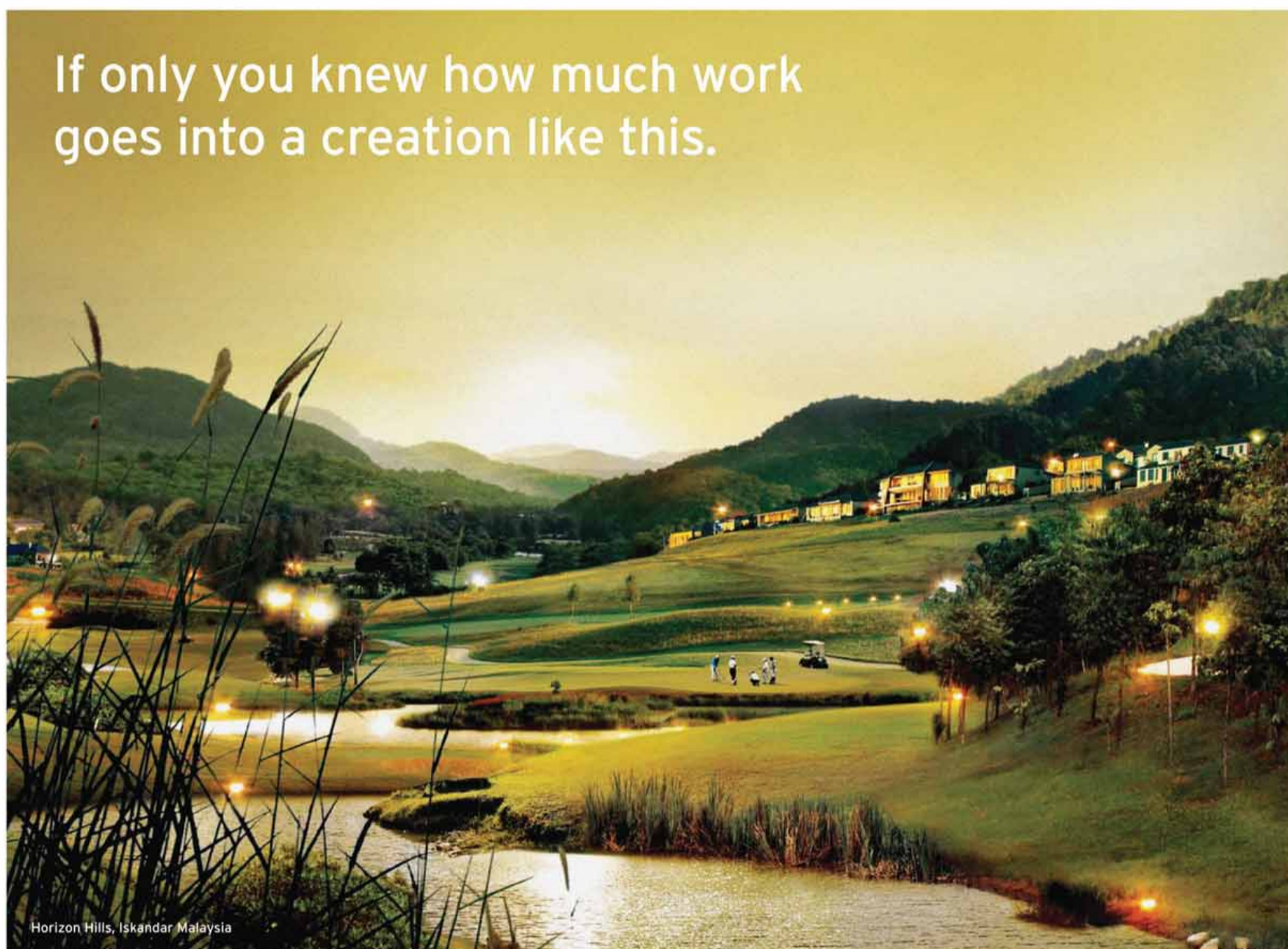


Icon Residence in Mont’Kiara, Kuala Lumpur

PICTURES BY MAH SING

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**TAN SRI DANNY TAN,**  
FOUNDER AND ADVISOR OF TROPICANA CORP BHD

# Vision + passion = Success

BY **WONG KING WAI**

Tan Sri Danny Tan has been at the helm of Tropicana Corp Bhd for more than 23 years. Earlier this year, however, he handed over the reins to group CEO Datuk Yau Kok Seng and deputy group CEO Datuk Dickson Tan. Dickson is the eldest son of the Tropicana founder.

After all that time and what he has done for the business, no one would begrudge Tan if he walked off into the sunset, put his feet up and enjoyed life. However, you can take the man out of the business but you can't take the business out of the man.

"I don't think [I can stop working] so I still work part-time as an adviser to the company. I still try to help in whatever way I can and also do a bit of networking. I try to do some investments here and there," he says.

The company he founded in 1992 was called Dijaya Corp Bhd before the name was changed in 2013 to Tropicana Corp, after the group's hugely successful 625-acre Tropicana Golf & Country Resort development in Petaling Jaya, Selangor. Other significant projects include Tropicana Aman, a 863-acre mixed township development

with a gross development value (GDV) of RM13 billion; Tropicana Heights, a 199-acre mixed development with an estimated GDV of RM2.18 billion; and Tropicana Metropark, an 88-acre integrated township with an estimated GDV of RM7.2 billion.

The group's current market capitalisation as at Dec 2, 2015, was RM1.41 billion.

In recognition of his success in building one of the top property development companies in the country, Tan was presented with *The Edge Malaysia* Outstanding Property Entrepreneur Award 2015.

Asked about the secret to his success, he puts it down to having a clear vision. "I believe successful entrepreneurs must be visionary and passionate about what they do. Once you have set the vision, you must inspire and lead your people to transform the vision into reality," Tan says.

"In everything we do, we must be passionate about it. When you have the passion, you will always give your best and will go the extra mile to achieve your goals. Vision and passion, plus work hard, work smart and think positive, are what drove me to where I am today."

Ever since he was a child, Tan has



MOHD IZWAN MOHD NAZAM/THE EDGE

SHAHNIN YAHYA/THE EDGE



Tan with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

In everything we do, we must be passionate about it. When you have the passion, you will always give your best and will go the extra mile to achieve your goals. – Tan

TROPICANA CORP



Sri Desa Condominium in OUG, Kuala Lumpur, was developed in the late 1980s

had a personal vision that he would one day be successful. "I always told my friends then that I wanted to do well in life," he recalls. "A lot of them did not believe I could make it."

### Humble beginnings

Tan grew up in Batu Pahat, Johor. He wasn't a very good student, he says as "I was mostly thinking about making money". He saw a chance to do that at the age of 20, when he decided to follow his brother, Tan Sri Vincent Tan, the founder of Berjaya Corp Bhd, to Kuala Lumpur.

"My first job was selling encyclopaedias. At that time, I had no experience at all and I did not know how to market the product," he says. "Of course, sales were not good and I was so poor that I could not even afford to buy a motorcycle."

He eventually decided to stop selling encyclopaedias and followed in

Vincent's footsteps, joining AIA to sell life insurance policies.

The brothers then decided to join forces and started a reconditioned vehicle business.

"During that time, we got the dealership from Hino to sell heavy vehicles and machinery. In 1980, we became Toyota and Proton car dealers," he says. "To attract more customers, sometimes we had to ride on our motorbikes early in the morning to go to the Road Transport Department to bid for special car number plates."

They then decided to try their hand at property development. The first project they completed was the UPC Court Apartment in Johor Baru.

"We also embarked on other property development plans. These included some shophouses and condominiums in Old Klang Road [such as Sri Desa Condominium in OUG], a mixed housing project in Taman Indah, Johor Baru, and the Bukit Banang development in Batu Pahat," Tan recalls.

In 1990, Tan decided to strike out on his own, and bought the Tropicana Golf & Country Resort land for RM60 million. He was then only 35 years old.

"When we first launched the pro-

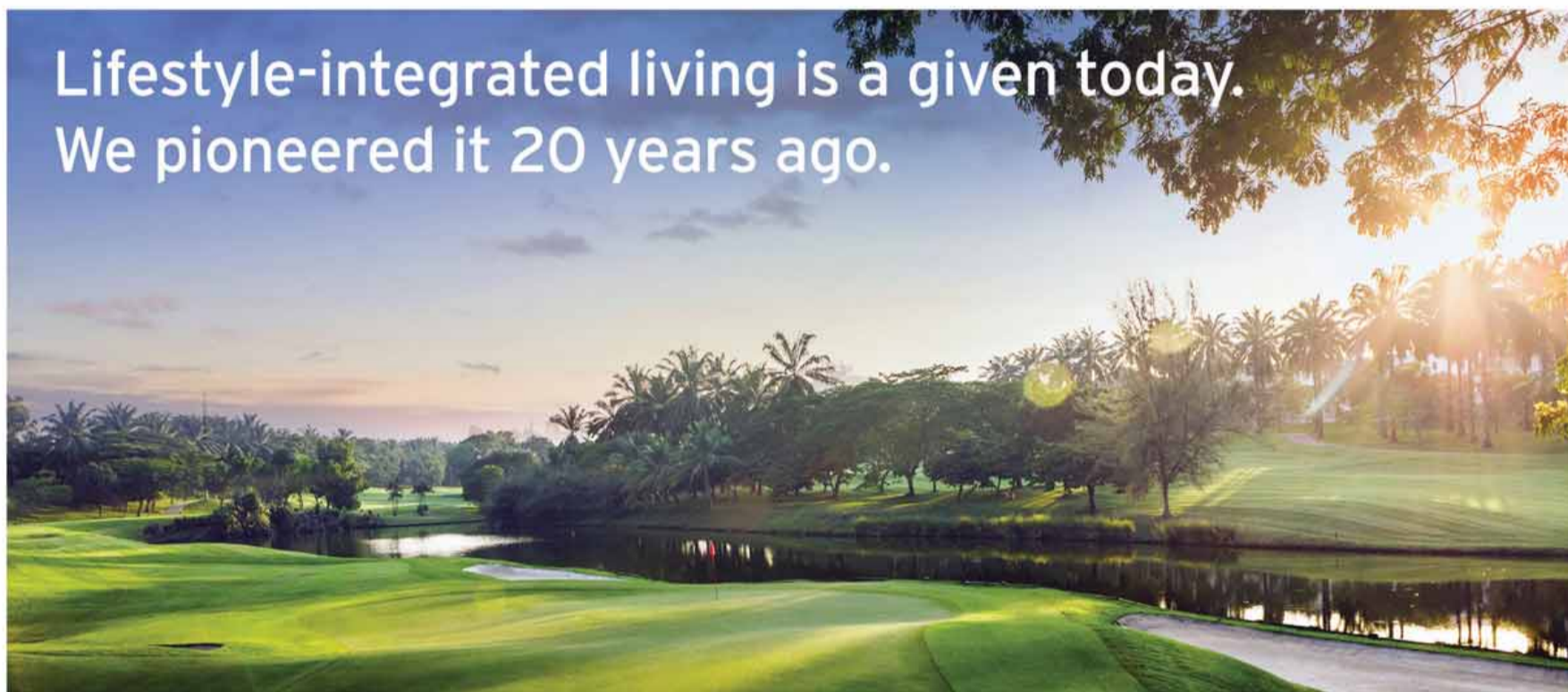
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PICTURES BY TROPICANA CORP



An aerial view of the 625-acre Tropicana Golf &amp; Country Resort



Tan and his spouse, Puan Sri Ivy, on their honeymoon in the US



Tan's old company headquarters (left) and new office at Tropicana City Office Tower



## Evolving to become master builders of communities

### FROM PAGE 46

ject in the middle of 1991, the bungalow lots were priced at RM36 psf. Prices now are over RM500 psf. In fact, when we launched it, we imposed a condition that buyers had to be members of the golf club before they could buy the bungalow lots," he says.

Because of the size of the site, helicopter rides were arranged for prospective buyers so they could better visualise the vision of the resort.

"The project was so successful that we settled the bank loan well ahead of time. The bank was very surprised and asked us to slow down in redeeming the loan!"

Tan adds that Tropicana Corp was one of the first developers in Malaysia to come up with the gated community and resort-living concept.

### A nose for property

In a competitive industry like property development, how did Tan keep ahead of his rivals?

"Always capitalise on the windows of opportunity. I am quick to identify a good business plan, act fast and remain steadfast in my decisions," he says. "Between Vincent and myself, I am more of the property man. For example, I helped him to negotiate the purchase of the prime land that even-

tually became Berjaya Times Square in Kuala Lumpur in 1995. Initially, the deal was a 50:50 venture between us but Vincent then bought out my shares in Matrix International Bhd, which owns Berjaya Times Square.

"To me, property is all about location. As long as the location is good, nothing can go wrong. A strategically located property can only appreciate in the longer term."

Besides having a good nose for property, he also understood the need to create a thriving brand — which was how the Tropicana DNA came about.

"After more than two decades in the property industry and having pioneered residential resort-style living with the advent of Tropicana Golf & Country Resort and Tropicana Indah Resort Homes, we established a development DNA that sets us apart. The DNA focuses on accessibility, connectivity, innovative concepts and designs, generous open spaces, amenities, facilities, multi-tiered security and quality," Tan explains.

Although retired, he still keeps abreast of what's happening in the property market. So what are his views?

"Even though the overall property market has remained soft in the past

year, we nonetheless adopt a long-term positive view in Malaysia, due to the growing population backed by the expanding middle income group. These two factors will continue to ensure a demand for properties, especially among first-time home buyers and those upgrading to better homes," he says.

"Interestingly, we have also seen changes in consumers' buying behaviour. Rather than just buying a home, consumers today, especially the younger generation, are looking for a holistic lifestyle. What I mean is they are looking for a neighbourhood that offers great facilities, amenities, security, accessibility and connectivity. A swimming pool and a playground are simply not enough these days!"

Besides understanding the changing demands of the consumer, Tan also realises that developers are becoming more than just house builders.

"We are also seeing a shifting trend as property developers are today evolving into master builders of communities, instead of just building brick-and-mortar homes. Hence, we need to ensure that there are more mixed-use developments that incorporate residential, commercial, entertainment, recreational and even cultural components. These integrated

developments will see homes, offices, restaurants, shops and entertainment outlets stacked vertically on top of each other or constructed within walking distance, thus reflecting the changing behaviour and mindset of young home buyers as well," he says.

One example of the integrated lifestyle Tan mentions is Tropicana City in Petaling Jaya, which was launched in 2009. The main components include Tropicana City Mall, Tropicana City Office Tower and Tropicana City Tropics serviced apartments. It was the group's first foray into property investment. This year, the group sold Tropicana City Mall and Tropicana City Office Tower for RM540 million to CapitaMalls Malaysia Trust.

Tan is optimistic that the property market will recover next year.

"We anticipate property demand recovering towards the second half of 2016," he says. "Notwithstanding this, Tropicana's ongoing brand-building initiatives have allowed us to mitigate the weak consumer sentiment, allowing us to remain competitive."

### The future

Although he has taken a step back from the life he has known for over 20 years, Tan is now occupying his time with other pursuits, in addi-

tion to his part-time involvement at Tropicana Corp.

"I exercise every day, one hour in the gym. I am very health conscious. I became a vegetarian four months ago. My children said I would not last a month," he says with a smile.

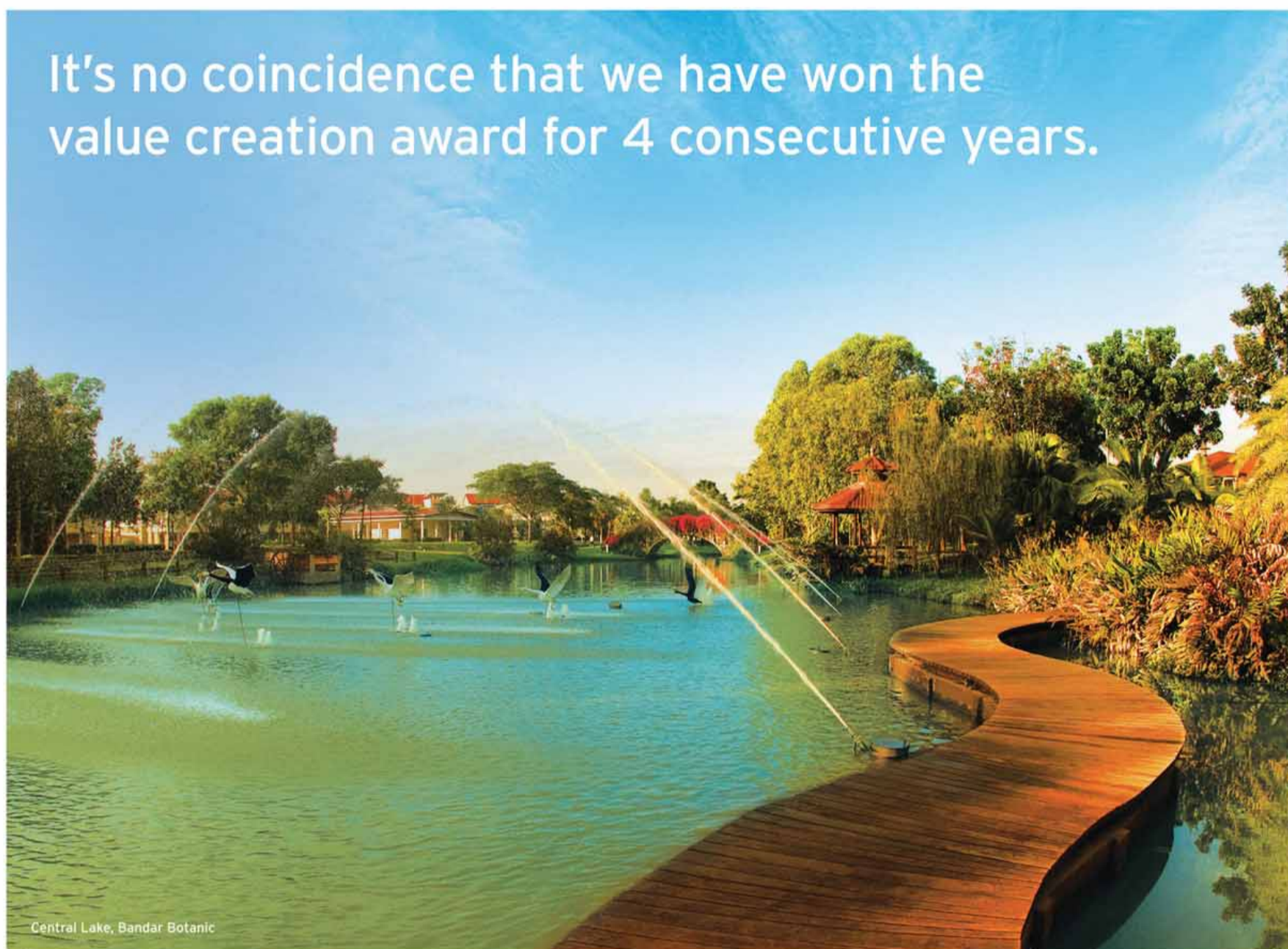
His children are gradually following in his footsteps. Dillon, his second son, is deputy managing director, Southern Region, and is based in Johor, overseeing projects there. His third son Dion is an executive director. His daughter Diana and youngest son Din are not involved in the company at present.

So what advice would a man who has survived the ups and downs of the industry have to give to the new generation of property developers?

"My advice is to start thinking strategically, be passionate about what you are doing, and be innovative and always think out of the box. Young people must not be content with where we are right now. They must look for the game changer in order to be successful. It is also very important to leverage the use of technology, such as the internet, to transform the business. This is the way to go — work hard and work smart as there are no shortcuts in life," Tan sums up. ■



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**DATUK CHANG KHIM WAH,**  
CEO AND PRESIDENT OF ECO WORLD DEVELOPMENT GROUP BHD

# Using his competitive spirit to reach the top

BY E JACQUI CHAN

“I’m a competitive person. To put it in a local context, I’m very ‘kiasu,’” says Datuk Chang Khim Wah with a hearty laugh.

No doubt, this “kiasu” spirit has helped the president and CEO of Eco World Development Group Bhd in his career.

Chang is one of two recipients of *The Edge Malaysia* Outstanding Property CEO Award 2015. The new award was conceptualised to recognise CEOs or professionals who have successfully taken the company to an exceptional level under his/her leadership.

Considering EcoWorld’s first launch (Eco Botanic in Nusajaya, Johor) was just a little over two years ago, its achievement has been impressive.

In its financial year ended Oct 31, 2014 (FY2014), EcoWorld achieved sales of RM3.186 billion, which was more than its initial target of RM2 billion. It has set a sales target of RM3 billion in FY2015 and RM4 billion in FY2016. As at Aug 31, it had already achieved year-to-date sales of RM2.37 billion.

EcoWorld presently has about 7,443.9 acres of landbank with a total gross development value of RM81 billion. The developer has a presence in the Klang Valley, Iskandar Malaysia and Penang with 17 projects in total, including Eco Majestic in Semenyih and Eco Spring in Johor Baru. Its product ranges include affordable, upgrader and luxury homes, integrated high-rise developments and green business parks.

EcoWorld has also managed to build a strong brand in a short period of two years. Much of its success can be attributed to Chang.

In his younger years, the Kuala Lumpur born and bred Chang never thought that he would be heading a major company. He graduated with a bachelor’s degree in civil engineering from Australia in 1989 and worked for a couple of years as a consultant civil engineer in Australia before moving back to Kuala Lumpur.

In 1994, he joined Syarikat Kemajuan Jerai Sdn Bhd (SKJ), which was set up by EcoWorld chairman Tan Sri



SAM FONG/THE EDGE

Liew Kee Sin. SKJ was bought over by S P Setia through a reverse takeover exercise in 1996. “I joined Liew at the end of the development of Bukit Indah Ampang, before we started in Pusat Bandar Puchong. I spent over a year with Liew in Puchong before he transferred me to Johor Baru to start the development of Bukit Indah Johor in 1997,” says Chang.

He eventually became S P Setia executive vice-president of the Southern and Northern property divisions. He remained in Johor Baru for more than 15 years until EcoWorld came calling.

When he was asked to head the new company, he said “yes” without hesitation. Chang and a group of his longtime S P Setia colleagues joined

“There have been sweat, tears and blood. Nothing would have happened if the team didn't put in their all, and the team can only put in their all if they have faith in the management and themselves. – Chang



PICTURES BY ECO WORLD DEVELOPMENT GROUP

Chang believes in nurturing and optimising the team's potential



SHAHRIN YAHYA/THE EDGE

Chang with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

EcoWorld and were instrumental in the rise of the company.

“It was an opportunity for the team and me to start again, but with more knowledge than when we first started. Rarely do you get a chance to start afresh with a clean slate,” says Chang.

Of course, being a competitive person, the lure of new challenges was too good to pass up.

“I think it’s not just me, but the team as well. We were eager to tackle these new challenges and, maybe, even set new benchmarks. These things excite us. Even though I’m heading a new company, I believe we can compete with the best in the market if the team is right and the landbank is right.”

## Keeping the team together

With an ambitious sales target and pressure to excel, how does Chang motivate and hold the team together?

“This job has two extreme ends; it’s one of the toughest jobs in the industry and it is also one of the easiest. The easy part is that we have Liew at the helm, and he has provided his entrepreneurship and his guidance. I have with me one of the most experienced teams in the industry.

“At the same time, we have a good portion of young talent. They are energetic, eager, very tech and social media savvy. So we have a good blend of people and the teamwork is superb.”

On the flip side, having an experienced team can have its own pitfalls. With the team’s reputation, expectations were in place right from the start.

“The hardest part was having to tap our experience and detach ourselves at the same time. We had to keep the principles we learnt but create a new look, image, quality and service standards. If we repeat ourselves, we can only be second best.

“To be able to achieve our sales target of RM5 billion in two years (2014 and 2015) is hard but I believe, with this team, we can do it. I can’t tell you if this is the ideal job — there are both hard and easy parts — but I think we have the best of both worlds,” says Chang.



The entrance to Eco Majestic in Semenyih



Artist's impression



Artist's impression of the waterscape



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## Optimising the potential of the team

### FROM PAGE 50

However challenging it has been, he is proud that the team, including the senior management and Liew, have never faltered at any stage.

“There will always be challenges in any business, whether they are big or small. Every single challenge that came our way, we have overcome and even benefited from them. In the beginning, the challenge was to buy strategic landbank, then it was how to convert the land and launch [projects] as soon as possible.”

The biggest challenge today, says Chang, is the overall market sentiment and shrinking market.

“It’s a new challenge; how to maintain our sales momentum and continue to grow in a shrinking market. We will have to continue to innovate to overcome these challenges. So far so good, we are still looking good to meet our sales target this year.”

While EcoWorld has done well under his leadership, Chang can’t say he is completely satisfied, as satisfaction, to him, means perfection and perfection doesn’t exist.

“Things are never perfect. We are still learning and there are still many things we could have done better. Having said that, I think we have done a lot in less than 1,000 days. We have acquired more than 7,000 acres in landbank, we are listed on Bursa Malaysia, we have launched 10 projects and part of EcoWorld has gone international.

“We have not done all this carelessly, but with proper planning in great detail. The intention is to create a product of quality and value to all our customers. In that sense, I think we are happy with what we have achieved, but to be truly satisfied, everything has to be perfect.”

The most important thing Chang has learnt in his role as a CEO is how to optimise the potential of the team.

“Our team has a lot of potential, and I believe they can still go much further. You must assemble the right team and make sure you have the right job for the right person. Then you have to encourage and motivate them, and get them to create new ideas and learn new things.

“Everyone has the opportunity to express themselves and contribute. I think that is one of the keys to our success so far. There have been sweat, tears and blood. Nothing would have happened if the team didn’t put in their all, and the team can only put in their all if they have faith in the management and themselves.”

### The man who does not sleep

Life has changed for Chang since he took on the role of CEO.

“Work has taken up quite a lot of my time in the past two years. Luckily, my family is understanding. It helps that they can see I enjoy my work. Of course, it’s not all about work — I still find time to spend with my family and friends, and exercise.”

Despite the heavier workload and higher stress, Chang enjoys his work more now than in his previous position.

“Before this, I was looking after Iskandar Malaysia, so it was more project-based. It is more challenging



PICTURES BY ECO WORLD DEVELOPMENT GROUP

EcoWorld’s maiden project, Eco Botanic, was launched in September 2013



Chang (left) started working with Liew in 1994

being the CEO. I think it makes me more rounded. I get to meet more people, there are many more things to learn and new challenges to overcome. That, to me, is more enjoyable.”

A day in Chang’s life starts early, at 6am, and most of the time he is in the office by 8am.

“I have been known not to sleep. My SMSes would fly almost

24 hours a day, which I know is a very bad habit,” Chang chuckles.

“I like to start early because I spend a lot of time having meetings outside the office, so I try to catch up with work in the office in the morning. I try to visit each project at least once a week, and I meet Liew and some of the senior management once or twice a fortnight.”

He also tries to have lunch in the office cafeteria so he can spend some time with the staff. EcoWorld caters lunch for the staff. Most days, he calls it a day at 9pm to 10pm.

He attributes his success as a CEO to Liew’s guidance and the support of the team.

“My competitiveness has helped push me as well. I love jumping into a lot of things and I don’t like to dilly dally on issues. So when problems come to us, we make it a point to resolve them immediately or as soon as possible.”

Chang has no plans to take a break anytime soon.

“We have accumulated more than 7,000 acres of land. Going forward, we will continue to launch what we have and aim to do each new phase better than the last. We are looking for more strategic land that will give us new catchments.

“Projects like the RM8.7 billion Bukit Bintang City Centre (BBCC) and the RM10 billion Eco Marina will not only give us more sales but also reinforce our brand.”

BBCC is a joint venture between EcoWorld, Uda Holdings Bhd and the Employees Provident Fund and will be built on the site of the former Pudu jail. Eco Marina in Penang is a project EcoWorld is buying from Penang Development Corp.

It looks to be another long, busy day for Chang, but as we part ways, he says with a grin, “Every day is full of something, there’s never a dull moment.” ■



Eco Spring in Johor Baru

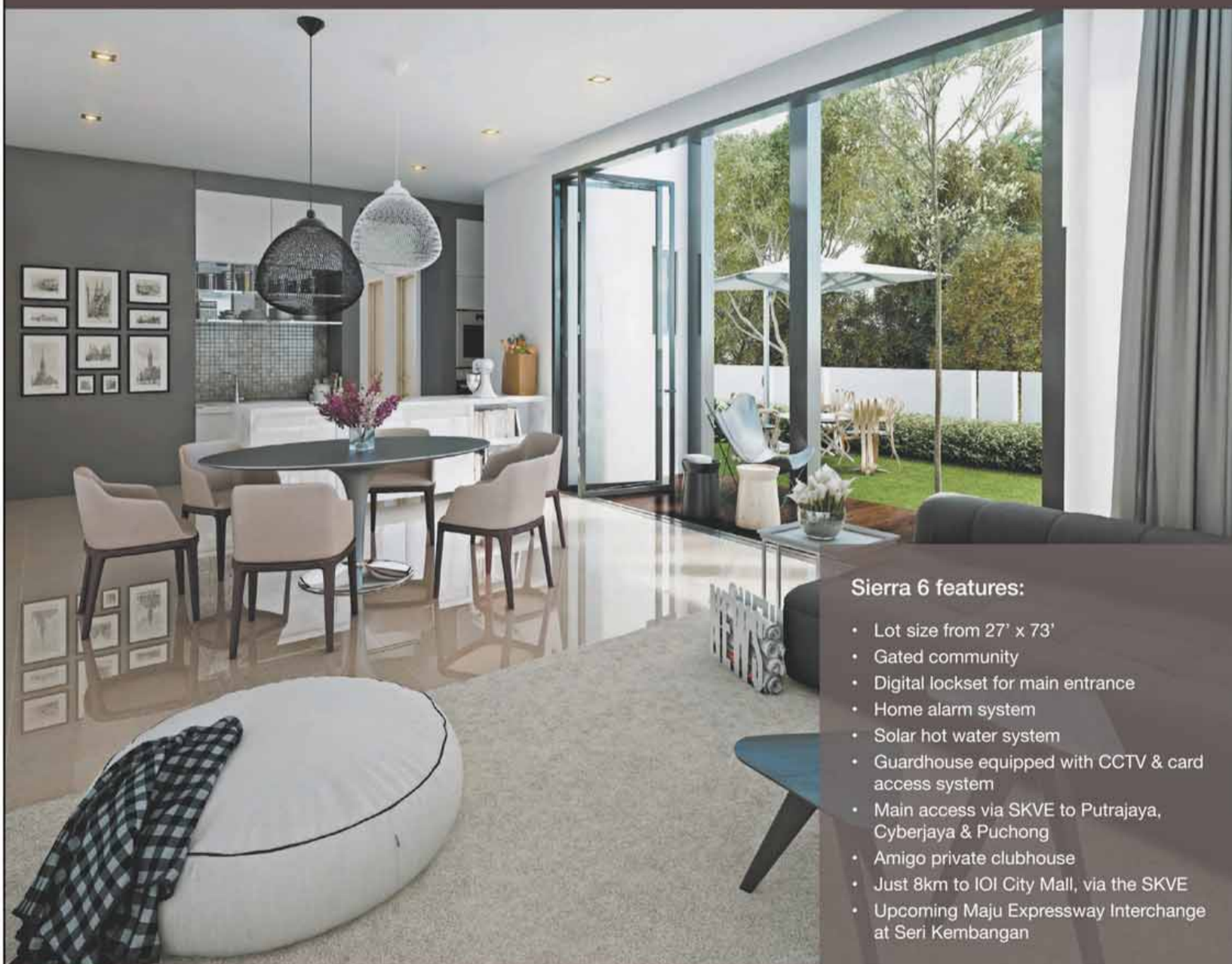
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**Outstanding Property CEO**  
Award 2015

**TAN SRI ABD WAHAB MASKAN,**  
MANAGING DIRECTOR, SIME DARBY PROPERTY BHD

# Setting a new benchmark

BY E JACQUI CHAN

Tan Sri Abd Wahab Maskan is a man who believes in “walking the talk”.

“That is the kind of leadership and personality one should have so a benchmark can be set for others to emulate,” says the managing director of Sime Darby Property Bhd.

So far, his management philosophy has served him well in his long and successful career.

Long before he became a familiar and respected name in the local real estate and plantation industries, Abdul Wahab had an “interesting and fun childhood” in his hometown of Muar, Johor. From a young age, Abd Wahab was a people person.

“I was active in sport, badminton was my forte. I have always loved being involved in people-orientated activities,” says Abd Wahab in an email interview with *The Edge* in conjunction with winning *The Edge Malaysia* Outstanding Property CEO Award 2015. He is one of two recipients of this award.

This new award at *The Edge* Property Excellence Awards 2015 was conceptualised to recognise CEOs or professionals who have taken a company to an exceptional level.

In 1972, Abd Wahab graduated with a Bachelor’s degree in Estate Management from the University of Reading in the UK. Within two short years of his graduation, Abd Wahab had become the division director (development) of the Urban Development Authority. This was followed by stints in Island and Peninsular Bhd (now I&P Group Sdn Bhd), and Negara Properties Bhd. Abd Wahab then joined Golden Hope Plantations Bhd in 1993 and proved himself to be a valuable asset. He quickly rose through the ranks and by 1999, he had been



Abd Wahab hopes to see Sime Darby Property succeed at a global level and be recognised as a reputable international property developer

promoted to group CEO and group managing director. He went on to the same position in Kumpulan Guthrie Bhd.

After the merger of Sime Darby Bhd, Golden Hope Plantations and Kumpulan Guthrie in 2007, Abd Wa-

hab became the group chief operating officer of Sime Darby Group.

He has played an active role in the plantation industry, being one of the originators of the development of the food and agriculture business principles (FABP) at the United Nations



Abd Wahab’s daughter, Amira Sofiya, and son, Irfan Khaliq, accepting the award on behalf of their father with Au Foong Yee (far left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat (far right), publisher and CEO of The Edge Media Group

level. He recently participated in and gave a short speech at the launch of the FABP.

Abd Wahab was chairman of the Malaysian Palm Oil Association from 2011 to 2014 and promoted sustainability as a major agenda for the palm oil industry during his tenure. He also founded the Indonesia Malaysia Palm Oil Group and served as its chairman from 2010 to 2013.

In June 2011, he became managing director of Sime Darby Property.

“I took it as a challenge to lift Sime Darby Property to greater heights. We needed strong leadership and strategic planning to overcome the challenges in Malaysia and overseas, which include projects in the UK, Australia, Singapore and China,” he says.

Abd Wahab is a Fellow of the Royal Institution of Chartered Surveyors (England & United Kingdom), a Fellow of the Royal Institution of Surveyors (Malaysia), a Fellow of the Incorporated Society of Planters and a Fellow of the Malaysian Institute of Management. He has also been awarded an honorary doctorate in Estate Management by Universiti Putra Malaysia.

## Traits of a leader

Deep passion, a sense of pride and accountability are key traits that make a good leader, says Abd Wahab. “With these three ingredients, an idea can be pursued and driven to its best outcome. I also believe that being a leader with a strong sense of ownership, dedication and conviction has greatly contributed to my success as managing director. These characteristics can turn the seemingly impossible into reality and deliver real value creation in a sustainable manner.”

The 65-year-old has a proven track record in corporate leadership and has enforced mechanisms based on benchmarking, key performance indicators, Total Quality Management, Total Quality Environmental Management, Sustainability Maturity Index, Precision Agriculture, Sustainable Plantation Model and sustainable research and development to drive sustainability values and performance within the organisations he has been involved in.

As at September 2015, Sime Darby Property’s unbilled sales stood at RM1.1 billion. It has, to date, de-

CONTINUES ON PAGE 56

The 5,000-acre The City of Elmina has a gross development value of RM29 billion





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# Property Excellence Awards 2015

# HEARTIEST CONGRATULATIONS



Property



**TAN SRI DATO' SERI ABD WAHAB MASKAN**  
THE EDGE MALAYSIA OUTSTANDING  
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EXCELLENCE AWARD 2015  
SARON, BANDAR BUKIT RAJA**

FROM



**ALUNAN ASAS SDN. BHD.**  
(257699-V)

PICTURES BY SIME DARBY PROPERTY

Sime Darby Property, in partnership with S P Setia Bhd and the Employees Provident Fund, is working on the £8 billion Battersea Power Station in London



## Champion of sustainability

### FROM PAGE 54

developed 21 projects and has about 30,000 acres in four main corridors from Selangor to Johor.

Abd Wahab has been involved in the visualisation and realisation of many developments, from greenfield and brownfield to urban regeneration and urban renewal, at the corporate and operational levels.

Among the projects initiated by Abd Wahab are The City of Elmina in Selangor, Bandar Universiti Pagoh in Johor and Battersea Power Station in London.

According to Abd Wahab, the 5,000-acre The City of Elmina, which has a gross development value of RM29 billion, sets a new benchmark for townships in Malaysia.

The 4,082-acre Bandar Universiti Pagoh will be the country's first township to be integrated with an education hub from its inception. Abd Wahab says that as a key component of the National Higher Education Strategic Plan, it will play a critical role in triggering the economic growth of northern Johor.

Sime Darby Property's most high-profile international project is the 42-acre Battersea Power Station. The developer is working in partnership with S P Setia Bhd and the Employees Provident Fund on the £8 billion regeneration project in central London, which is expected to have 25,000 people living and working there upon its completion, and draw some 40 million visits per year.

Abd Wahab says he is proud of his ability to "converge the various forces and players of a project to bring out the culture and business sense, and prevail over adversity, challenges and seemingly impossible stakeholder positions for productive outcomes".

"I'm proud that Sime Darby Property achieved RM889.4 million profit before tax and interest in FY2014/15 during a very challenging market environment and sustained its journey," says Abd Wahab.

Also clear is his passion for sustainability. There is no doubt he wholeheartedly embraces and enforces Sime Darby Property's tag line, "Developing Sustainable Futures".

"Sustainability is part of the business and all divisions under the group have the same vision. Similar to one's lifestyle, it is necessary to create a successful business that supports good quality of life based on the best international standards and practices.

"Where Sime Darby Property is concerned, we are acutely sensitive to changing the needs and conditions of modern living, ranging from environmental and economic impact to connectivity and greater lifestyle sophistication. This, in turn, creates the highest value for all our stakeholders," says Abd Wahab.

He notes that sustainability is very much universal and Sime Darby Property makes an equally conscious and concerted effort towards the conservation of the environment, rehabilitation and protection of natural resources and the well-being of communities.

"To live sustainably, we create communities that are socially inclusive, economically vibrant, safe and environmentally enriching. Sustainability is a mindset that we actively cultivate to deliver on our promises," says Abd Wahab.

Looking ahead, he hopes to see Sime Darby Property succeed at a global level and be recognised as a reputable international proper-



The 4,082-acre Bandar Universiti Pagoh will be the country's first township to be integrated with an education hub from its inception



Abd Wahab says the support and encouragement from his family have been tremendous and precious

ty developer. "We aim to achieve this through constant innovation and reputable international partnerships."

Sime Darby already has projects overseas, which include the residential Eagles' Cove in Gold Coast, Australia, Balmoral Park in Singapore, and of

course, Battersea Power Station.

"In 2016, we will focus more on landed properties in The City of Elmina, Nilai Impian, Bandar Ainsdale and Bandar Bukit Raja 2 and 3. We will also be revealing our new development, KLGCC Resort in Mont'Kiara," says Abd Wahab.

### No regrets

Abd Wahab is a strong believer in the importance of balancing work and family. "The support and encouragement I received from my family throughout my journey have been tremendous and precious."

At work, if there's one piece of advice he would give aspiring leaders, it would be to always recognise the value of teamwork. "Aside from teamwork, one must have perseverance, integrity and wisdom."

The man has no regrets and asserts that he wouldn't change a thing.

"There is nothing I would change as every step in my journey has been a learning experience. I couldn't have achieved any of these if it was not for the support and trust of my peers, employees, and many in the government, corporations, banking, customers and other stakeholders. But, the most important support comes from my family." ■

**THE EDGE**  
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# Property Excellence Awards 2015

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**TAN SRI DATO' SERI ABD WAHAB MASKAN**  
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**WINNER**  
**PHASE 15, AMBANG BOTANIC, BANDAR BOTANIC**  
BY HARUM INTISARI SDN BHD (GAMUDA LAND)

# Holistic planning is the key to success

BY TAN AI LENG

The township of Bandar Botanic in Klang, Selangor, has won numerous awards over the years. This year, Phase 15 of its Ambang Botanic residential development — by Harum Intisari Sdn Bhd, a subsidiary of Gamuda Land — bagged *The Edge Malaysia-PEPS Value Creation Excellence Award 2015* in the residential segment. This makes it the third consecutive year that properties in Bandar Botanic have won the award.

The winning streak began with Botanic Business Gateway, which won in the non-residential segment in 2013, while Caspia & Nouvo homes won the award in the residential segment the following year. It is also worth noting that Bandar Botanic won the International Real Estate Federation's FIABCI Malaysia Award for Best Master Plan in 2003.

Development of this 1,240-acre freehold township began in 2001. It offers residents a green and natural environment close to bustling Bandar Bukit Tinggi in Klang, but far enough to shield it from the busy city environment.

This self-sufficient township, with a parkland-waterfront design concept, comprises a mix of bungalow plots, bungalow homes, semi-detached houses, link homes, apartments and shopoffices.

*The Edge Malaysia-PEPS Value Creation Excellence Award 2015* (residential segment) winner, Phase 15, is the final residential development of Ambang Botanic 1 in Bandar Botanic. It comprises 128 units of 2-storey semi-detached houses and bungalows with a total gross development value of RM122 million.

The evaluation for the award is based on its Phase 15B development, comprising 56 units of 2-storey semi-detached houses measuring 40' X 113' with built-ups of 3,179 sq ft.

Gamuda Land managing director Chow Chee Wah tells *The Edge*, all 56 units were sold within one week of the launch in July 2010 and the current occupancy rate is 85%.

"Most buyers are from Klang and Shah Alam. Most bought for their own stay, but there are also some parents buying houses for their children. Interestingly, we also noticed that a few big families bought different units in the same row as they wanted to live near to each other," he says.

## Capital appreciation and rental yield

According to the developer, the semi-detached houses in Phase 15 B have seen an average capital appreciation of 74% per unit since July 2010, equivalent to about 25% per year.

For instance, a unit purchased in July 2010 at RM941,800 was sold four years later for RM1.65 million. The owner enjoyed a capital appreciation of 75%, or an annual average of 18%.

Chow says buyers who bought before everything was in place enjoyed



PATRICK GOH/THE EDGE

Chow: Details make a difference in township planning

the highest capital appreciation. The appreciation also reflects Bandar Botanic's investment value as buyers are willing to pay a higher price for a unit in the sub-sale market.

On future capital appreciation, he notes that the quality of the township management will be the key to sustainable price growth. "We would not say that [sub-sale] buyers will continue to enjoy 50% or 70% growth in the medium term, but as long as the maintenance and the environment quality remain intact, the upward price trend will continue at a sustainable pace."

According to data from the Department of Statistics Malaysia, Klang's population reached 823,200 in 2010, and Shah Alam had a population of 650,000.

Chow says Bandar Botanic has become a popular choice for residents in Klang and Shah Alam who are looking for new properties, especially upgraders from Klang. "Upgraders who are looking for lifestyle products and new potential buyers will support demand and price growth."

Notably, Bandar Botanic offers exclusive membership to the Botanic resort club for residents to enjoy



SHAHRIN YAHYA/THE EDGE

Chow with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group



A view of Bandar Botanic

PICTURES BY GAMUDA LAND



HARIS HASSAN/THE EDGE

**Above: Semi-detached houses in Phase 15B, Ambang Botanic, have seen an average capital appreciation of 74% since July 2010**

**Left: Bandar Botanic has won numerous awards for its holistic township planning which creates value for the residents**

is not only the connectivity between the township and the outside, but also within the township in the form of cycle paths, jogging tracks and walkways seamlessly linking community facilities.

He notes that in Bandar Botanic, recreational facilities are within walking distance through walkways or via cycle paths. In addition, the design of every precinct emphasises security and safety, giving children a safe space without motor vehicles.

Product quality is also an important factor in value creation, adds Chow. As such, Bandar Botanic's construction adheres to the Building and Construction Authority of Singapore's Construction Quality Assessment System Standards (CONQUAS). It is a stringent quality assessment system that evaluates the quality of workmanship from foundation to roof, based on three main components — structural works, architectural and mechanical and electrical works. Bandar Botanic has achieved an impressive average CONQUAS score of 80.7%.

During the site visit to Phase 15 Ambang Botanic, the judges were impressed by the road design, which offers residents a wide space for parking cars, as well as the landscaping and water features that create a resort-style environment.

However, does this mean maintenance involves substantial costs and expertise?

Chow says the company has been working closely with the Klang Municipal Council on maintenance. The council takes charge of the basic upkeep while maintenance service charges paid by the residents contribute to upgrading maintenance standards. With both parties contributing, the current environment can be sustained.

According to Chow, residents are aware that they have to pay for better quality nowadays and maintenance fee collection has reached a high level of 95%. The monthly maintenance charges are around RM330, including the sinking fund.

Great emphasis is placed on security as well. The developer worked hand-in-hand with the Bandar Botanic residents association to create a

safe environment. Phase 15 itself is a gated and guarded community with three-tier security features, including guards on patrol, fencing and CCTV surveillance.

In the planning the road system, security was one of the main considerations. There is only one main road entry and exit to each precinct. Chow notes that as more people began to realise the importance of maintenance and security, residents in the older precincts took the initiative and paid to set up their own guarded communities.

### Future catalyst

Commercial development will be a key to future growth in the township. Although the sales of the shopoffices in Bandar Botanic have seen an overwhelming response, there is still a high vacancy rate in the 893 units.

However, Chow is not worried. He believes the commercial development of Bandar Botanic will be like its elder sister, Kota Kemuning, located about 15km away, which started at a slow pace and picked up gradually.

"Kota Kemuning's 400 shoplots saw very low occupancy in the early years, but with business activities gaining momentum, the current take-up rate is about 90%. Now, Kota Kemuning has become one of the popular places to chill out, not only for local residents but for people from other places," he says.

In Bandar Botanic, Gamuda Land has full control over GM Klang Wholesale City, a wholesale and retail mall within walking distance of the residential areas of the township.

"Our next focus will be to spur more activity in this area through GM Klang. We believe the occupancy rate of the commercial area in Bandar Botanic will gradually increase in the next five years," Chow adds.

The recently approved Light Rail Transit (LRT) Line 3 will also have a station in Bandar Botanic. This is expected to further draw home buyers to the township. The LRT Line 3, which is scheduled to begin operation by August 2020, will have 25 stations starting from Bandar Utama to Johan Setia, Klang. **E**



**Engineering innovation can bring new functions to the facilities, such as a retention pond or reservoir, while fulfilling their technical requirements**

facilities such as indoor badminton courts, squash courts, table tennis, tennis court, 50-metre Olympic-sized swimming pool, gymnasium, reading room, sauna and steam bath.

### Three main priorities

There is one thing in common among successful property developments — the developer first builds a solid foundation before putting everything else in place. Chow says holistic master planning is the key to sustainable value creation for a development. Every detail in the planning process counts as it distinguishes the development from others.

"For instance, there are many township developments that promote green living and offer recreational parks, but it does not matter how many green areas you have — what's important is putting them in the right place. If you place the green in the wrong place it may not promote holistic development," he says.

There are three main elements in holistic township planning, he says — master plan, engineering innovativeness and connectivity.

"The master plan of a township should be forward-thinking and creative, as well as being a model for other developers. Take Kota Kemun-

ing, for example — it is a 20-year-old township but it is still not outdated. Bandar Botanic will move in a similar direction," says Chow. Gamuda Land is also the developer of the Kota Kemuning township in Shah Alam.

He explains that engineering innovativeness adds new functions to a township's facilities while fulfilling their technical requirements. Retention ponds and reservoirs, for example, can be turned into recreational ponds with jogging tracks, thus creating more value for residents while serving their original purpose.

As for connectivity, Chow says it



**WINNER**  
**ATIVO PLAZA**  
BY INDO AMAN BINA SDN BHD (TA GLOBAL BHD)

# An oasis in Bandar Sri Damansara

BY TAN AI LENG

Located along Persiaran Perdana in Bandar Sri Damansara, Kuala Lumpur, Ativo Plaza may appear rather unassuming but once you are inside, you will discover its hidden charms.

Ativo Plaza, which won *The Edge Malaysia-PEPS Value Creation Excellence Award 2015* in the non-residential category, is an 8-storey modern, green and open-design building with 198 office suites and 43 lifestyle retail units.

It is the first phase of upscale mixed-use development Damansara Avenue, which comprises shops, offices, residences and a shopping mall.

Occupying 48 acres in the heart of Bandar Sri Damansara, Damansara Avenue is being developed by Indo Aman Bina Sdn Bhd, a subsidiary of TA Global Bhd.

Ativo Plaza, which sits on 5.73 acres of freehold land, offers lifestyle food and beverage (F&B) outlets and signature offices. It is easily accessible via the Damansara-Puchong Expressway, the New Klang Valley Expressway and the SPRINT Highway.

From Persiaran Perdana, there is an internal ring road that connects to the main road, bringing traffic into Ativo Plaza. The retail and office suites face the main road while a seven-acre linear park lies behind the building.

“When all the phases are developed, this green area will be surrounded by the buildings, which will feature green walls. With all the greenery around, it provides a space to relax, so the people staying or working here won’t feel that they are living in a concrete jungle,” says TA Global executive director Kimmy Khoo.

The park is the key element that makes Ativo Plaza stand out. Not only does it offer a green lung here but it also provides a place for the residents to interact and hold activities.

“Overseas, we can see people strolling in parks even at 11pm. They gather

and organise community activities such as line dancing and sport. But, in Malaysia, people just stay at home,” Khoo says.

The walkways and jogging tracks in the park will be surrounded by buildings and there will also be a small playground, offering a safe environment for parents to leave their children to play and run around.

The lush green space is actually an integral part of Ativo Plaza as it will connect the first phase of Damansara Avenue with future phases.

During a site visit, the judges were impressed by the landscaping and the ideas behind its design.

This is the first time TA Global has taken part in *The Edge Malaysia Property Excellence Awards* and so it did not expect Ativo Plaza to win.

According to director of business development Ernest Yeap, the project team considered every detail to make sure the design is in line with the plan to create a green development. For example, there are no corridors for the retail units, so there is no need for air conditioning, which means lower consumption of electricity.

“The retail units come with dual frontage — one portion faces the road, providing good visibility and connectivity, while the other faces the lush green area, giving a nice view and private space for the tenants,” he explains. This design also enhances the natural air ventilation of the units.

He says most of the parking space is located below ground because of the topography. This also allows the developer to build a ring road providing direct access from Persiaran Perdana to Damansara Avenue.

“The slopes will become a land-  
**CONTINUES ON PAGE 64**



Khoo (left) and Yeap are confident that Ativo Plaza will become another popular place in Bandar Sri Damansara

SHAHRIYAH YAHYA/THE EDGE



Yeap with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

KENNY YAP/THE EDGE



Ativo Plaza is part of the 48-acre Damansara Avenue development, which consists of residences, shops and offices

A linear park is located between the buildings, providing a space for people to relax and enjoy the greenery







Winner of  
**The Edge – PEPS Value  
 Creation Excellence Award 2015**  
 Non-Residential Category

**ativo**  
 plaza



#### EARNs TOP DOLLAR

Anchored by the serenity of an Urban Park, Ativo Plaza was designed from the ground up to elevate work and play styles, to be the premier business environment in Bandar Sri Damansara.

To this end, TA Global has carefully curated the retailers and business operators in Ativo Plaza to create a conducive environment, facilitating the continued vibrancy and sustainability of this integrated development.

This attention to detail has won The Edge property award, a testament to Ativo Plaza's master plan philosophy of The Greener Pastures.

PICTURES BY MOHD IZWAN MOHD NAZAM / THE EDGE



Niche tenants such as Hero Supermarket and Brewery Tap differentiate Ativo Plaza from other retail developments in Bandar Sri Damansara

## Combining functionality with green spaces

### FROM PAGE 62

scaped area with several interconnected buildings, which will be developed in the future,” says Yeap.

To make Ativo Plaza’s concept different from other retail developments in the Klang Valley, the developer also took care to have tenants that offer retail and F&B choices that are not found in Bandar Sri Damansara.

The niche tenants include Hero Supermarket, The Morning After café, Rondaevoo by Rotiboy, BMS Organics, Café D’Fong and Out of Seoul. There are also established F&B outlets such as Kenny Rogers, Subway, Old Town Kopitiam and Papa John’s Pizza.

### Capital appreciation and rental yield

Launched in 2010, Ativo Plaza was fully taken up within two weeks. According to the developer, since then, the office suites have seen capital appreciation of between 34% and 41% as at end-2014. Investors have also enjoyed rental increases of 39% to 43% since its completion in 2013. Currently, rents for the office suites are between RM2.50 and RM3 psf per month.

The office suites — 198 units in all — come in five layouts with built-ups of 547 to 4,094 sq ft. The selling price was between RM251,000 and RM2 million, or between RM450 and RM500 psf.

According to Yeap, the subsale prices

for the office suites now range from RM480,000 to RM2.2 million and monthly rents range from RM1,700 to RM6,700.

“As at June 2015, the office suites have an occupancy rate of 78% — some are owner-occupied while others are rented out. There are insurance agencies, creative companies, a training centre and a fitness centre,” he adds.

He attributes the office suites’ price appreciation to the development’s unique design that combines functionality with green open spaces.

The maintenance fee of the office suites is 35 sen psf.

Security is another feature of

Ativo Plaza as it boasts round-the-clock closed-circuit television surveillance with guards patrolling even at night.

### More to expect in the future

Damansara Avenue is divided into two parcels. Development on Parcel One’s 26.5 acres consists of Ativo Plaza, Azelia Residence and Ativo Suites as well as Ativo Annexe, which comprises offices, F&B or retail units and serviced apartments.

Azelia Residence, which comprises 250 serviced apartments, was completed last year. Due to the overwhelming response, the lifestyle units were sold by ballot on launch day.

Ativo Suites, to be launched early next year, will feature 668 dual-key serviced apartments with built-ups of between 500 and 1,500 sq ft. Prices are between RM480,000 and RM1.4 million.

Parcel Two — 21.5 acres — is still in the planning stage. According to Yeap, there will be a shopping mall with an estimated gross lettable area of one million sq ft in Damansara Avenue’s master plan.

Khoo says with all the residential, retail, office and leisure components coming in, there will be added vibrancy to Ativo Plaza in the future and Damansara Avenue is poised to be the next hot spot for leisure activities for residents of Bandar Sri Damansara, Kepong, Sierramas, Bandar Menjalara, Desa ParkCity and Selayang.

“Capital appreciation and rental yields at Ativo Plaza will grow as more

people come and become part of the community,” she adds.

It is worth noting that a mass rapid transit station of MRT 2 project — Sri Damansara East — has been proposed for a site adjacent to Damansara Avenue, thus adding value to the development.

Ativo Plaza, which is located after the Penchala toll plaza, may face stiff competition from a number of shopping malls in Petaling Jaya such as Atria Shopping Gallery, 1 Utama and The Curve. Desa ParkCity, which is 5km away, could also be a direct competitor when it comes to attracting the crowd.

However, Khoo is not too worried about Ativo Plaza’s location. “It’s a different catchment we are talking about. Before the [Penchala] toll, consumers have a lot of lifestyle choices, but what about people staying in Kepong, Sungai Buloh and Selayang? There are large populations in these areas looking for lifestyle retail places too,” she says.

A study on the catchment size for Ativo Plaza shows that within a five-minute drive, there are 17,000 households comprising 67,000 people.

Khoo says residents in nearby neighbourhoods such as Desa ParkCity, Bandar Menjalara and Sierramas are mostly high income earners who are willing to spend and are looking for lifestyle F&B and leisure outlets. Ativo Plaza, she says, has what it takes to attract them.

She believes Damansara Avenue, when completed, will have more to offer and will continue to surprise the market with its new offerings. ■



A children’s playground provides a space for family activities

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Actual photo of KL Sentral



**WINNER**  
**CORPORATE HEADQUARTERS IN SETIA ALAM**  
BY BANDAR SETIA ALAM SDN BHD (S P SETIA BHD)

# A leading example of sustainability

BY CHAI YEE HOONG

Gone are the days when S P Setia Bhd's offices were located in a shopoffice. Today, the company has its very own Grade A corporate headquarters, centrally located in the 240-acre Setia City commercial centre of Setia Alam in Shah Alam. The 2,525-acre Setia Alam township was launched in 2004 with a gross development value of RM16 billion.

The S P Setia corporate headquarters is set on three acres and has a timeless design. It can be seen from Persiaran Setia Alam. It is the first privately owned office and the third building in Malaysia to be certified Green Building Index (GBI) Platinum, as well as GreenRE Platinum.

This year, the S P Setia Corporate HQ won *The Edge Malaysia*-PAM Green Excellence Award at *The Edge Malaysia* Property Excellence Awards 2015.

S P Setia executive vice-president Tan Hon Lim says, "This project is unique as it is the culmination of all the things we do. It represents who we are, what we do, why, and how we do things. This building is what S P Setia stands for — creating a sustainable future for all — and we felt the need to have a corporate HQ that stays true to our vision 'to be the best in all we do' that incorporates our LiveLearnWorkPlay philosophy.

"I am extremely elated and proud that the corporate HQ is recognised after all the hard work we have put in to make sure the building is not only sustainable, but offers living, learning, working and playing spaces for Team Setia to grow in."

The award was judged by a five-member panel comprising representatives from *The Edge* and the Malaysian Institute of Architects (PAM).

As a sustainable, high value, vibrant and interconnected modern commercial town centre, Setia City aims to create a benchmark for new urban developments locally, regionally and globally, and the developer's corporate HQ stands at the pinnacle of this by ensuring that all developments within the commercial centre meet the minimum standards of sustainability.

The building's concept is derived from the collective vision of S P Setia to build a headquarters with an environment that encourages a balanced and green lifestyle in every aspect of the company's philosophy.

"We need an iconic landmark that befits our position as a builder of distinction. This building has to demonstrate our highest commitment to the sustainability agenda, therefore we went for GBI and GreenRE Platinum ratings. We also have to set important benchmarks for other corporate HQs of international organisations that have chosen Setia City as their base, such as Top Glove [Corp Bhd] three doors away," says S P Setia deputy general manager Tan Siow Chung.

The architect for the corporate HQ Dr Tan Loke Mun says, "We wanted a



PATRICK GOH/THE EDGE

We need an iconic landmark that befits our position as a builder of distinction, says Tan



SHAHNIN YAHYA/THE EDGE

Tan with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

building that looks like a municipal building, that looks grand from the highway, but at the same time is not afraid of climate change. That's why it has these columns and the round circle where you can see the sky."

Loke Mun says the building's façade was inspired by mangrove trees, as they can withstand rising waters and their roots are a testament to that fact. "That's where the columns come in, sitting on a reservoir wherein rainwater is collected from the big roof. So here, we have a big canopy tree with strong roots sitting in water. It celebrates climate change."

"The Setia corporate HQ promotes a holistic and well-balanced lifestyle for us, as we have amenities such as a fully-equipped gym, auditorium, cafeteria, training rooms, computer lab, library, green spaces, and rooftop relaxation area," Tan says.

The rooftop has a photovoltaic panel that generates 55kW of energy, making up 2% of the building's total energy consumption. Green turf is

used for the roof, which also serves as a functional space while minimising solar heat gain.

To ensure optimal daylight, the façade faces north while its east and south sides comprise curtain walls. High-performance double glazed windows and louvres are used to reduce heat gain as well. The use of fair face concrete, along with the roof overhang, ensures minimal maintenance of the building in the long term and an improved appearance over time. Low volatile organic compound paint is used throughout the building.

Motion sensors for lighting are installed in less frequented spaces, while individually switched lighting zones are less than 100 sq m.

Perforated blinds are used as sun shading to reduce glare and photocell sensors are installed in day-lit areas to switch off artificial lighting when there is sufficient daylight. In addition, energy-efficient Kone lifts, which go into standby mode when not in use, are used.



## Green features and initiatives

### ENERGY EFFICIENCY

- High-performance double glazed windows and louvres reduce heat gain and encourage the use of natural light.
- Solar photovoltaic panels to harvest renewable energy.
- An energy measurement system is used for measuring and management of energy and water usage.
- Energy-efficient lighting, for example T5 fluorescent lighting with high frequency ballast.
- Flexible lighting controls, such as lighting zoning and individual lighting switches.
- Auto sensor-controlled lighting strategy such as photo sensor cells at perimeter zones and motion sensors in common areas.

### WATER EFFICIENCY

- Rainwater harvesting for landscape irrigation

### ENVIRONMENTAL PROTECTION

- Using GBI-certified architectural

### products and construction materials.

- Promoting recycling by providing recycling bins in common areas.
- Using GBI-certified water saving sanitary ware.
- Sustainable construction, for example, system formwork, storage and construction waste management.

### INDOOR ENVIRONMENTAL QUALITY

- Efficient air-conditioning system design, for example, raised floor for underfloor air-conditioning distribution system, CO2 sensor, auto condenser tube cleaning system, heat recovery wheel, non-chemical water treatment system for cooling tower.
- Roof garden and greenery to reduce heat island.
- Preferred parking for car pools and green vehicles.
- Elevated pedestrian connectivity to surrounding buildings and amenities.
- Bicycle parking.

At Level 8, the executive floor courtyard boasts a stunning 8m water wall, and both air-conditioning condensate water and harvested rainwater are used to replenish the pond. A similar system is also used for the

reflective pool at Level 1, by recovering fully the 0.725 cu m of condensate water generated daily.

One of the innovations is the incorporation of a raised floor system where building services such as air

PICTURES BY S P SETIA



Clockwise from left: The S P Setia Corporate HQ is located at the heart of the 240-acre Setia City commercial centre in Shah Alam; The link bridge connecting the corporate HQ to Setia City Mall; Green turf is used for the roof, which also serves as a functional space while minimising solar heat gain



Rainwater is collected at the roof, which goes down to a reservoir

conditioning, power and data cabling are distributed beneath the floors. This allows for fast and inexpensive reconfiguration of office spaces, and lower energy costs, supplying air-conditioned air directly to breathing zones.

Priority parking bays have been allocated for green vehicles (hybrid and electric), carpools, expectant mothers and disabled drivers.

In addition, a link bridge to Setia City Mall, situated opposite the HQ, has been built to encourage the staff to walk instead of drive. The link bridge sets an example for other neighbouring developments since the master plan of Setia City has a network of pedestrian paths and elevated walkways linking the various buildings within the commercial centre.

“The building allows Team Setia

to experience and live a greener lifestyle. We constantly create awareness through our internal communications on how the team can play their part in reducing their carbon footprint such as carpooling, encouraging usage of green-technology cars with the allocation of preferred parking for such cars, walking across to Setia City Mall through the landscaped pedestrian walkway and using the stairs instead of lifts. Not many employees can practise a greener lifestyle at work, but at S P Setia we practise what we preach,” says Tan.

Green construction methods were used during the building, such as reusable metal system formwork for wall construction, reusable and recyclable slab and column formwork. Energy-saving strategies included

minimal night work and an on-site concrete batching plant, while rainwater was harvested for on-site use. Strict pollution control measures were taken, while strict health, safety and environment and green practices were used on site. A Quality Assessment System in Construction was implemented as well as a comprehensive waste management system — prevention, reduction, reuse, recycle.

Forty-five per cent of total materials used were recycled, such as steel, aluminium and glass plasterboard, while less than 20% came from the region and was manufactured within a 500km radius of the site. Green certified materials were used where possible.

“The construction of this corporate office has provided a golden opportunity for Team Setia to learn and gain experience in all aspects of green building, including construction management and efficient use of energy during the construction stage,” Tan says.

Construction of the building took three years, from April 18, 2011, till Feb

10, 2014. In March 2014, the company’s staff moved in. The HQ now houses approximately 500 employees. The corporate HQ has a gross floor area of 33,798.24 sq m and a net floor area of 14,087.67 sq m, with a plot ratio of 1:1.74.

Post construction, the building’s facilities are managed by an in-house management team supported by a building management system and central energy management system. A building manual was drafted to document the green building design features and strategies for users and as a guide to sustain its performance.

“In everything sustainable, maintenance is crucial. First, we ensure the building is well taken care of through consistent engagement with Team Setia so everyone knows and understands their role in making the building more sustainable, such as switching off lights, recycling used paper, using the stairs instead of the lifts or adopting plants in the office,” says Tan.

“Learning is a continuous process as we strive to ensure effective and regular maintenance of the

building to ensure that the green features, both active and passive, are not downgraded over time, thus ensuring energy efficiency remains optimised. We are developing best practices that will benefit not just the group but also our customers in the long term.”

Investment in renewable energy was RM494,500, with savings of RM31,264 per year and return on investment in 16 years. Some RM689,500 was invested in rainwater harvesting resulting in annual savings of RM14,440 with return on investment in 48 years.

“While the payback period for green investment is not attractive, it did not deter us from pursuing the highest achievable GBI rating,” Siow Chung says.

The HQ’s total gross development cost amounted to RM104.28 million, or RM7,171.85 per sq m. The actual building cost, including the cost for GBI, was RM209 psf.

The corporate HQ was built using internally generated funds, and though the building generates a low yield along with its long payback period for the additional investment in green features, the intangible benefits are invaluable, including setting a new benchmark in sustainable development.

“We have opened up the building to students, academics and professionals so they can use it as a case study for their research on sustainability. We will continue to innovate and improve our management of the building to ensure that the building design and green features will remain relevant for years to come,” says Tan.

“We have never looked back. All over the world, S P Setia’s developments are synonymous with eco and sustainability, which also incorporates our development philosophy of creating meaningful spaces for the community to live, learn, work and play. With that, our corporate HQ is the core of everything that represents S P Setia and our commitment to building sustainable communities,” he says. ■

# Building a legacy

BY RACHEAL LEE

Walking beside the lake at The Central Park in Desa ParkCity in Kuala Lumpur, it is hard to imagine that this award-winning township was once a quarry. That was 13 years ago when the first project was launched. But what seemed so inhospitable is now Perdana ParkCity Sdn Bhd's crown jewel.

CEO Lee Liam Chye recalls how developing the 473-acre freehold township felt so overwhelming then. It involved cutting over 12.5 million cubic metres of rock, 75% of it granite, and filling up the area. The poor soil condition and subterranean rocks made construction and landscaping particularly challenging, especially when the vision was to create a place with parks, tree-lined streets and open green spaces. The development cost, Lee says, was 35% higher than that for a normal project.

Today, Desa ParkCity is a model of master-planned township development with a string of awards under its belt. It bagged another this year as one of the winners of *The Edge Malaysia* Property Development Excellence Award.

The developer's plan to go against convention added to the challenges, especially as it was relatively new in property development.

Sarawak-based Samling Strategic Group, the parent company of Perdana ParkCity, is a diversified conglomerate with businesses in forestry and oil palm cultivation. Desa ParkCity is its second property project following the 20-acre One Ampang Avenue, which was developed in the late 1980s and comprises 640 condominium units and 40 shopoffices.

Perdana ParkCity is currently developing two other projects — the 77ha ParkCity Hanoi in Vietnam and 223ha Marina ParkCity in Miri, Sarawak — which will keep the company busy for the next 10 to 15 years.

"When we first started Desa ParkCity, the company did not have a long history in property development," Lee says. "Sometimes, it is a good thing

because we don't get stuck in the conventional way of doing things. It allows us to take on property development from a fresh perspective."

## New Urbanism living

That was exactly what Perdana ParkCity did. It looked at the developments around town, saw the opportunity for upgraded housing projects, and came up with a master plan that introduced the New Urbanism living concept, which ties together living sustainability within a park environment, creating a walkable and liveable community.

"People were looking for something more than just a house ... they were already talking about lifestyle [property] back then," says Lee.

"It is just like Cheras today. Most communities there are at least 40 years old and they were designed to meet the affordability of the people then. Residents there have prospered and want better housing ... and look at what is happening in Semenyih now."

Lee notes that a walkable community is one where residents can walk from their homes to necessary amenities within 15 minutes.

To do that, the developer placed a public park, a lake and a neighbourhood retail mall at the centre of the township although it would have been more profitable to put up developments that can bring in more revenue to the company. It also provided 9ft-wide pedestrian walkways instead of the required five feet.

The introduction of New Urbanism made Desa ParkCity one of the first townships in the country to offer parkhomes — modified terraced homes within a park environment.

"The objective was to persuade residents not to use their cars but to walk. By doing this, we try to reduce energy consumption and reduce pollution," Lee says, adding that the township is named ParkCity to highlight its critical components — the greenery, landscape and open spaces.

As an open community, residents from neighbouring communities have access to the park, jogging trail and cycling path. The township also provides one of the very few dog parks



Lee says choosing the less travelled path takes courage and 'even some madness'



Lee with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group



An aerial view of The Central Park

SHAHNIN YAHYA/THE EDGE





(Top) The 473-acre Desa ParkCity was built over a quarry; (Left) The open-air, family-oriented Waterfront @ ParkCity; (Right) An artist's impression of Westside III

in the Klang Valley. A survey found that 70% of those who visit the park and neighbourhood mall are outsiders, with some coming from as far as Cheras and Subang.

#### The less travelled path

Lee notes that choosing the less travelled path takes courage and “even some madness”. There were some detractors as the developer attempted to remaster community development with ideas and innovations that challenged conventions.

“I often find that it is easier to mould concrete than to reshape opinion and perception. But that was precisely the challenge that we posed to ourselves,” he says. “Today, we have proven these people wrong and we are proud to have turned a quarry into Desa ParkCity.”

In 2000, the initial indicative gross development value of the township was RM3 billion to RM4 billion, but today, it has shot up to over RM10 billion.

A total of 4,163 homes have since been built and upon completion in 10 years time, there will be more than 7,000.

Located in the mukim of Batu, the township was once often associated with Kepong or considered to be some place near Mutiara Damansara, but today, Desa ParkCity is its own address.

Property prices have escalated, particularly over the last five years, at a rate of about 20% per annum, Lee says.

For example, Amelia non-stratified terraced homes were launched at an average price of RM725,000 each in 2007, rose to RM990,000 upon completion in 2009, and subsequently soared to RM1.6 million six months later.

“The rental market is quite robust as well due to the inflow of expatriate tenants,” Lee says.

In fact, despite the lacklustre market environment, the launch of Westside III in Desa ParkCity in May this year saw more than 60 people queuing overnight to buy the condominium units, which were 70% sold within three months.

The RM505 million Westside III



is the developer's largest condominium project and offers 469 units on a 4.27-acre freehold site. With built-ups of 1,077 to 1,927 sq ft, the units are priced from RM636 psf. The maintenance fee is 36 sen psf and facilities include a gym, Jacuzzi, tennis court, playground and outdoor water amusement park.

Lee believes property values will continue to rise because the township is still growing and more facilities are added for the residents.

“Actually, we are not overpriced; you pay for what you get,” he says. “If it is overpriced, how would people make as much as 40% profit within three months from completion? There are new things in the pipeline and these facilities will boost property prices.”

The scale of the township has also created a ripple effect on the surrounding older communities, which are seeing more active gentrification.

“You can see people renovating their old homes and property prices of neighbouring homes have risen significantly, probably in the region of 20%,” notes Lee.

#### Future launches

Perdana ParkCity still has about 74 acres of undeveloped land in Desa ParkCity, most of which will be taken up by ParkCity TownCenter.

ParkCity TownCenter will have mainly apartments and restaurants, surrounding a natural lake. There will be open walkable spaces and it will be largely traffic-free.

Currently, Perdana ParkCity is developing Plaza Arcadia there, which will offer more than 400 shop, office and SoHo units.

There are also plans for a medical hub on a nine-acre plot that will include a hotel, medical office build-

ing, wellness centre, retail spaces and apartments for senior living.

“The medical hub is part of TownCenter and it is a logical thing to do as it is just across the road from ParkCity Medical Centre. There will also be retail, shopping and dining by the lake,” Lee says.

Perdana ParkCity plans to launch the medical office building in the first quarter of 2017, targeting medical practitioners. This project has a GDV of RM800 million.

The developer is also looking to launch an apartment project next to Westside III by the end of next year, priced at an average of RM1 million per unit.

#### Proud moments

“For me, it has been a rewarding journey of learning and discovery,” Lee says. “It has been 15 years since we developed this place, and a few of our senior people are still with us. They have contributed a lot, and significantly, to make Desa ParkCity what it is today.”

“Their open-mindedness has helped the company achieve what it set out to achieve.”

But what encourages him the most is the positive feedback he gets from customers. He recalls a buyer he met in 2010, who was buying an Amelia terraced house for RM800,000. “He said he came to every project launch in Desa ParkCity but had never bought one [until 2010] because he thought it was too expensive. Then he showed me our first brochure in 2002, with illustrations of the greenery and park, and began commending us for delivering what we promised — a place with lots of greenery and open spaces — saying that we are faithful to our concept. I was very encouraged. It feels good to be recognised.”

PERDANA PARKCITY

**THE EDGE**  
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**WINNER**  
**KOTA KEMUNING**  
BY GAMUDA LAND

PICTURES BY MOHD IZWAN MOHD NAZAM/THE EDGE



An aerial view of Kota Kemuning and its 22-acre Central Lake

# Engineered for success

BY CHAI YEE HOONG

**K**ota Kemuning in Shah Alam, launched two decades ago in partnership with DRB-Hicom Bhd, marked Gamuda Bhd's first foray into property development.

Over the years, the 1,854-acre integrated township development has grown from an initial gross development value of RM2.9 billion to its current RM3.65 billion, spanning over 90 development phases.

Today, Kota Kemuning is home to 9,570 units of bungalows, semidees, linked houses, town houses, condominiums and apartments, commercial centres, shopoffices and factories.

The many parks, lakes and green landscapes that surround the different phases, neatly tucked away in cul-de-sacs and precincts, makes driving around the township a scenic experience.

The green and natural environment is a signature characteristic of the township.

This year, Kota Kemuning was named a recipient of *The Edge Malaysia* Property Development Excellence Award 2015.

Gamuda Land is the property development arm of Gamuda Bhd, whose core businesses, besides property development, are engineering and construction. It is one of Malaysia's largest infrastructure companies.

"We are very glad to have won [*The Edge Malaysia* Property Excellence Awards]. Kota Kemuning has been developed over 20 years and it has

come to a time when it is already fully developed and matured. We are happy that investors and purchasers have been invested in Kota Kemuning all this while," says Gamuda Land managing director Chow Chee Wah.

He says the township was conceived when Gamuda Land was constructing the Shah Alam Expressway (Kesas), which passes through the site, which at that time had no connectivity and access roads. The company saw the potential to build a township there and decided to take the opportunity to diversify into property development.

"Today, it is more than just the name of a township and many people and neighbouring developments use Kota Kemuning as a location and an address, which helps further endorse the place. We feel proud that people are proud to be associated with it and this gives us the satisfaction that we did it right, even after 20 years," he adds.

## Serene living environment

Part of the appeal lies in the township's serene living environment. Over 45% of the land is dedicated to green lungs, including an 8km walkway that meanders throughout the neighbourhood, linking and interconnecting the various precincts.

"For us, what is important was not just allocating green features but where to allocate them and how much to allocate in order to create a lasting effect and for people to want to stay in Kota Kemuning," Chow explains.



Linked houses at the Canal Gardens residential precinct

"What is relevant is when we crafted the master plan of this township 20 years ago, we were already talking about pedestrian walkways, cycling and jogging tracks, and their interconnectivity with other amenities and facilities. These features and characteristics of Kota Kemuning are still relevant today as can be seen in later developments."

The township is home to the Kota Permai Golf and Country Club, which boasts an international standard 18-hole golf course designed by renowned architect Ross Watson. One of the top golf courses in the country, it was carved out following the natural topography of the terrain, Chow says.

A believer in the importance of engineering innovation, Gamuda Land crafted the retention pond at Kota Kemuning into the 22-acre Central Lake surrounded by a 25-acre park. Next to the lake is The Lakeside Drive, where residents can jog or stroll, or just take in the picturesque panorama.

An idle swamp was ingeniously turned into a recreational Wetland Park, which serves as a flood-irri-



Lifestyle retail centre Gamuda Walk offers three levels of retail space and seven levels of business suites

gation mechanism that also filters sediments and hosts a variety of bird species and local flora and fauna.

Another feature is Hill Park, which includes a reflexology path, a timber lookout deck, a gazebo and a walk-

ing trail. The park sits on top of a hill and is built amid existing greenery and trees.

These features are designed to encourage the community to participate in outdoor recreation and

GAMUDA LAND



According to Chow, Kota Kemuning is more than just a township name today, with many people and neighbouring developments using its name as a location and an address, further endorsing the place

SHAHRIN YAHYA/THE EDGE



Chow with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

engender a sense of appreciation for nature.

“From an engineering perspective, we must create something different ... we are creating community living. Although urban living is one thing, we also want to encourage interaction between people and their surrounding environment so we connected all the jogging tracks, cycle tracks, parks, amenities and clubhouse,” Chow explains.

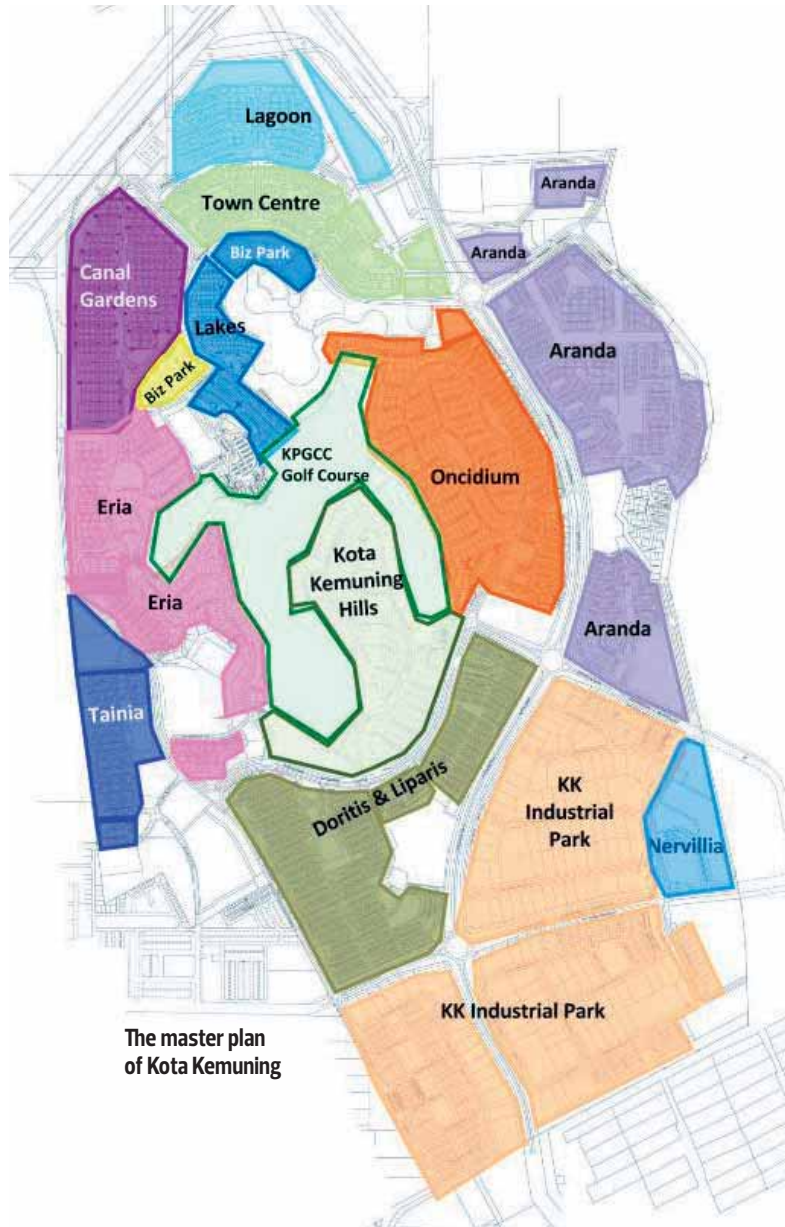
The clubhouse offers facilities including squash courts, tennis courts, a fitness centre and swimming pool for sports enthusiasts. In addition, there are outdoor basketball courts and a community hall that can be used for sports like badminton.

### A visionary master plan

The first homes in Kota Kemuning were in the Aranda and Oncidium precincts, launched in August 1995. Aranda comprises 20ft by 70ft and 22ft by 75ft double-storey linked houses, initially priced at RM168,000 and RM185,000 respectively. Over at Oncidium, double-storey bungalows were launched at RM910,000, double-storey semidees at RM490,000, and bungalow plots at RM68 psf.

In April 2008, the last parcel of 22ft by 75ft double-storey linked houses was launched at RM420,000.

“When we first started property development, just like our engineering sector, we had to look at what is our leading edge for every project,



The master plan of Kota Kemuning

what is our innovation and creativity, which can distinguish ourselves and our development from others,” says Chow.

“Also, as engineers, we believe it is important for infrastructure and good connectivity such as a good road network system to be in place and available from the first development phase, in addition to the facilities and amenities. So, when we delivered the first house, all these were already in place,” he adds.

Chow says about RM100 million was invested in Kota Kemuning’s connectivity as there was no access to the development site at that time.

Another aspect that the developer considered was not to build two rows of houses and hand over the keys to the buyers while adjacent construction was still going on.

“We made sure that even during the 1998 financial crisis, we continued to build — we sold what we could sell, and what we could not sell, we built, then sold. So, when the keys were delivered to our buyers, they could see that the whole precinct was actually completed, including the surrounding environment,” Chow says.

While gated and guarded schemes may be rather common today, this was not the case 20 years ago when Gamuda Land was crafting the master plan for Kota Kemuning.

The developer had the foresight to see the need for such schemes in the years to come and planned for it by forming individual resi-

dential precincts with respective cul-de-sacs.

“We only started implementing the gated and guarded scheme for the later residential precincts, during the last 10 years. In the earlier days, people who bought houses did not want recurring expenses such as security charges but we knew the mindset would change, so we put in place the infrastructure in the master plan for it. Today, I believe every precinct has happily implemented a gated and guarded community, which do not appear as ad-hoc as in many other residential areas,” Chow says.

### Gamuda Walk

As part of Kota Kemuning’s holistic master plan, Gamuda Land opened Gamuda Walk — a community lifestyle retail centre — in April this year to complement and add value to the township. The anchor tenant is AEON MaxValu while other tenants include Mr D.I.Y. and Kitchen Shop, F&B outlets such as Red Lobster, Nando’s, Sakae Sushi and Boat Noodle, and lifestyle convenience outlets such as Pet Lovers Centre, Focus Point and Chapter One Bookstore.

Gamuda Walk features a central podium, an al fresco dining area, indoor and outdoor green oases, landscaping, two levels of basement car park, three levels of retail space and seven levels of business suites, called The Gamuda Biz Suites.

In addition, there are several oth-

er vibrant commercial and business precincts comprising neighbourhood shops such as 24-hour convenience stores, fast food outlets, banks, clinics, pharmacies, bookshops, pet shops, tuition centres, furniture and hardware shops and auto service and repair shops.

### Staying on course

During the 1998 financial crisis, Chow says one of the challenges faced in developing Kota Kemuning was cash flow. During such times, he says, one must not half-heartedly make investments.

“There was a lot of initial investment we had to make for Kota Kemuning but we knew that if we dared to invest, we would see success, and that really did happen. After the crisis, people who were coming back into the property market wanted to buy and stay immediately, and we had ready houses in a nice environment to showcase. And today, we are happy to say that those who invested in Kota Kemuning are enjoying capital appreciation, which is a win-win situation and an important aspect for us.”

The Lagoon Suites Condominium received a merit award for *The Edge Malaysia*-PEPS Value Creation Excellence Award in 2013 under the residential category. Its units with sizes ranging from 500 sq ft to 900 sq ft were priced from RM125,000 to RM218,000 during launch in April 2010. The condominium’s value had appreciated between 60% and 90% as at 2013, and units are currently being sold in the secondary market from RM300,000 to RM520,000.

He also remarks on the challenges in achieving consistent construction quality in Kota Kemuning. To set things right, the developer implemented Conquas, or the Construction Quality Assessment System, which is assessed by Singapore’s Building and Construction Authority.

“We award the contractors for achieving the Conquas score as we believe that if we do it right the first time, we can save cost in terms of defect rectification. Today, we still maintain the highest Conquas score outside of Singapore.”

It has been two decades and the developer is still very much present in Kota Kemuning today.

Says Chow, “We are still here to serve the residents. We work with the residents’ association and the authorities in terms of service and maintenance as we believe these aspects help grow the value of the township.”

Today, Kota Kemuning is one of the most sought after townships in the Klang Valley owing to its sustainable master plan, quality design and innovative concepts, amenities and infrastructure planning.

“A lot of effort has been put into Kota Kemuning since it started in terms of engineering innovation. As you drive through the township, you can feel the difference in the ambience from other townships, and we are glad that many years ago, we embarked on offering these important features that have made Kota Kemuning a sustainable development today,” Chow says. ■

**THE EDGE**  
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**WINNER**  
**THE LIGHT WATERFRONT**  
BY IJM LAND BHD

# Penang's beacon of inspiration

BY LAM JIAN WYN

Penang's street food, laid-back lifestyle and melting pot of cultures draw investors, visitors and would-be residents from near and far. This has resulted in a property boom that saw a host of ambitious projects sprouting up around the state. Among them is The Light Waterfront, which aims to become the pulse of the north when fully developed.

This flagship Penang integrated development by IJM Land Bhd is one of three recipients of *The Edge Malaysia* Notable Property Achievement Award 2015.

The real estate arm of IJM Corp Bhd also ranks among Malaysia's top 10 developers at *The Edge Malaysia* Top Property Developers Awards this year.

Building an iconic landmark in Penang is no simple feat. Coming up on 152 acres of reclaimed land off the coast of Jelutong, next to Penang Bridge, The Light Waterfront has a gross development value (GDV) of RM6.5 billion. To date, its first five completed parcels have received Green Building Index certification.

It won the award, thanks to its outstanding concept and, more importantly, its commitment to bringing the idea to life. In this case, it was to bring the ocean to its residents, regardless of where they would be living within the development, says northern region senior general manager Datuk Toh Chin Leong.

"When we got this piece of land by the water, we knew that people would love to get close to the water. That gave [The Light Waterfront] a premium.

"So, we wanted to get people close to the water, but we only have one shoreline. [Therefore,] if we cannot bring everyone to the water, we will bring the water to everyone," he tells *The Edge*.

This overarching philosophy is reflected throughout the development, which is divided into three phases. The 42-acre Phase I features a variety of homes, which are almost completed.

This phase has seen some impressive sales, especially during the launches in 2009, after the global financial crisis. The homes were fully

sold in a matter of days, thanks to the location, pent-up demand and easy credit.

IJM Land managing director Edward Chong recounts earlier times when potential buyers camped overnight to buy properties, with some selling their places in the queue to others.

Phase II will comprise a mall, convention centre, marina, hotels, offices and homes. Phase III will be a seven-acre public park that will take a year to develop.

## Bringing the water to the people

Phase I is home to a 6.3-acre marine sanctuary named The Waterways, the first ever in a private residential scheme (certified by no less than *The Malaysia Book of Records*).

The sanctuary has an astonishing six million litres of seawater coursing through channels of concrete and glass around the residential precinct. It teems with a variety of aquatic flora and fauna such as corals, nerve sharks, clown fish, oysters and turtles.

There are four species of turtles in the sanctuary — green, leatherback, hawksbill and Olive Ridley. The green and Olive Ridley turtles are endangered while the leatherback and hawksbill are listed as critically endangered by the International Union for Conservation of Nature.

The turtles are on loan from the Department of Fisheries, which is responsible for growing their population. The turtle conservation programme was mooted by IJM Land's external aquatic specialist, Andy Tan.

"I thought it would be a shame to have such a big marine sanctuary but not have any turtles, especially since it is so close to the sea," Tan says.

The programme began with 32 turtles in 2012. Since then, the sanctuary has recorded an impressive 95% hatchling survival rate, more than double those of other sanctuaries.

Toh recalls that when IJM Land first mooted its very own marine sanctuary, it was met with scepticism.

"Our biggest challenge was dispelling the belief that it could not be done. They said even to take care of a small aquarium, you need to maintain the pH value and all



Toh (left) and Chong aim to make The Light Waterfront an international tourist destination



Toh with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

that, it's impossible!"

The sceptics believed that the developer would be — figuratively speaking — out at sea, given its lack of expertise in marine conservation.

"But by going one step at a time — we worked with [Tan] — we cleared each hurdle, and I think we made it," says Toh.

Today, The Waterways is much beloved by the residents. Toh says they are very mindful of the rules, which include not feeding and scaring the animals and polluting the water.

It is this sense of caring for the environment that IJM Land hopes to tap. There are plans to conduct public tours around The Waterways — subject to the agreement of the joint management body — a few times a week

CONTINUES ON PAGE 76



The Light Waterfront is coming up on 152 acres of reclaimed land along the coast of Jelutong





The Waterways has an astonishing six million litres of seawater coursing through channels of glass and concrete

## The place to be in in the northern region

### FROM PAGE 74

and the fees will be donated to other nature-related causes.

### A new iconic hub

IJM Land has big plans for the rest of The Light Waterfront, especially the 103-acre Phase II, which is being developed in a 50:50 joint venture with Singapore's Perennial Real Estate Holdings Ltd.

Chong wants The Light Waterfront to become an iconic tourist spot in Penang — selfie central and a destination to be hash-tagged and checked into — that must be visited at least once. In fact, he compares its eventual popularity with that of KL City Centre.

The first part of Phase II will comprise 256 condominium units. However, given the current weak market sentiment, it will only be launched in 2Q2016.

Other components of this phase include a mall with a gross retail space of 1.5 million sq ft, thematic shops, a convention centre, two hotels with a total of 750 rooms and an office tower.

The 287,000 sq ft convention centre is expected to accommodate up to 600 booths during exhibitions or up to 800 tables for functions. "Now we are tweaking the centre to accommodate shows like *Disney on Ice*. We can hold up to 10,000 people for a concert. So, with this kind of capacity plus the catchment generated by the mall, offices and hotels, it's a lot of people," laughs Toh.

The office tower is expected to have a gross floor area of 656,000 sq ft.

Chong says this precinct alone is expected to create 26,000 jobs.

Recognising the growing number of malls in Penang — a news report in September said about 7.6 million sq ft of retail space would come onstream over the next five years, adding to the current 9.07 million sq ft — Toh says IJM Land expects the mall to be successful, based on two reasons.

Firstly, it will benefit from the population of the entire development. "We know we can create our own popula-

tion as we have the convention centre as a pull factor. Let's say I have an event every weekend, I'll have a few thousand people, including those staying in the hotels," Toh says.

Chong reckons that the mall will draw a few thousand people every day, thanks to Penang's robust tourism industry.

It will stand out by offering something that is not a typical boxed retail experience, in keeping with The Light Waterfront's philosophy of bringing the outdoors indoors, says Toh.

"We are not making a concrete box where everything is inside and you don't know if it is raining outside or not," he adds.

"We are by the waterfront, so we need to give people both the indoors and the outdoors, flow them through the promenade along the seafront. Bring the courtyard indoors."

Inspired by The Waterways, IJM Land is mulling an aquarium in the mall as well. Toh says Aquawalk, the company that runs the famous Aquaria KLCC, has approached them numerous times to take part in this project. "But I said we don't want a normal aquarium. They are very keen and they said they'd try their best."

As a homage to Penang's street food culture, the mall strives to fill its lanes with the best of the state's famous hawker fare.

"We want to recapture the old charms of Penang, the street shopping, small lanes, heritage façades, clusters for hawker food, fashion. This is how we want to make the experience different," says Toh.

The mall will also include a theme park. "We are now talking to a theme park operator about a compact, modern park. In fact, the operator opened one in Manila in May," he adds.

The theme park will tentatively occupy 38,000 sq ft (less than an acre) and have nine rides. "You'd think you need 20 to 30 acres to build rides like roller coasters and all that, but the operator said it's not necessary because what they do is they strap you



The Light Waterfront is the first residential project to have its own marine sanctuary



The marine sanctuary is home to corals and other marine fauna

in the seats that move, turn off the lights and project onto a 360° screen. In fact, you can change the theme of the ride," says Toh.

IJM Land will have the option of licensing popular themes such as *The Avengers* or create its own rides for a fee.

"It's very interesting. It's a different ride each time you go in. And there's no need for engineering, checking and safety [unlike rides like roller coasters], so you can create something compact. With the mall and convention centre and everything, it will be a hub [of activity] in Penang," he says.

IJM Land envisions the mall's

promenade as the place to be in, especially during New Year's Eve when fireworks go off at the iconic Penang Bridge. "It will be a party all night long," he enthuses.

"We will have something going on there every festive season. Last year, when we had a New Year's Eve countdown at Karpal Singh Drive (seaside promenade at nearby Bandar Sri Jelutong). It was bigger than the state's event, we had 11,000 people. We told the state that this year, we'll be holding our own countdown again and we're expecting 15,000 people, so the chief minister is coming.

"So we told our architect that when we hold New Year's Eve count-

downs at The Light Waterfront, we are expecting at least 25,000 to 30,000 people."

### Easing traffic flow

With huge crowds come the inevitable massive traffic volume. How will IJM Land prevent this traffic from building up?

According to Chong, the main goals of its traffic plan is to make the flow as smooth as possible. This means ensuring that vehicles can come out of each building's car parks with ease and passengers can be dropped off easily and safely.

"With Perennial, a retail and commercial expert, we are working on improving the traffic flow. We don't claim to be a master in all areas, which is why we got them as a joint-venture partner. We aren't just looking for a project co-funder but also people with expertise in areas where we are not as good. That's where our partnership will work well," he says.

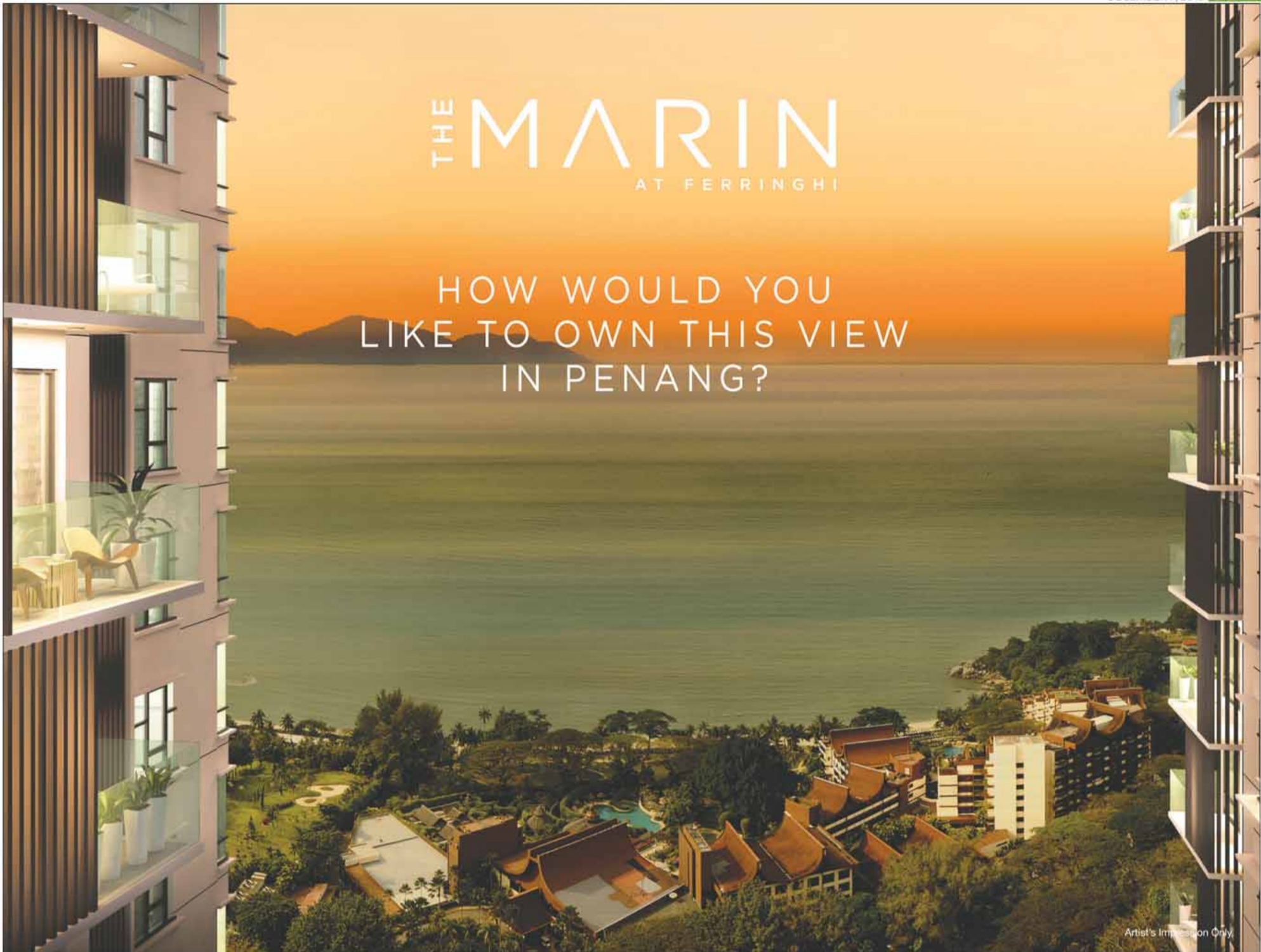
According to Toh, the group has already submitted its proposal to the state executive council.

"It's a lot of fun working out the traffic flow. For example, the Tun Dr Lim Chong Eu Expressway is just in front [of The Light Waterfront]. So, is it possible to have a dedicated tunnel linking the highway to the convention centre? Can we have an exit from the first or second level basements?"

"Each component needs its own drop-off zone and dedicated car park. So, they cannot be in conflict with each other. What about the pick-up points? The unloading bay for lorries? That's why we worked for so many months, so that everyone is happy," he explains.

IJM Land plans to start construction in the 3Q2016, which means Phase II should be completed in three to four years.

If all goes as planned, The Light Waterfront will become a beacon of northern Peninsular Malaysia, drawing people from all over. ■



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**WINNER**  
**LEISURE FARM**  
LEISURE FARM CORP SDN BHD (MULPHA INTERNATIONAL BHD)

# In praise of southern comfort

BY LAM JIAN WYN

When Mulpha International Bhd first acquired almost 2,000 acres of oil palm land at Gelang Patah — the southernmost tip of Johor — a quarter of a century ago, little did the developer know that it was going to turn out into an award-winning property development.

Initially made up of sprawling one-acre bungalow parcels marketed as “agricultural homesteads”, Leisure Farm was targeted at wealthy Singaporean retirees looking for enough space to swing a cat.

However, the parcels were eventually stitched together to form a total worth far more than the sum of their parts — a luxurious integrated strata township that boasts lush landscaping, at least two layers of round-the-clock security and a host of resort-style facilities. The entire project has a gross development value (GDV) of RM550 million and was inspired by the group’s Australian project Sanctuary Cove.

“We were inspired by Sanctuary Cove’s position as Australia’s leading integrated residential community, offering a unique lifestyle, magnificent facilities and 24-hour active land and water security, so we decided to model the master plan of Leisure Farm after the success of Sanctuary Cove,” Mulpha International chairman Lee Seng Huang tells *The Edge*.

The 1,171.28-acre Sanctuary Cove was acquired by Mulpha International in 2002 for A\$208 million (about RM416 million). The township, which was already mostly built-up at this point, boasts two championship golf courses, four harbours, 15 restaurants and harbourside cafes, and other boutiques that overlook the 293-berth marina. In addition, the township has a recreational club, country club and a five-star InterContinental Sanctuary Cove Resort.

Back home in Johor, the charming, verdant township of Leisure Farm is home to 38 nationalities, many of them choosing Leisure Farm due to its proximity to Singapore as a regional hub. The other residents include a wide array of wildlife such as monkeys, cranes and snakes, as well as the dogs and horses, (yes, horses) that form part of the township’s security team.

Leisure Farm’s boasts impressive facilities such as the Balé Equestrian & Country Club, Kayu Manis Orchard, Canal Park, Health Farm, marina and clubhouse. The 260-acre, 36-hole championship Poresia Golf Course near the centre of the township was sold by Mulpha International to a Japanese operator many years ago.

All these are overseen by the township’s general manager Robert Marek, a former hotel general manager who has about 20 years of experience in hospitality. His last posting was at a five-star hotel in China. Marek was roped in to raise the level of service



MOHD IZWAN MOHD NAZAM/THE EDGE

“So how will we make Leisure Farm relevant for the next 10 to 20 years? We are undergoing a master planning exercise to take the township to the next level

— Lee



SHAHNIN YAHYA/THE EDGE

Eric Lee, group chief financial officer, Mulpha International Bhd receiving the award on behalf of Lee. He is with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

offered to residents.

In fact, some would say Leisure Farm was among the earliest development in the country with individual precincts and landscaped streets and parks. Senior sales manager Wayne Wong says the developer used the natural mangrove swamp and rivers that ran through the site as the basis of its landscaping to evoke a more natural ambience.

It is this pioneering tendency that helped the township to clinch *The Edge Malaysia* Notable Property Achievement Award 2015. The award recognises projects that demonstrate unique concepts and designs and the developer’s commitment to bringing them to life.

There are four types of homes on Leisure Farm. In ascending order of luxury, they are Bayou Garden, Bayou Creek, Luxury Villas and Private Reserve.

Bayou Garden and Bayou Creek are two enclaves that feature superlink homes, semi-detached houses and bungalows. The latter two types come with their own swimming pools.

The superlinks are already sold out. The semi-detached houses have built-ups of 3,700 sq ft while the bungalows have built-ups of 4,100 to 4,500 sq ft.

The Luxury Villas are built on parcels that are a third to a half of an acre wide and have built-ups of 8,000 to 10,000 sq ft.

The crème de la crème is the Private Reserve. These 1-storey bungalows are built on one-acre parcels with built-ups of at least 12,000 sq ft.

Lee estimates that the homes command a premium of 20% to 30% above similar properties in the vicinity, thanks to their facilities and environment.

“We stopped selling large plots because there are few left, so they are kind of a premium product. So, 18 months ago we auctioned off 10 parcels via restricted tenders. They were oversubscribed,” says Lee.

“It was not a private tender, but more of an expression of interest campaign, which was something we learned from Australia,” he says.

According to Lee, prices of the parcels have since gone up to over RM200 psf, with several Singaporean buyers continuously pushing up prices. He adds that many of these homes have also won awards and are the subject of many a sleek and glossy architecture magazine.

Wong acknowledges that safety was — and continues to be — a concern when living in Johor. Therefore, Leisure Farm has a gamut of security features that include perimeter fencing around the entire development and each precinct, motion sensors on the fences, CCTV cameras, and patrols with dogs and on horseback.

“Most residents feel so safe that they don’t lock their doors at night,” says Wong.

## Strokes of luck

Innovative concepts and features are only the second part of the story. The true beginnings of Leisure Farm’s success story lie in an unexpected stroke of luck.

The township’s first boost came in 1992, when the Second Link to Singapore was announced. The new link would cut travelling time from the

township to downtown Singapore by half to 30 minutes.

This made Leisure Farm an appealing prospect for Singaporeans who commute between their spacious homes in Johor to their more lucrative jobs back home.

Prices of land in the vicinity jumped after the announcement — from the RM9 psf Mulpha International had paid for the parcel to RM15 psf. When the bridge finally opened in 1998, prices then doubled to RM30 psf.

The developer’s good fortune continued when the Iskandar Malaysia growth corridor was initiated. Leisure Farm falls squarely in the middle of Flagship B, which the economic region’s Iskandar Regional Development Authority touts as a major new growth centre housing most of Iskandar’s major new catalysts.

These include Johor’s newest luxury enclave Puteri Harbour, international mixed-use development zone Medini Iskandar, Afiat Health Park, Legoland Malaysia, the Southern Industrial Logistics Clusters and Pinewood Studios. Investments worth billions of ringgit are expected to pour into these projects.

“Leisure Farm will benefit from being right in the middle of it all,” says Lee.

Wong recalls that when historical series Marco Polo was filmed, the show’s producers approached Leisure Farm to use its stables to house about 30 horses for the show and practice their fight scenes.

Other catalysts include the 305-acre EduCity, which has seven schools



PICTURES BY MULPHA LAND



The Balé Equestrian & Country Club temporarily housed 30 horses used in the historical series Marco Polo

and universities such as Marlborough College and Raffles University. Leisure Farm is seeing more families whose children are enrolled at these schools moving into Leisure Farm, he says.

Leisure Farm is also neighbours with two of the largest developments in Iskandar - the 1,800-acre Sunway Iskandar by Sunway Bhd and 4,500-acre Gerbang Nusajaya by UEM Sunrise Bhd.

Sunway Iskandar will comprise six precincts that include hotels, themed malls and theme parks, education and health parks, and homes that range from the affordable to the luxurious.

Gerbang Nusajaya is expected to have a few catalytic projects such as the 295-acre, RM3.5-billion Fast-track Motorsport City and 519-acre, RM3.7-billion Nusajaya Tech Park. However, the completion dates of these projects have not been set yet.

The Kuala Lumpur-Singapore high-speed rail will have a stop in Nusajaya, although the actual site has not been confirmed yet.

Wong estimates that land in the area is currently transacting at RM150 to RM200 psf.

### Bought in haste, sold at leisure

Poor sentiment from a huge influx of high-rise homes has engulfed Johor's entire residential property market. This includes that of luxury landed homes within Nusajaya, with some developers reporting poor sales despite the properties' proximity to Singapore and an array of other luxurious features.

Lee points out that given the premi-



An artist impression of the Bayou Garden Residences, set to be launched in the first quarter of 2016

um nature of the townships, sales will be slower than other classes of townships. However, that is not necessarily a bad thing considering the weakness of the market now. In fact, Leisure Farm is able to hold back launches until the market recovers as the land was acquired cheaply a long time ago, he adds.

"We have the luxury of being able to sit back, and our total GDV will be a lot higher later than if we are going to completely sell now," says Lee.

"That's the privilege that Mulpha has. We bought this land at RM9psf. You can't get land around here at this price anymore. A new developer comes in today, buys land at full market price, their pace is going to be very different from ours," he says.

"Obviously since the early Nine-

ties, the access and the surroundings have changed tremendously, as well as the dynamics of the region. You're talking about the Kuala Lumpur-Singapore high-speed rail, more schools and universities, more employment, leisure, theme parks all around us.

Lee estimates that Leisure Farm has about 513 acres of undeveloped land left. This comprises 159 parcels of bungalow land that total 103 acres in five precincts, 210 acres of raw development land earmarked for residential development and 201 acres allocated for commercial developments.

"So how will we make Leisure Farm relevant for the next 10 to 20 years? We are undergoing a master planning exercise to take the township to the next level.



The living room of the Bayou Creek bungalow show home



The exterior view of the Bayou Creek bungalow show home

"Travelling times to Singapore have shortened considerably and land values have risen tremendously, so, we are looking at increasing the density and having more varied site usages," he says.

This will entail introducing low-rise apartments and expanding its commercial precinct. While Leisure Farm is not looking at a large-scale retail centre, it does plan to add more lifestyle shops and upscale grocers to cater for the needs of its residents.

While the pace of Iskandar's development has slowed a bit, more developers are making their presence felt there. Competitors have also begun to offer luxurious homes in the area, eating into Leisure Farm's market share. Is Lee concerned?

"As a developer we face competition all the time. [Competitors] walk through our show houses and take pictures ... they do it everywhere. We let them in because there's nothing to hide. Information flows so fast now, you might as well be gracious about it, and hopefully they reciprocate and show us what they are doing, right?"

He adds that what is more important is to work together with their neighbours now for mutual prosperity.

"For example, Sunway and UEM Sunrise are building across from us, as are other developers, and they each have their own unique characteristics, so we

should leverage each other rather than compete directly with them," he says.

He also notes that there will be two interchanges coming out of Leisure Farm.

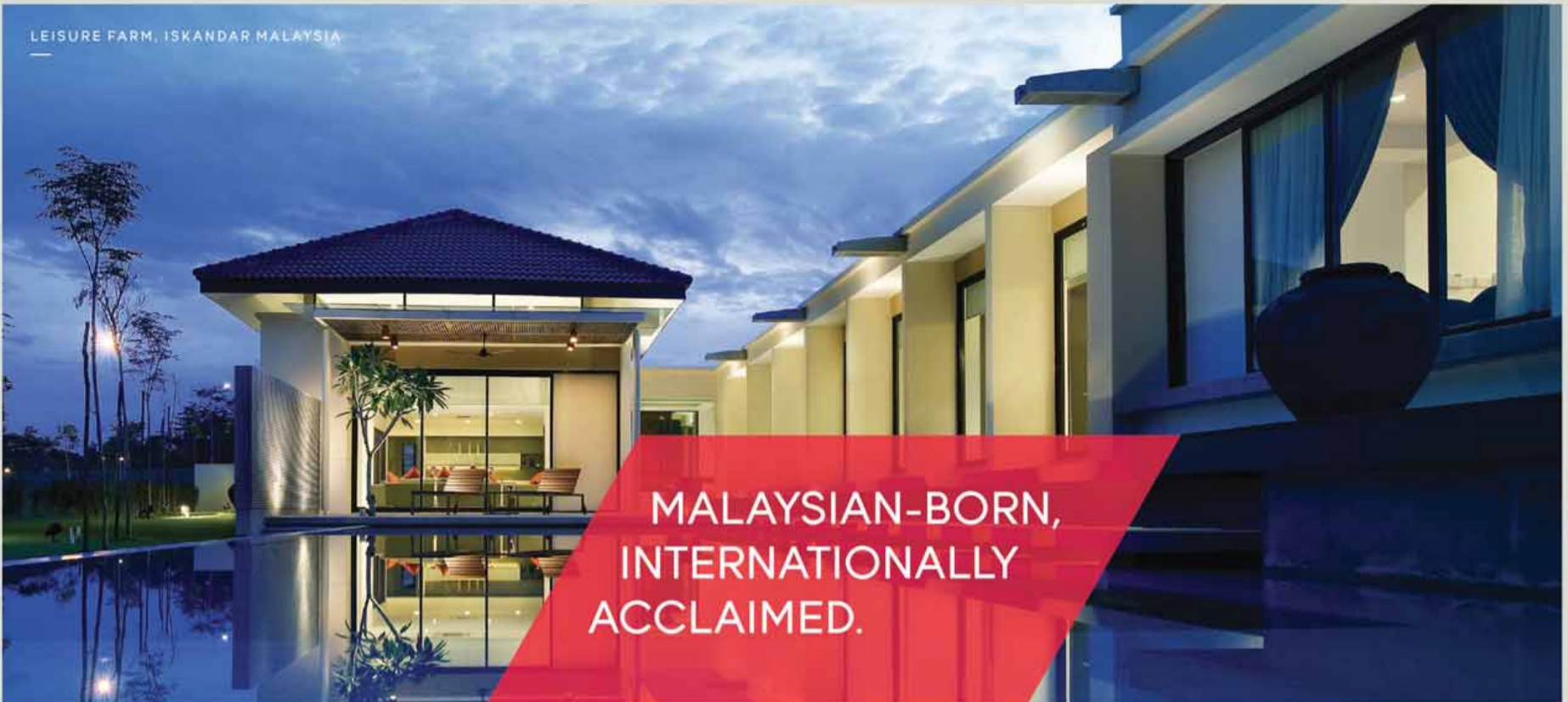
The first is the Gerbang Highway interchange. Mulpha International and UEM Sunrise had inked a memorandum of understanding with UEM Sunrise last year worth RM107 million to jointly develop the interchange, comprising a network of roads that will reduce travel time from Leisure Farm to the Second Link Expressway (Linkedua) by a third to just five minutes.

Next is the Coastal Highway Southern Link, a 5.2km highway that will pass through the proposed Gerbang Nusajaya South Development and Leisure Farm, connecting Linkedua directly to Medini. Mulpha International, UEM Sunrise, Sunway and Iskandar Investment Bhd will jointly build this road.

The new interchange will also enable residents to reach Johor Baru's central business district and Singapore more quickly. It will also join with highways leading to Kuala Lumpur.

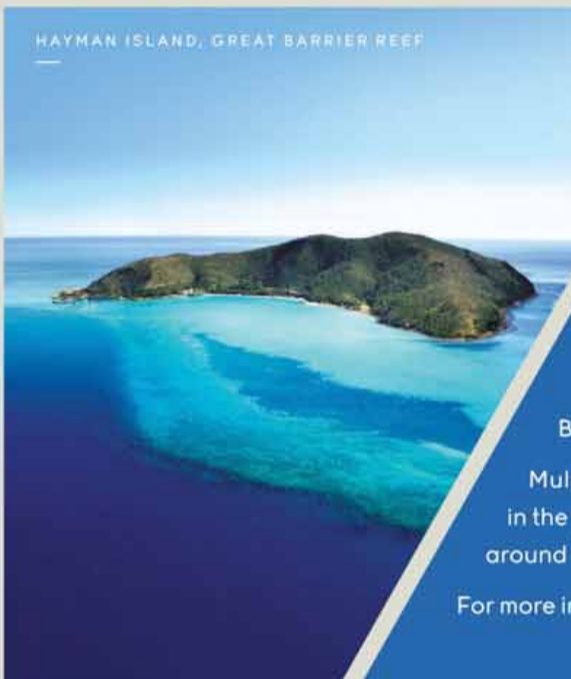
Iskandar, and Malaysia as a whole, may be going through a tough patch currently but as far as Leisure Farm is concerned, the grass is still green here and it will only draw more people to its pastures. **E**

LEISURE FARM, ISKANDAR MALAYSIA



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**WINNER**  
**SETIA ECO PARK**  
BY BANDAR ECO-SETIA SDN BHD (S P SETIA BHD)

# Living with nature

BY RACHEAL LEE

A question in the final examination of Datuk Koe Peng Kang's professional paper in engineering in the late 1990s has had a great influence on the Bandar Eco-Setia Sdn Bhd CEO's approach to property development — that is, to protect the environment as much as possible during the development process.

"Assuming that you are working for a developer, how are you going to ensure that the environment is well-preserved during the development and what are you going to do to protect the environment?" That was the exam question that he had three hours to answer.

As he had just joined S P Setia Bhd then, he felt it was a tough question to answer. He then asked if he could choose to answer a question on quality control instead, but his request was rejected by the examiner.

"He told me that since I work for a developer, I have to tell him how I would protect the environment [as an engineer]," Koe recalls. "He said a lot of engineers talk about the mass destruction of the environment [due to development], so he wanted me to answer that question. I had no choice, so I sat down there for three hours and thought through the process of construction design, a development's impact on the environment and environment protection.

"During those three hours, I did nothing but think about the real issue at hand. I remember I wrote this on the paper — as an engineer, we cannot stop property developments but we can, in our capacity, minimise the damage and impact of development on the environment."

The desire to do things differently, coupled with an opportunity to develop a parcel in Shah Alam, Selangor, in 2004, resulted in the creation of a green township known as Setia Eco Park.

The award-winning development is the recipient of *The Edge Malaysia* Notable Property Achievement Award 2015, which recognises a project that showcases not only unique concepts and designs but also the commitment of its developer to translate them into reality.

Setia Eco Park is located on 791 acres of freehold land, 60% of which has been developed. From the initial gross development value (GDV) of RM2.2 billion in 2004, the GDV now stands at RM5.5 billion. The whole township, with 3,000 homes, is scheduled for completion in more than 10 years' time.

"In 2004, we got this land and we had to decide what to do. The authorities were friendly and they wanted to see something happen as well," says Koe, who is also executive vice-president of S P Setia.

"Back then, the whole property development industry was on the verge of a revolution, so we decided



PICTURES BY PATRICK GOH/THE EDGE

Koe: [Engineers] can, in our capacity, minimise the damage and impact of development on the environment



SHAHRIH YAHYA/THE EDGE

Koe with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

to embark on green developments here. It was set to be a large enclave for high-end properties with only bungalows and semi-detached homes, while each precinct would be individually gated and guarded."

The launch price for a bungalow was RM659,000 in 2004, but a similar property would be priced from RM1.8 million now, he says.

Green developments then were not as common as they are now, with nothing formalised and not much information available locally. The team came out with different ideas, taking note of what the industry had done previously and ways to improve on this.

The team also looked at available green technology at the time such as wind turbines and solar panels as well

as the flora requirements.

"We were also looking at whether we could make the streets narrower, so we could have more space for vegetation while still having roads that serve their purpose," Koe says. "So, we reduced the width of the roads from [the required] 21ft to 15ft."

While it is easier for developers to focus just on technology and put minimal effort into having plants to meet the green requirement, for S P Setia, what mattered most at Setia Eco Park were the softer parts of the development such as the conservation of the existing flora and fauna, community building and the long-term commitment to and maintenance of the green areas.

"We also looked at what sort of greens we should plant. The most



The development has attracted the interest of corporate personnel, who choose to stay there



The developer has kept the lakes in Setia Eco Park and is modifying some of them in terms of their size and shape

eco-friendly thing is to plant trees — as many as possible — because they cool down the environment. We often just plant what is easy to be maintained. For Setia Eco Park, we looked at what we needed to plant and we selected plants that are friendly to birds and butterflies. We came out with a list of about 200 species of plants that attract birds and butterflies," Koe says, adding that the developer also received advice from plant experts. Setia Eco Park has since become home to various food trees and nectar plants that serve as suitable habitat for birds and butterflies.

A recent survey carried out by the developer, together with WWF, recommends that more food trees should be planted to boost the bird types there to 50 from the current 30.

"We are seriously looking into this. These things may not seem significant but they have an impact in the long term. Plants provide oxygen and children can run free among them. God has given us the best thing in the world, trees, but we just don't plant enough of them.

"Plants also need tender loving care or else they will die, and replanting would cost a lot of money. We can't take it for granted. We understand that some of our workers may not understand the importance of plants to our living environment, so the team has to monitor this. Developing green is not just a statement; it is a long-term commitment."

The story of Setia Eco Park, as Koe puts it, helps people understand that the environment is not just about

S P SETIA



S P SETIA



What matters most at Setia Eco Park are the softer parts of the development such as the conservation of the existing flora and fauna



Fine-dining restaurants and amenities for senior citizens will be developed near its clubhouse, The Canopy Club, by early 2017

buying and using technology, but also about understanding how to create a friendly landscape for everyone. While the developer takes care of most of the landscaping, Koe says he sees residents doing up their gardens to match the green surroundings.

As for the animals at Setia Eco Park, it is a standard protocol for S P Setia that any animal rescued within Setia Eco Park is released back to the forest nearby.

"We want to do things differently. If we don't have to touch an area for our development, we just leave it as it is," says Koe.

The developer has also kept the lakes in Setia Eco Park and is modifying some of them in terms of their size and shape. Fishing is prohibited in the development, which also has a dog park.

"They (the fish) were here even before us, and they eat mosquito larvae," Koe says. "My dream is to have the lakes full of fish but we are still far from that. I hope my dream will come true one day. I am working on improving the water quality. When we started in 2004, we didn't have the money to modify every lake [after spending a huge amount of money on buying the land and building the road interchange to Setia Eco Park]."

Koe also sees the importance of community building in Setia Eco Park. It is planning to build fine-dining restaurants and amenities for senior citizens near its clubhouse, The Canopy Club, by early 2017.

"Everything will be very close to their homes and the residents don't have to go out. The next thing we want

to do is to make sure that we create enough activities for the retirees in our community to keep them busy. Previously, we had wine and coffee appreciation events. Next, we want to form a club so they can do something together."

Before Setia Eco Park, S P Setia's only high-end development was Duta Nusantara in Dutamas, Kuala Lumpur. The success of Setia Eco Park has been a boost to its confidence and its ability to turn a place from nothing into something desirable.

"This project gives us the aspiration and confidence ... that if we go to a new place, we can do whatever we want to do. We also broke the industry's taboo that developers can't live in their own development. A lot of senior staff live here and they oversee

the place," Koe says, adding that the developer will continue to maintain the values and lifestyle standards of Setia Eco Park.

Eventually, it plans to build properties that suit the requirements of the demographic such as smaller bungalows for those who want such a property. Its approach is also to launch in small quantities but at a higher value.

"We need the stamina to ensure that all our staff are able to embrace the concept and execute the common objective [which is green]. We always ask ourselves what else we can do to make it better. It is a never-ending process," Koe opines. "Another difficulty is to find someone who has the passion to implement the concept."

After years of hard work, the vi-

sion the developer has is becoming a reality. The development has since attracted not only the public but also personnel of corporations to stay here.

"People believe in it ... even though initially the location was thought of as far away and people thought it was mad to develop high-end developments here.

"The satisfaction for us is when buyers see value appreciation. They also know they are not just buying a property but also a concept and, hopefully, this legacy continues. I want to ensure that even before I leave, my next in line is able to handle it and make sure that this culture, together with the maintenance of the gardens, parks and infrastructure here continues."

E



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Sales Gallery @ Kajang East  
GPS: 2.957083, 101.840283

Tel: 03-8723 4493, 019-333 8236

**Hillpark 3 Phase 1 & 2**  
Sales Gallery @ Kajang 2  
GPS: 2.57'54 04"N 101 47'53.70"E

Tel: 03-8733 0888, 019-333 5780

**MKH Berhad** (50948-T)  
5th Floor, Wisma MKH, Jalan Semenyih,  
43000 Kajang, Selangor Darul Ehsan.  
T +603-8737 8228 F +603-8736 9115

**03-8733 0888**  
**03-8737 8228**  
[www.mkhberhad.com](http://www.mkhberhad.com)



**Pelangi Heights (Ph5A)** - Developer's Licence No & Acq. (Max) • Total Units: 55 Units • 2-Storey Terrace House: 3 Units • Expected Date Of Completion: August 2017 • Land Enc. Licence No: 12276-503-2017025061 • Validity Period: (20'x60') 191' Landa (20'x70') • Selling Price: (20'x60') 7.5M • Menaka Burst Rukun LAMUSNO 12747 • Hillpark 3 - Ph 1 (Max) • Total Units: 20 Units • Type A3, Selling Price: RM 1.311.000 (Min) - RM 1.359.000 (Max) • Type B1C, Selling Price: RM 1.311.000 (Min) - RM 1.359.000 (Max) • Type C2, Selling Price: RM 1.359.000 (Min) - RM 1.485.000 (Max) (As requested by developer, the authorities and the developer).

# OF DREAMS

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Tel: 03-8733 0888, 019-333 5780

**Saville Cheras**  
Sales Gallery @ Saville Old Klang Road  
GPS: 3.111736, 101.6788  
Tel: 03-7981 0901, 019-333 8551

Permit No. 8997-1407-201702017 • Validity Period: 18/02/2015-17/02/2017 • Approved Building Plan No. MPN 431/17072013/8 • Building Plan Approving Authority: Majlis Perbandaran Nilai • Expected Date Of Completion: February 2017 • Land Encumbrances: Hong Leong Bank Berhad • Land Tenure: Freehold • 2-Storey Terrace House - Type RTA (22'x60') - Selling Price: RM871,000 (Min) - RM1,045,000 (Max) • Total Units: 18 Units • (10% Bumpura Discount) • Restriction In Interest: Nil. **Hillpark Shah Alam (Meranti)** - Developer's Licence No. 10470-3451-2014/022 • Validity Period: 14/03/2015-13/03/2017 • Approved Building Plan No. MCK52604/12/2014-17 • Building Plan Approving Authority: Majlis Daerah Kuala Selangor • Expected Date Of Completion: July 2017 • Land Encumbrances: Nil • Land Tenure: Leasehold (July 2011) • Discount 7% For Bumiputera • Total Units: 191 Units • Selling Price: RM496,000 (Min) - RM770,000 (Max) • Restriction In Interest Of Land: This Land Can Only Be Transferred, Leased Or Charged Upon Approval Of The State Authority. **Pelangi Semenyih 2** - Project In: Tanah Melayu Keluluan Borang F Perakuan Siasa Dan Pemukiman (CCG) Dipegada Lembaga Amalan Malaysia Dan Majlis Perbandaran Kajang Pada 31 Mac 2015 • Developer's Licence No. 1130-3/09-2016/0975 • Validity Period: 27/09/2014 - 26/09/2016 • Approved Building Plan No. MPKJ 2/1/03/2015 • Building Plan Approving Authority: Majlis Perbandaran Kajang • Expected Date Of Completion: January 2017 • Land Encumbrances: RHB Bank Berhad • Land Tenure: Freehold • 2-Storey Terrace - Type RT2 (20'x70') - Selling Price: RM1,088,000 (Min) - RM1,372,000 (Max) • Total Units: 32 Units • 2-Storey Terrace (20'x75') - Selling Price: RM1,088,000 (Min) - RM1,420,000 (Max) • Total Units: 57 Units • (Discount 7% For Bumiputera) • Restriction In Interest: Nil. **Saville@Kajang (BWA&B)** - Developer's Licence No. 10470-3451-2014/022 • Validity Period: 14/03/2015-13/03/2017 • Approved Building Plan No. MPKJ 2/1/03/2015 • Building Plan Approving Authority: Majlis Perbandaran Kajang • Expected Date Of Completion: May 2017 • Land Encumbrances: Nil • Land Tenure: Freehold • 2-Storey Terrace (20'x75') - Selling Price: RM1,088,000 (Min) - RM1,420,000 (Max) • Total Units: 57 Units • (Discount 7% For Bumiputera) • Restriction In Interest: Nil. **Saville@Kajang (BWA&B)** - Developer's Licence No. 10470-3451-2014/022 • Validity Period: 14/03/2015-13/03/2017 • Approved Building Plan No. MPKJ 2/1/03/2015 • Building Plan Approving Authority: Majlis Perbandaran Kajang • Expected Date Of Completion: May 2017 • Land Encumbrances: RHB Islamic Bank Berhad • Land Tenure: Freehold • Type A - Selling Price: RM 415,000 (Min) - RM 467,890 (Max) • Total Units: 306 Units • Type B - Selling Price: RM 475,000 (Min) - RM 530,890 (Max) • Total Units: 196 Units • Type C - Selling Price: RM 559,250 (Min) - RM 698,890 (Max) • Total Units: 72 Units • (Discount 7% For Bumiputera) • Restriction In Interest: Nil. **Hillpark Shah Alam North** - Developer's Licence No. 10470-3451-2014/022 • Validity Period: 14/03/2015-13/03/2017 • Approved Building Plan No. MPKJ 2/1/03/2015 • Building Plan Approving Authority: Majlis Perbandaran Kajang • Expected Date Of Completion: May 2017 • Land Encumbrances: RHB Islamic Bank Berhad • Land Tenure: Freehold • Type A - Selling Price: RM 316,000 (Min) - RM 328,000 (Max) • Total Units: 52 Units • Type B2 - Selling Price: RM 329,000 (Min) - RM 340,000 (Max) • Total Units: 21 Units • Type B3a - Selling Price: RM340,000 (Min) - RM352,000 (Max) • Total Units: 31 Units • Type B3 - Selling Price: RM 344,000 (Min) - RM 356,000 (Max) • Total Units: 52 Units • (Discount 10% For Bumiputera) • Restriction In Interest: Tanah yang dibeli milik vs tidak boleh dipindahterima, dipajak atau dipindahterima dengan kebenaran Pihak Berkuasa Negeri. **Saville@Cheras** - Developer's Licence No. 13982-105-2017/0324/L • Validity Period: 07/05/2015-06/05/2017 • Approved Building Plan No. MPKJ 2/1/03/2015 • Building Plan Approving Authority: Majlis Perbandaran Kajang • Expected Date Of Completion: Jun 2019 • Land Encumbrances: AL-RHB Bank • Land Tenure: Freehold • Total Units: 352 Units • Type A - Selling Price: RM1,500,000 (Min) - RM1,101,000 (Max) • Total Units: 46 Units • Type A1 - Selling Price: RM1,028,000 (Min) - RM1,107,000 (Max) • Total Units: 29 Units • Type A2 - Selling Price: RM1,048,000 (Min) - RM1,144,000 (Max) • Total Units: 30 Units • Type B - Selling Price: RM1,124,000 (Max) • Total Units: 30 Units • Type B1 - Selling Price: RM1,170,000 (Min) - RM1,234,000 (Max) • Total Units: 58 Units • Type B2 - Selling Price: RM1,236,000 (Min) - RM1,306,000 (Max) • Total Units: 42 Units • Type B3a - Selling Price: RM1,372,000 (Min) - RM1,480,000 (Max) • Total Units: 12 Units • Type C - Selling Price: RM1,372,000 (Min) - RM1,480,000 (Max) • Total Units: 20 Units • Type C1 - Selling Price: RM1,363,000 (Min) - RM1,486,000 (Max) • Total Units: 29 Units • Type D - Selling Price: RM1,313,000 (Max) • Total Units: 2 Units • Type B2 - Selling Price: RM1,363,000 (Min) - RM1,367,000 (Max) • Total Units: 48 Units • Type B2A - Harga Jualan: RM1,340,000 (Min) - RM1,392,000 (Max) • Total Units: 12 Units • Type E - Selling Price: RM3,572,000 (Min) - RM3,572,000 (Max) • Total Units: 2 Units • (Diskaun 10% Untuk Bumiputera) • Restriction In Interest: Nil. The information contained herein is for reference only and is not intended to be construed as an offer or solicitation to sell or purchase any property. All prices are merely artist's impression only. The information contained herein is for reference only and is not intended to be construed as an offer or solicitation to sell or purchase any property. All prices are merely artist's impression only.

**THE EDGE**  
MALAYSIA  
**Affordable Urban Housing  
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**WINNER**  
**PINES@HILLPARK, SHAH ALAM NORTH**  
BY HILLPARK RESOURCES SDN BHD (MKH BHD)

# Changing for the better

BY **RACHEL CHEW**

For a very long time, Puncak Alam in Shah Alam North, Selangor, was just rubber and oil palm plantations. In recent years however, it has begun to blossom as new property projects have sprung up, and more amenities introduced.

One of these new developments is Hillpark township by MKH Bhd.

When the 556-acre site for Hillpark was first purchased, the plan was to build bungalows, but the developer thought better of it.

“We decided to change the whole master plan from bungalow development into an affordable housing township because we were confident there would be demand,” says group managing director Tan Sri Eddy Chen.

The launch had to be deferred by a year but there were no qualms as the company was confident of the strong demand for affordable housing, especially in the northern parts of Shah Alam such as Bukit Jelutong. Hillpark is about 20km to Sungai Buloh, 30km from the Shah Alam city centre, and adjacent to the upmarket Bukit Jelutong.

“Bukit Jelutong is a mere 10 minutes away. Over there, a bungalow unit sells for RM1.2 million. We can build cheaper units here but the number of buyers who can afford bungalows is limited. Thus, we decided to offer something more affordable, but well-planned and of good quality,” says Chen.

The decision has paid off handsomely, with one of the projects at Hillpark — Pines@Hillpark — again emerging as one of the two winners of *The Edge Malaysia Affordable Urban Housing Excellence Award 2015*. MKH was the inaugural recipient of the award in 2014 for its Phase 2A of Pelangi Semenyih 2.

Chen says the company “worked backwards” in planning the development. “We looked at the value of the land and market trend of the surrounding properties in deciding what we should build. We found that the demand for affordable housing was strong and we believe it will continue to be strong.” He cites a study that shows Malaysia needs 200,000 to 250,000 affordable homes per year but the industry is only providing about 100,000 units.

That means every year, there is a shortfall of 100,000 to 150,000 affordable houses. “The



MOHD IZWAN MOHD NAZAM/THE EDGE

Chen: Buying an affordable home doesn't mean you have to live in jungle. In Hillpark, we have all the amenities.

capacity (to build such housing) is not there,” Chen points out.

He believes the majority of households in the country have an income of about RM10,000, and can afford to pay RM2,000 to RM3,000 per month in housing instalments. “We worked backwards from that to plan and design property that everyone can afford,” Chen says.

Notable affordable housing projects developed by MKH include Pelangi Semenyih 2, Hillpark Home in Semenyih and the ongoing Hillpark@Shah Alam North. All of its projects are benchmarked against the Construction Quality Assessment System (CONQUAS) or Quality Assessment System in Construction (QLASSIC) before they are handed over.

To date, MKH has achieved and maintained an average QLASSIC score of 80% for its com-



SHAHNIN YAHYA/THE EDGE

Chen with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group



Pines was completed and handed over in August 2015





One of the parks in Hillpark

## Noteworthy

JUDGING CRITERIA	PINES@HILLPARK
Quality of product	MKH adopts the Quality Assessment System (CONQUAS) or Quality Assessment System in Construction (QLASSIC) for all its developments. In addition, the developer also practises a 3-tier quality inspection system.
Design	An eco-themed integrated township with a 56-acre forest park.
Innovation	Innovative technologies deployed as part of the building's features, such as energy conservation, use of renewable energy, rainwater harvesting as well as waste recycling.
Accessibility and connectivity	The Pines is situated within a thriving and fast-growing township that offers both ready amenities and connectivity. It is also connected by several highways, such as LATAR, Gurthrie Corridor Express, NKVE and the upcoming DASH Highway.
Liveability	Pines@Hillpark provides everything required by a discerning urban dweller for a balanced lifestyle, such as a forest park, central lake park and many more.
Maintenance	The township is self-sustaining with low maintenance, using a system that allows nature to take care of itself.
Community interaction (public and shared-use spaces, safe and secure access)	The 56 acres of the forest park, central lake park, bicycle track and jogging trails provide a comprehensive network for residents to meet and express common interests together in this guarded and self-contained community.
Land cost	RM30.6 million for 556 acres

pleted projects. And it intends to maintain the momentum for the rest of its projects, including Hillpark, says Datuk Kenneth Chen, group deputy property director.

A subsidiary of MKH, Hillpark Resources Sdn Bhd, had in August 2013 acquired Puncak Alam Resources Sdn Bhd, which owned joint venture rights, together with Telekom Malaysia, for the site where Hillpark@Shah Alam now sits.

The leasehold land was acquired for RM30.6 million, or RM8 per sq ft, excluding land premium for future phases. This includes converted and unconverted land. As this is a joint venture project, MKH had to pay 10% of the total gross development value of an estimated RM1.5 billion to Telekom.

Hillpark has proved to be a success since its maiden launch, the Pines in 2013. Pines, which sold out within a month, comprises 311 double-storey terraced houses with land

sizes of 20ft by 70ft and 22ft by 70ft, and priced from RM368,000. "That made it one of the most affordable landed properties in Greater Kuala Lumpur at that time," says Chen with more than a hint of pride. A unit is worth at least RM500,000 now.

Pines spans 29 acres and has a GDV of RM135.5 million. The GDV for the entire project is RM1.3 billion. Pines was completed and handed over in August this year.

"Pines is a good quality and well-designed terraced house development. All the units are built with a north-south orientation as a passive green design feature to reduce heat from the sun. This effectively reduces the energy required to cool down the house," says Kenneth, who is Chen's nephew.

Subsequent phases, including Cherry I, Cherry II and Olive, have been fully sold while the latest launches — Cherry III, Meranti and



Kenneth: Hillpark will deliver 3,900 units of landed and high-rise residences as well as commercial shops by 2019

commercial project Hillpark Avenue — have been well-received.

Kenneth reveals that there will be high-rise homes within Hillpark in the near future. "That will be another affordable development too, probably selling at RM300 to RM350 psf. The high-rise will probably happen in the next five years."

According to him, Hillpark will deliver 3,900 units of landed and high-rise residences as well as commercial shops by 2019.

Future amenities within the green township include a hotel, a police station, a hospital within Universiti Teknologi Mara (UiTM), the expansion of UiTM, as well as primary and secondary schools.

"We have buyers from Kuala Lumpur, Klang, Shah Alam and even further north. Most have young families and because they are mostly owner-occupiers, you do not have to worry

## Forest Park a future attraction

A future highlight of MKH Bhd's Hillpark@Shah Alam North will be a 50-acre forest park.

"Yes, we could have built something that we could sell on the 50 acres. Although it is hilly, it could offer nice views. Instead, we decided to do something different and exciting for the people who live here, something that every resident can enjoy," says group managing director Tan Sri Eddy Chen.

The site is undergoing reforestation now. "We don't want an ordinary park with only bushes and trees. We are bringing in landscape designers to see what we can create and make this a unique park," he says.

What the developer has in mind thus far includes an innovative playground and thematic parks such as a sculpture garden and a raintree court. Eddy adds that the park has the potential for outdoor activities such as cycling, rock climbing or trekking.

MKH plans to create a layered ecosystem of forest vegetation with 70% saplings and 30% plants. It plans to use renewable energy, rainwater harvesting and waste recycling to maintain the park while an abundance of trees and flowers will be planted to attract birds, butterflies and bees.

The ultimate aim is to inject a lifestyle element for the residents and to draw more people to Hillpark.

"At the end of the day, it [the forest park] will help us create value for the properties here. Our houses will indirectly see better sales and higher sales value. The benefit might not come in a big way but I believe it can be reaped in many ways, such as branding, sub-sales value, business opportunities, and so on," says Chen.

Upon completion, the park will be handed over to the state government, which means residents will not have to pay for its maintenance.

about seeing a lot of empty houses when you move in," Chen says.

To make the township more sustainable and liveable, MKH plans to have comprehensive facilities and amenities such as a commercial area, a lake, recreational areas and a forest park.

"Buying an affordable home doesn't mean you have to live in a jungle, or that you need to drive far for your basic needs," Chen says. "In Hillpark, we have it all. We do not want our residents to miss out on any conveniences. We have over 550 acres here so we are able to create a comprehensive township for 20,000 to 25,000 people," he says.

"Just a few months ago, we sold a piece of land to Urbanfresh supermarket to set up a branch here. If they (Urbanfresh) are not confident about this place, they would not have come in. I believe Urbanfresh can draw more businesses here."

The radial population of Bandar Puncak Alam is about 250,000 while UiTM expects an enrolment of 60,000 students in three to five years. Hence, Chen expects Hillpark to become a vibrant and township within two years.

"We expect to complete this whole development in three years. We can almost see how liveable this place will be in the coming years," he says with a smile. **E**

SHAHRIN YAHYA/THE EDGE

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**WINNER**

**SARON, BANDAR BUKIT RAJA**

BY SIME DARBY USJ DEVELOPMENT SDN BHD (SIME DARBY PROPERTY BHD)

# Seamless and affordable addition to a township

BY HANNAH RAFEE

Sime Darby Property Bhd, the property division of conglomerate Sime Darby Bhd, is a household name in building mega townships, but it has recently decided to contribute to the country's affordable housing agenda. Known for its quality landed homes, the brand's trademark quality and design are seen even in its affordable housing properties, not least at Saron in Bandar Bukit Raja, Klang, a recipient of *The Edge Malaysia* Affordable Urban Housing Excellence Award 2015.

"The first thing you would notice about Saron is the fact that there is a sense of arrival. The façade plays a major part and the open-space concept gives you a sense of grandeur, which is not typical in affordable housing today," says Mohd Salem Kailany, head of property at Sime Darby Property.

He tells *The Edge* that the uniqueness of Saron lies in the features conveyed in the development, despite being classified as affordable housing. "It is unique because Saron carries all the brand attributes of Sime Darby Property in its quality and design. Another unique aspect of the project is that Saron is part of Bandar Bukit Raja, a matured township that is close to amenities. All these offered at prices below RM400,000."

Saron blends seamlessly with other houses in the township. The sleek, contemporary design is highly deceptive and almost unheard of in what are usually categorised as affordable homes. Saron houses offer high ceilings, an open-space concept and aluminium frame casement windows. The guarded community also offers plenty of green spaces, a hallmark of a number of Sime Darby Property's housing developments.

Mohd Salem acknowledges Saron's curb appeal and well-thought-out concept.

"It is important to understand that Saron homes are of standard sizes, yet certain features that are more commonly found in our detached and semi-detached homes can be found in this development. Most of the components and spaces are well-integrated and practical."

Saron has a gross development value (GDV) of RM126 million and takes up 21.98 acres of the 4,405-acre township of Bandar Bukit Raja. The estimated RM20 billion GDV township is expected to be completed in 2041. The units at Bandar Bukit Raja that have been launched are 100% taken up. Sime Darby plans to build a total of 2,403 affordable houses within this township by 2020.

With built-ups of 1,310 to 1380 sq ft, and land sizes of 20 x 70 ft, launch prices of the double-storey link homes ranged from RM380,000 for a standard unit to RM528,000 for a corner unit. The current estimated market prices are RM450,000 and RM650,000 respectively.

Saron is the first phase of Sime Darby's Quality Affordable Sime Darby Homes or Qaseh programme, developed in collaboration with the government's Project Perumahan Rakyat 1 Malaysia (PR1M). Prices for affordable properties under Qaseh are between RM150,000 and RM600,000, with built-ups from 740 to 1,400 sq ft. Malaysia citizens above 21 years old with a monthly household income between RM2,500 and RM9,000 are eligible to apply. All the houses in Saron have a 10-year moratorium period before they can be sold.



Mohd Salem: It is important for starter homes like Saron to have outstanding features. You want to feel proud of your first home.



Datuk Wan Hashimi Albakri, senior vice-president of Property Investment & Asset Management receiving the award on behalf of Mohd Salem with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and group CEO of The Edge Media Group

According to Mohd Salem, the group achieved this level of affordability without compromising on quality as the developer has a pool of suppliers, contractors and designers whom it works closely with for most of its developments. "We are able to stay consistent, reduce wastage, and negotiate better rates to deliver the same kind of quality that our buyers are accustomed to. This gives us the edge to make it affordable while under the Sime Darby Property badge."

Launched on June 1, 2013, the 321 freehold units were released in two phases. Saron 1 has 160 units and Saron 2 has 161. There are approximately 15 units per acre. All units were sold on launch day using a balloting system for 900 applicants.

Saron mainly attracted young families and first-time homeowners. "Each target market has different value propositions, needs and demands. In the context of Saron, our young homebuyers prefer developments with nearby facilities including schools and shopping malls. Saron offers easy access to these con-

veniences," says Mohd Salem.

Indeed, one of the main draws is Saron's location. Tucked in the leafy, lush landscape of north Klang, Saron is a mere 10 to 15 minutes from local schools in Klang and neighbouring Setia Alam. Nearby shopping malls include Setia City Mall, Aeon Bukit Raja and Tesco. With easy access to leading highways such as the North Klang Valley Expressway via Setia Alam and Jalan Meru and the Federal Highway via the North Klang Straits Bypass, residents enjoy access to adjacent districts and the Kuala Lumpur city centre.

"Saron is located about 30 to 45 minutes from Kuala Lumpur city centre, which I think is quite an acceptable commute for those who work in the city," says Mohd Salem, adding that the green surroundings of the area provide an escape for city dwellers, making it "a good place to live".

The project has been well-received. "Since the handover in June, feedback from our buyers has been positive. We are quite happy as no issues were encountered in terms of quality."

Saron has a great curb appeal and features that are more commonly found in Sime Darby's detached and semi-detached homes



The double-storey link homes carry all the brand attributes of Sime Darby in quality and design



**Sterling features, quality products**

Sime Darby Property has spared no expense or thought in making Saron the ideal home for its target market, as Mohd Salem highlights the importance of a starter home and its features. "You want to feel proud of your first home. The houses are designed in a modular fashion, which allows for future expansion and renovation. It also makes it fairly simple to handle interior design and furniture arrangement. The open space concept and double-volume spaces make the house appear spacious. For the fittings, we used the same engineered timber flooring that we would normally use for our other products. We also provided built-in air conditioner points for the upper bedrooms and living areas."

Details such as high ceilings, extensive use of glass screens and massive windows dominate Saron's design. "We have also installed fibre-to-the-home (FTTH) infrastructure for high-speed broadband connectivity," says Mohd Salem.

Needless to say, these features are not typically offered in affordable housing developments. "Saron's modern features are mostly prominent in other Sime Darby properties. But these features are usually not seen in properties in this category. For example, instead of FTTH, most offer copper wiring, which wouldn't have the same kind of bandwidth to support broadband connectivity," says Mohd Salem.

"At Saron, we have harnessed natural light-

PICTURES BY KENNY YAP/THE EDGE



The guarded community offers plenty of green spaces and amenities, a hallmark of Sime Darby's property developments



## Noteworthy

### JUDGING CRITERIA

Quality of product

Design

Innovation

Accessibility and connectivity

Liveability

Maintenance

Community interaction (public and shared-use spaces, safe and secure access)

Land cost

Location

### SARON BANDAR BUKIT RAJA

Sime Darby is committed to the MS 1064 quality standards, and the full use of modular design and Modern Methods of Construction (MMC) that maximise quality and minimise costs.

Modern, contemporary design, open space concept, with double-space volumes.

Each unit has a modular design, to allow future expansion and renovation. Houses have high-end fittings such as engineered timber flooring, large aluminium frame casement windows, high ceilings and built-in air conditioner points in the upper bedrooms and living areas. Installed with fibre-to-the-home (FTTH) infrastructure for high-speed broadband connectivity. Each unit harnesses natural ventilation and lighting.

Located within the RM20 billion township of Bandar Bukit Raja in North Klang. The development is situated 10 to 15 minutes from local schools in Klang and Setia Alam. Nearby shopping malls include Setia City Mall, Aeon Bukit Raja and Tesco.

A guarded development, with perimeter fencing throughout the development. Easy access to nearby schools in Klang and neighbouring Setia Alam for young families. Employment opportunities for residents, as the group proposes to have a 1,000-acre industrial component within the development in the future.

Designed and planned for economies of scale by allocating a minimum of 160 units (Phase 1) and 161 units (Phase 2). A minimum maintenance fee of RM 50 per month (for the first year).

A low-density development with approximately 15 units per acre. Other amenities include a central park, reflexology paths, basketball and futsal courts, children's playgrounds, landscaped gardens.

At the time of the launch, the land cost was RM40 psf. The land was acquired by Sime Darby plantation division in 1998 for RM667,216.

Easy access to leading highways such as the North Klang Valley Expressway via Setia Alam and Jalan Meru and the Federal Highway via the North Klang Straits Bypass. Close proximity to the Klang Central Transport Hub.

ing and ventilation. The idea is that you would be less reliant on electrical lighting during the day because there is plenty of natural light. Once you allow natural light in, ventilation will also be better, thus improving the overall ambience of the house."

Security is another key component in the development of Saron. "We provided perimeter fencing for the whole development. So far, there has not been any complaint or security breach. For the first year, we will bear the cost. Beyond that, the residents would have to chip in ... the maintenance fee would most probably be about RM50 per month," he says.

As for green spaces, the minimum percentage of green space in a typical Sime Darby property is 10%. "Although that's the minimum percentage, we do try to add more greenery. We believe wider open spaces add more value to the community. At Saron, we have a central park that is big enough for the residents to congregate and hold some gatherings," Mohd Salem says. Other facilities include reflexology paths, basketball and futsal courts, children's playgrounds and landscaped gardens and green areas with natural vegetation.

### A continuous process

For the future, the developer hopes to expand its affordable housing segment. "We were one of the pioneers when PRIMA was first established. We provided our input and we are com-

mitted to building affordable housing. Our first launch of over 300 units was the 562-acre Bandar Ainsdale in Negeri Sembilan, featuring high-quality fittings such as rainwater harvesting and integrated transport infrastructure. Launched in 2011, Bandar Ainsdale has a gross development value of RM2.3 billion. Following the success of the launch, we then proceeded to Saron. Unlike Saron, most of these affordable homes are strata units," shares Mohd Salem.

The group is less concerned about making a profit when it offers affordable housing projects as it wants to provide for the needs of the lower-income group.

"For affordable housing, profit is not our biggest motivation. Essentially, we are a township developer and we have a mix of products that would create the kind of profit we would expect. For Saron, we look to break even," he says.

Today, the group has three affordable housing

schemes; Qaseh, Serasi and Sime Darby Affordable Housing. The Serasi programme has the same conditions as Qaseh except that it is only for Sime Darby employees; has a five-year moratorium and no maximum age limit for applicants.

"Apart from Qaseh and Serasi, we will integrate Rumah Mampu Milik Johor and Rumah Mampu Milik Negeri Sembilan, as part of our agenda for township developments. We would also like to get the buy-in from state authorities to provide certain concessions such as minimum conversion premium, no development charges and reducing contributions so we can break even rather than absorb losses," he says. "As our first landed affordable homes, Saron is part of our journey towards achieving 20,000 to 21,000 units of affordable housing so we intend to upgrade and improve as we go along.

"This project is special to us because we are providing homes for people who really need

them. I hope the community will continue to grow. We plan to bring more employment opportunities into Bandar Bukit Raja through a 1,000-acre industrial area."

Mohd Salem reckons the property values at Saron and affordable housing in general will continue to soar. "In terms of value appreciation, it has gone up by 40% to 50% from our selling price. If you compare this with our neighbouring townships — a similar product in the open secondary market would be RM500,000 to RM600,000.

"Buyers of Saron have certainly made the right choice. Suffice to say, if you talk about landed properties in a good location, it would be in the region of 5% to 6% [price appreciation] per annum. At the end of the day, a house is a basic need. Our population grows over time, creating new families that would require new homes."



NO. 2 - IJM LAND BHD

# Going back to fundamentals

BY E JACQUI CHAN

It has been an eventful year for IJM Land Bhd. The property arm of IJM Corp Bhd was privatised and made a wholly-owned subsidiary of the group in April. IJM Corp owned 64% of IJM Land before the privatisation exercise.

IJM Land is now led by former chief operating officer and chief financial officer Edward Chong, who succeeded Datuk Soam Heng Choon as managing director in April. Soam is now CEO and managing director of IJM Corp.

This year also marks the spectacular return of IJM Land to the Top 10 of *The Edge Malaysia Top Property Developers Awards*. It took the second spot after an absence of two years. Its last appearance in the Top 10 list at position No 10 was in 2012.

IJM Land has a vast and diverse portfolio, which includes townships, commercial properties, landed and high-rise residences, luxury homes and sustainable developments in Johor, Penang, Pahang, Sabah, Sarawak, Negeri Sembilan and the Greater Kuala Lumpur.

Among its notable projects are Seremban 2, The Light Waterfront Penang, Pantai Sentral Park in Kuala Lumpur and Seban Cove Resort and Nusa Duta in Johor. IJM Land has an undeveloped landbank of 4,500 acres in Malaysia, Vietnam, China and the UK with a gross development value of RM30 billion.

Like all local property developers, IJM Land was affected by the weak property market. For the financial year ended March 31, 2015 (FY2015), its revenue of RM2.203 billion was marginally lower than the RM2.224 billion achieved a year ago. It registered property sales of RM1.8 billion in FY2015, compared with RM2.9 billion, which included RM700 million from its maiden project in London — Royal Mint Gardens — a year ago.

In FY2016, IJM Land is focusing on products in the affordable range in view of the strong demand in this segment. Some of its upcoming launches are Phase 1 (landed homes) of Senjaya, its flagship development in Seberang Prai, Penang, and Waterside Residence in its iconic The Light Waterfront Penang.

*The Edge* sat down with Chong to talk about IJM Land's strategies to remain competitive in a challenging market, changes since the privatisation and its long-term expansion plan.

**The Edge: How have the past 12 months been for IJM Land?**

**Edward Chong:** I believe all property developers in Malaysia are facing the same challenges. What we are seeing is that consumers are more cautious as sentiment has been affected by the weakening ringgit and crude oil prices, among other things. So, the economic sentiment has been affected to a certain extent, and combined with tighter lending criteria, the property market has become more challenging. However, it's not all gloom and

IJM Land Bhd		
	2015	2014
Overall	2	14
Quantitative	1	12
Qualitative	2	17

We will refocus on our people, train them to carry the IJM brand and deliver the level of customer service we want.  
— Chong

doom. The market is just not as robust as it used to be. Developers have become accustomed to a good property market, so it takes a bit of adjusting. Life continues and I think it's time for us to go back to the fundamentals and relook at how we operate.

**What are your priorities going forward?**

Most developers have expanded quite rapidly in the last few years. We are no exception. When the market was good, we all rushed in and wanted to make sure we had the products and were able to deliver them. We expanded geographically and in terms of headcount, we expanded 30% to 40%. So, our processes and procedures might not be as tight as we had hoped for.

Now is the time to review the fundamentals and look at how we operate and how we serve our customers, and address [the areas] where we have not done so well. We will refocus on our people, train them to carry the IJM brand and deliver the level of customer service we want. This is our current priority. We are doing interviews with our customers to see what they think and where we should improve.

We have always practised continuous improvement, but we can't deny that in the heat of things we sometimes get caught up with the time and neglect certain things. So, it's time to go back and strengthen the parts where we didn't do so well.

**After an absence of two years from the Top 10 of The Edge Malaysia Top Property Developers Awards, IJM Land made a comeback this year. What contributed to this comeback?**

Coming from a construction background, we are used to getting our hands dirty, so to speak. We keep our head low and just keep doing the job. We pride ourselves on our quality and timely delivery. They have always been our strength, but we don't shout about what we do and what we have achieved.

We had a change in mindset in the last couple of years and have been working hard on improving our brand-



PATRICK GOH/THE EDGE



SHAHRIN YAHYA/THE EDGE

Chong with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

ing and how the customers see us. We are working hard to let people know what we can do and we are talking more about our attributes now. That has helped us in some way.

However, we are still the down-to-earth property developer as we still go back to our roots and believe in what we do.

**Given the effort IJM Land has put into branding, what do you think is the public's perception of the company now?**

I think we are known for our expertise in construction and for delivering a lot of major urban projects. We are definitely known as a company that delivers in terms of meeting expectations, quality and timeliness. Those who buy from us expect high-quality products and they don't have to worry about the project being abandoned.

As for our branding, it is a long-term process. It will not be fair for me to say people think we have changed a

lot over a short period of time.

What makes branding work is consistently doing the things you are good at every day. It is important that people see for themselves what we can do rather than just believe what we claim.

It is an ongoing journey but we are more coordinated when it comes to branding now. We used to be fragmented in that sense — our branding was done geographically in the places we operate, instead of as a group.

For example, if you ask people in Penang about us, most of them will know who we are, but if you were to ask those living in a city we do not operate in, many will probably not know of us. Now, we are coordinating as a group and we have one voice. This way, more people will know us.

**Has the privatisation of IJM Land changed the company's business strategies?**

Principally, it doesn't affect us and how we operate. We are one of the rare

non-government-linked companies with institutionalised shareholders. So, the board will set the direction and targets and we run on key performance indicators.

Privatised or not, we still have to work to meet the targets. The board doesn't give us much leeway or expect us to deliver more than what is possible.

The performance of the company is not tied to the privatisation. I think the reality is, property development is a cyclical business and the board understands this. Property developers had a good run from 2009 to 2013, but the wind direction has changed, so we will need to make the necessary adjustments and ensure that our ship stays on course. Obviously, in the current climate, we won't be able to move as fast as we wish.

Our group has different business divisions. Naturally, some divisions will perform better than others at different points in time. So, as a group, you will find that our performance is quite consistent.

**How will IJM Land's international projects figure in its long-term growth?**

We have been on course with growing our business overseas. The board has set a direction for us and eventually, a certain portion of our business should come from overseas projects. That's why we have entered China, Vietnam and the UK.

As I mentioned earlier, IJM Corp's various business divisions have helped us as a group to withstand the cyclical effect. The same idea applies to IJM Land. If the property market is doing badly in one country, we can't escape the impact. But we can counter it if we operate in various countries. The whole world won't collapse at one go and this allows us to grow the business regardless of the slowdown in the property market.

Currently, the number of our international projects is very small. I think we are known to be conservative. When we go overseas, we tend to start small, we won't bite off more than we can chew, and no country is similar in nature. If you look at IJM Corp's experience in India in the last 15 years, there were times when we suffered badly. However, in the last few years, we have been reaping the benefits and are now able to make good money out of the assets we struggled with initially. So, as we expand geographically, we need the right resources and learn the culture of doing business in each country.

We will continue to be in London, where we are now in the process of constructing Royal Mint Gardens. Eventually, we will look for other parcels of land to continue our expansion there. We will also look at countries like Australia.

We do not have a timeline to reach a certain percentage of contribution from international projects because we see it as a long-term plan. Sometimes the danger of setting targets is that you may end up jumping in



Sevana Cove Resort in Johor is one of IJM Land's notable projects



Royal Mint Gardens is IJM Land's first project in London

even when the time isn't right, just to hit the target.

**With inflation and the weaker ringgit resulting in the rising cost of materials and demand for affordable products growing, how will IJM Land meet the demand and still make a decent profit?**

As a branded developer, we can price our products at a slight premium but ultimately, house prices will fall back on the natural forces of demand and supply.

We have to make sure all the products we launch are what the market wants and is willing to pay for. In the current environment, the challenge is to find a way to deliver the products to the market at the price consumers want and still be able to make decent returns for our shareholders.

To do that, we need to be a lot more efficient in our delivery and make sure we still have the same quality. Efficiency here means minimising wastage and optimising the designs of our products. Sometimes a product can be over-designed. For instance, we have come across terraced houses built on a foundation that can hold

a 20-storey building. It's simply not necessary and a waste. It doesn't mean we are cutting corners, we just want to reduce wastage.

At the end of the day, there's no point pricing a product above the market price because you will struggle to sell and your cost will keep on increasing, especially in this environment.

**Do you expect IJM Land's FY2016 sales to match its FY2015's RM1.8 billion? Do you expect to see changes in the property market soon?**

It's our practice as a group not to disclose our sales target, but I think we will definitely have lower sales in FY2016 compared with FY2015. The headwinds have become stronger but the environment is changing rapidly. If you ask what is the current property market like, I'll tell you it's just like the haze outside. Certain days, you can't see anything, then all of a sudden, the wind changes direction and you can see clearer, and back again. Everything is quite uncertain at this point.

Having said that, our launch of Rimbun Vista in Seremban 2 recently saw people queue up to buy a unit. That shows that there is still a market out

## IJM Land Bhd

FINANCIAL YEAR-END: (RM MIL)	2014	2013	2012	2011	2010
Revenue	2,046,243	1,250,056	1,206,023	1,162,223	1,101,058
Pre-tax profit	701,028	320,112	281,858	285,544	148,193
Paid-up capital	1,558,853	1,415,621	1,388,359	1,124,665	1,103,274
Shareholders' funds	3,284,554	2,626,762	2,429,599	1,836,223	1,655,447
Profit attributable to shareholders	533,228	215,056	193,709	217,653	108,663
Dividend payout ratio (%)	17.5	33.7	28.9	25.3	20.3

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
PJ8 Service Suites, Petaling Jaya	Mixed development	331	125	2005	100
Nusa Duta, Johor	Mixed development	1011	745	2009-2013	95
Pearl Regency, Penang	Condominium	187	170	2010	100
Vertiq, Penang	Condominium	318	247	2012	100
The Address, Penang	Condominium	148	143	2012	90

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH PERIOD	TAKE-UP (%)
Seremban 2 & S2 Heights, Seremban	Mixed development	12,127	6.8	1995 onwards	75
The Light Waterfront Penang	Mixed development	3,200	6.0	2009 onwards	90
Bandar Rimbayu, Shah Alam	Mixed development	23,092	11.0	2013 onwards	73
Pantai Sentral Park, Kuala Lumpur	Mixed development	3,014	3.5	2014 onwards	40
Sevana Cove Resort, Johor	Mixed development	9,500	4.0	2014 onwards	50
Royal Mint Gardens, London	Mixed development	454	2.4	2013	91

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Waterside Residence, Penang	Condominium	256	260	March 2016
Riana Dutamas, Segambut - Phase 1	Condominium	Tower A: 512 Tower B: 512	550	June 2016
Rimbun Vista, Seremban	Landed home	202	133	Oct 2015
Senjayu, Seberang Perai - Phase 1	Landed home	298	141	March 2016
Austin Duta, Johor - Phase 1	Landed home	183	130	Oct 2015

there but people are very selective. We just need to find where the demand is.

People can afford to wait and see how the economy will fare before buying a property. Some are waiting for prices to come down. We don't think prices will go down as the cost of materials is increasing, along with labour cost. Developers will naturally cut supply when the market is not well, that's why we are constantly reviewing our launches. The theory is, if supply is

reduced while demand stays, prices will stay too.

**In an uncertain and unpredictable economic climate, how will IJM Land identify and mitigate the risks?**

We always keep our eye on the ball and our ear to the ground. We mitigate the risks by trying to pre-empt them as much as we can. We get news because we are constantly in touch with all the stakeholders. We are quite

active in the Real Estate and Housing Developers' Association Malaysia, so we are informed of happenings in the market as well as rumours.

Our group is constantly reviewing our risk policies. The good thing is that we are exposed to most of the states in Malaysia. So, we have people on the ground to tell us what is happening in their respective state. This has enabled us to respond faster and manage things a lot better. **E**



NO.3 - SIME DARBY PROPERTY BHD

# Staying the course with innovation

BY WONG KING WAI

Though he took on the position of acting managing director of Sime Darby Property Bhd (SDP) only on April 1, Datuk Jauhari Hamidi wears his responsibility with casual ease.

He is pleased that Sime Darby Bhd's property division has once again appeared amongst the Top 10 of *The Edge Malaysia* Top Property Developers' Awards. The award proves that the company is meeting customer needs, he says.

"There is no secret to SDP's success. It is all about understanding what your customers want. As long as your product is in demand and the product that comes out every year has value-add and gives customers something different, they will keep coming back to you," he adds.

Before joining SDP, Jauhari — who has been with Sime Darby for over 33 years — had worked for the group's oil and gas segment, which was sold in 2011. However, he is not inexperienced in property development, having been the managing director of Sime UEP, the developer of Subang Jaya, from 2004 to 2007.

Having been away from the property industry for a while may seem like a disadvantage to some but Jauhari believes his "outside" perspective will bring something refreshing to the team to help them think out of the box and be innovative.

And this emphasis on innovation is what Jauhari believes has kept SDP ahead of the game and developing products that meet the demands of the homebuyer.

He shares that the division is looking to up its sales target for the current financial year to RM3.6 billion from selling about 4,626 units that comprises new and existing stock. In FY2014 ended June 30, SDP achieved gross sales of RM2.1 billion with 1,659 units sold.

He understands that moving forward, SDP will need to look beyond its traditional residential developments to include more integrated develop-

## Sime Darby Property Bhd

	2015	2014
Overall	3	2
Quantitative	2	1
Qualitative	4	4

There is no secret to SDP's success. It is all about understanding what your customers want. — Jauhari

ments and property management. "Property development goes beyond building and selling houses. We have to move a step further and we are now an integrated, comprehensive property player."

Among the integrated projects SDP is undertaking is a mixed-use development called Radia with UEM Sunrise Bhd in Bukit Jelutong, Shah Alam, and PJ Midtown with IOI Properties Group Bhd in Section 13, Petaling Jaya. It is also working with Singapore's CapitaMalls Asia Ltd on the Melawati Mall in Kuala Lumpur.

Jauhari talks to *The Edge* about how he is looking to keep SDP relevant to a challenging market.

**The Edge: What strategies are in place to deal with the soft property market at this time?**

**Datuk Jauhari Hamidi:** We are putting a lot of strategies in place but first, you need to know that your product is still in demand. Because if your product is not in demand, no matter what strategy you have, nobody wants to buy it. The first thing is to make sure that the product that we put on the market meets the requirements of our customers. How do we do that? We do a lot of engagement sessions. We even



HARIS HASSAN/THE EDGE



SHAHRIN YAHYA/THE EDGE

Datuk Wan Hashimi Albakri, senior vice-president of Property Investment & Asset Management receiving the award on behalf of Jauhari with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group



Regia at City of Elmina

worked with Universiti Malaya to create a Housing Price Index.

You need to know the affordability of the customers and then package something that will meet their requirements. Of course ... construction cost has gone up because of the Goods and Services Tax, building materials have gone up ... there is [only] so much we can absorb, there is [only] so much we can pass on but what we pass on is something that we will then compensate [the customer] with, which they can appreciate. Either we give them a slightly bigger space or slightly better amenities or something that other townships are not giving.

**You sold land to Eastern & Oriental Bhd and Sunsuria Bhd in the last financial year. Are such sales part of the division's business strategy moving forward?**

As part of the strategy moving forward, we will be looking at co-developing. The co-developer can come in in the form of outright sale of land, and we will obtain the approval for the land that is already earmarked,

PICTURES BY SIME DARBY



An artist's impression of Battersea Power Station on the Thames River in London

PICTURES BY SIME DARBY PROPERTY



## Sime Darby Property Bhd

FINANCIAL YEAR-END: (RM'MIL)	2014	2013	2012	2011	2010
Revenue	2,819.6	2,400.3	2,104.9	2,014.2	1,812.7
Pre-tax profit	569	556	468.5	456.6	471.6
Paid-up capital	1,000	500	500	243	243
Shareholders' funds	6,546	5,931.6	6,814	6,474.9	5,012.2
Profit attributable to shareholders	657	475	339	456	347
Dividend payout ratio (%)	16	22	22	34	50

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Saffron Hills & Saffron Hills 2, Denai Alam	Township / Landed home	328	254	Nov 2012 & Jan 2013	100
Ariza, Regia and Keana, Elmina East, City of Elmina	Township / Landed home	255	183	May 2013	100
Saron 1 & 2, Bandar Bukit Raja	Township / Landed home	321	121	June 2013	100
Mekar, Bandar Ainsdale	Township / Landed home	116	48	Aug 2013	100
Medina 2, Nilai Impian	Township / Landed home	283	122	Jan 2013 & Sept 2013	97
Medina 3, Nilai Impian	Township / Landed home				99

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH PERIOD	TAKE-UP (%)
Phase 3, Battersea Power Station, United Kingdom	Mixed development	539	£996.5	Oct 2014	60
Nafiri 2, Bandar Bukit Raja	Township / Landed home	104	77.8	Oct 2014	100
Azalea, Nilai Impian	Township / Landed home	144	89.1	Nov 2014	88

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
The Suave	Serviced apartment Commercial	361 7	283.6	March 2016
Cantara Residences	Serviced apartment	888	573.9	Nov 2016
Parcel J, KLGCC	Serviced apartment Commercial	603 21	1,200	March 2016
BUP	Business park 2-storey linked home Semi-detached house Bungalow	314	153	Nov 2015 – June 2016
Elmina West Phase EV1 & EV2	Township / Landed home	650	383	Jan – April 2016

whether it is residential, industrial or so forth.

And if the party wants to collaborate with us on some specific land-bank and their plan is what we want ... I think that is a transaction that is part and parcel of property development.

A very good example is Eastern & Oriental Bhd (E&O). For the transaction of the piece of land in Elmina West, E&O wanted to do a wellness concept development in the area that fits the overall Elmina concept.

There is also Sunsuria Bhd. Sunsuria was an outright sale. We wanted to do a JV and that JV bought pieces of land for them to develop. But sometimes a joint venture goes on to a stage where it is much more aggressive than us. They say, we want to do this, we want to do that, but remember Sime Darby has other parcels of land that we want to develop. Cash flow is very tight. As a result, we have to prioritise and strategise. And Sunsuria was asking if there was a possibility of buying our share in the JV. So we said, go ahead. So, from that perspective, it was a share transaction rather than a land transaction.

#### With the weakening ringgit, do you see Malaysian property as a good deal for foreign investors?

Of course, for the same product that is being offered, it is less US dollars, less Singapore dollars, less UK pounds they have to come up with. From that perspective, yes, it should excite the market, it should bring in a lot of investors here. But we have yet to see that.

#### How do you deal with the challenging market conditions?

First, you need to realise there are challenges. Then you analyse the challenges and look at how to solve them. Because sometimes people take the easy way out and are constantly in a state of denial. We don't do that.

I took the trouble to do a brand audit. What does the brand of Sime Darby Property say to our customers? And this is key because I need to know. The perception in the market currently is that Sime Darby Property's products are slightly more expensive. That is the perception. Rightly or wrongly, that is the perception. So, how do we manage that?

Okay, of course, we are very proud; we believe that if you want a quality product, you have to pay slightly more for it. If you want a BMW, you have to pay for a BMW, if you want other brands, you have to pay accordingly. We are setting ourselves as a BMW product. When you set yourself as a BMW product, the attributes of a quality product must be there.

#### What is SDP doing to reduce construction cost so that quality houses can be built efficiently?

We believe innovation is the key. We take it very seriously, to the extent that we have an innovation council. It can be seen in both our products and our processes. For products, there are a lot of things that are different from what you have been providing all this while. You have to innovate the process so that the product gets to your customer in the shortest period of time with the highest quality and within the budget.

#### What is your upcoming product launch or launches?

For this financial year, the transit-oriented development (TOD) that we are going to launch is in Ara Damansara, called Cantara. There are 888 serviced apartments in four blocks located within walking distance of the Kelana Jaya LRT station and there will be a covered walkway, so basically, as far as the buyers are concerned, this is a TOD and more than 80% of the units are in the range of 800 to 1,000 sq ft. Small enough for a young family



An aerial view of Bandar Universiti Pagoh

to stay. We have not announced the price range yet but we believe it will be maybe RM600 to RM700 psf, which works out to about half a million to RM600,000.

As of today, 3,000 registrants

have already registered ... this is by word of mouth. By the time we are ready to launch, in the first quarter of next year, we should be able to achieve our target of at least making sure during the launch week

that 40% to 50% of the units will be taken up.

#### What other projects will SDP be focusing on?

We will unveil our development at the Kuala Lumpur Golf and Country Club in Mont'Kiara. It will sit on 72 acres there, all fronting the golf course. Details are being finalised. There are also landed properties in Elmina West to be launched in 1Q2016. There are projects in Nilai Impian in Nilai, Bandar Ainsdale in Seremban, in Bandar Bukit Raja, Klang, and Bandar Universiti Pagoh, Johor.

Bandar Universiti Pagoh will see the building of five universities there that will be handed over in June 2016, a year earlier than the initial target of June 2017. It will cover 2,000 acres. The central portion will be the five universities and the surrounding areas will have residential, commercial and industrial properties to support the hub. A KL-Singapore high-speed rail station will be located there. ■



NO. 4 - S P SETIA BHD

# Redefining team spirit and success

BY HANNAH RAFAE

**S**P Setia Bhd has a knack for turning a less favourable situation into something lucrative. And even in poor market conditions, the group remains optimistic.

"I believe there are bright spots in every segment. Apart from our usual products, we are also focusing on underserved markets such as empty nesters and affordable housing," says Datuk C J Khor, acting president and CEO of S P Setia.

Despite the market slowdown, S P Setia maintains its composure and confidence as it again makes the Top 10 of *The Edge Malaysia* Top Property Developers' Awards. The group has nabbed the top spot eight times, with impressive projects both in its local and international portfolios.

This year, S P Setia has recorded its strongest financial performance yet. The group's third-quarter revenue surged to RM1.63 billion while profit before tax (PBT) was RM406.3 million. The group has seen total sales of RM2.54 billion for the first nine months of its current financial year, as at July 31, and unbilled sales were RM9.9 billion as at September.

"S P Setia came up with the Jet Set with Setia campaign and its Triple A rewards for our customers this year. They have helped to boost sales and we are on track to hit our RM4 billion sales target amid the slowdown in the market," says a poised Khor, who assumed his current role in January 2015.

What is S P Setia's secret to success? "Without a doubt, it is our teamwork. Since the start, it has always been 'Team Setia'. We are guided by our vision, which is to be the best in all we do, and our core values. These core values have helped us achieve many innovative ideas and successes throughout the years, be they big or small," says Khor, who has 30 years of experience in the property and construction industry.

It is clear that S P Setia's team spirit and culture have been a constant element in its growth. Since the departure of former group CEO and president Tan Sri Liew Kee Sin in April 2014 and former acting president and CEO Datuk Voon Tin Yow in January 2015, the group has continued to flourish, forging ahead with an array of new projects.

One of its latest projects, Setia Ecohill 2 in Semenyih, Selangor, is an extension of the group's signature eco-themed developments. The RM5.21 billion township is expected to launch in 2016. Another upcoming township is Setia Eco Templer in Rawang, a rainforest-themed township worth RM2.05 billion.

Launches in 2016 include contemporary, high-rise residential projects — Skyville Penang and Sky Seputeh in Kuala Lumpur. Setia Federal Hill Kuala Lumpur, a mixed development with a gross development value (GDV) of RM14.5 billion, is scheduled to launch

## S P Setia Bhd

	2015	2014
Overall	4	3
Quantitative	4	11
Qualitative	6	2

We pride ourselves on our teamwork and we have very strong execution capability. This is the edge that we have - to come up with ideas, innovations and to adapt quickly to market demand - Khor

in 2017.

One of S P Setia's most recognisable and recently completed projects is Fulton Lane, its maiden project in Melbourne, Australia. Launched in 2011, the high-rise residential development translates to a GDV of RM1.4 billion. The project was handed over in September, two months ahead of schedule.

S P Setia's foreign projects have been at the forefront of its growth. As at September 2015, the group's international projects posted sales growth of 15.5% from the previous quarter. Sales from the group's £8 billion redevelopment of Battersea Power Station in London and its Singapore projects recorded an improvement of 7.7% (RM111 million) and 65% (RM53 million), respectively. Its local projects recorded sales of RM573 million. The group has approximately 4,198.35 acres (with an estimated GDV of RM71.27 billion) in undeveloped landbank remaining as at April 2015.

The group's notable local projects include Setia Alam, Setia Eco Park, Setia Ecohill, Setia Eco Glades and KL Eco City in the Klang Valley, Setia Pearl Island and Setia V Residences in Penang and Bukit Indah, Setia Indah, Setia Eco Gardens and Setia Eco Cascadia in Johor.

Khor confidently tells *The Edge* that S P Setia is showing no signs of slowing down. "We do intend to be more aggressive in looking for new projects, both locally and internationally. For 2016, some 75% of our focus will still be on local projects and the remaining 25% will be overseas."

### **The Edge: How would you review S P Setia's group performance in the last 12 months?**

**Datuk C J Khor:** Despite the challenging market, we have fared reasonably well. We have been strategic in our launches this year to suit market demand. We continue to deliver on our promises of quality, innovation and reliable products and services, and we are confident the group is on track to



PATRICK GOH/THE EDGE



Khor with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

achieve our targeted RM4 billion sales.

In the past few months, we have witnessed the completion and handing over of Fulton Lane in Melbourne, Australia, and 18 Woodsville, Singapore, to satisfied purchasers. Both projects were completed two months ahead of schedule. We celebrated the topping up of our second project in Singapore, Eco Sanctuary, in September. We have also delivered on our promise to complete and open the Ecohill Link in conjunction with the handing over of Setia Ecohill Phase 1 houses.

In terms of launches, we received an overwhelming response to our terraced units in Setia Alam — Caffra, Crista and most recently, Fusca — all of which are located in Precinct 11 of Setia Alam. These 3-storey terraced houses were fully taken up on the weekends they were launched. Caffra was launched in January, Crista in April and Fusca in September. And just in October, Setia Eco Park launched its single and 1½-storey bungalows called Victoria Springs, targeted at small families and empty nesters.

### **As at July 31, S P Setia achieved 82% higher revenue and 123% higher PBT than last year. How did you achieve such a performance?**

We have strategic plans in place for both the long and short terms.

We have the breadth and depth to weather the current market conditions. We have a plethora of product offerings from high-end luxury products to affordable housing that allows us to selectively launch our products.

So far, our strategy to launch more mid-priced and affordable homes has proved to be successful. Mid-priced products such as Caffra, Crista and Fusca in Setia Alam, Horizon Residences in Setia Ecohill and Setia Sky Vista in Penang have attracted high take-up rates since their launches. On top of that, we launched over 2,000 Rumah Selangorku units in Setia Alam in August.

Our unbilled sales of RM9.9 billion will also help to carry us through, especially in such volatile market conditions. As part of our 40th anniversary celebrations this year, we introduced an innovative marketing campaign called Jet Set with Setia and the Triple A (affordable, attractive and appreciative) Rewards for our loyal purchasers. Those who sign their sales and purchase agreement with us from Jan 1 to Dec 1 this year, with a property purchase of at least RM200,000, stand a chance to win a grand prize of business-class travel to London, Melbourne, Qinzhou, Ho Chi Minh, Singapore and Langkawi to visit our developments around the world. This is our way to thank our purchasers for their continuous support.



### **What are the latest updates on your local and overseas projects? Please share with us some upcoming projects.**

On the local front, we recently launched Victoria Springs, comprising 1-storey and 1½-storey bungalows in Setia Eco Park, surrounded by beautiful landscaping and fountains. These bungalows are targeted at small families and empty nesters who want a home in a very secure environment. We will be launching Elizabeth Falls, semi-detached homes to cater for upgraders who want a better environment in Setia Eco Park. There is a consistent demand for landed terraced and cluster homes. That is why our recent launches of such units; Fusca, (3-storey terraced homes) and Montana (3-storey semi-detached) did well. We are also doing our part by building affordable homes in our townships in Setia Alam and Setia Ecohill. We have recently launched 2,100 units under the Rumah Selangorku campaign in Setia Alam to overwhelming response. Next on the horizon is Setia City Residences, serviced residences next to Setia City Mall and a future wellness centre targeted at senior citizens who want convenience a stone's throw away from their home.

We also plan to launch affordable apartments and landed terraced homes in Setia Ecohill to meet the demand in the area. Another recent launch was the Isle of Kamares at Setia Eco Glades in Cyberjaya. These villa suites are targeted at homeowners who want to live in a luxurious development but with a lower price tag. These are affordable, luxury units priced below RM1 million. Another upcoming launch will be the new Setia Eco Templer township near Rawang. We realised this area lacks developments that provide a green and secure environment. Thus, we foresee that Setia Eco Templer will do very well when it is launched.




 S P SETIA  
 KL Eco City, one of S P Setia's signature eco-themed developments

### Which product segment will S P Setia focus on in the future?

We hope to develop more integrated developments while providing for the underserved sectors of the various segments. Our underserved sectors include affordable housing.

There is a lot of debate on the definition of 'affordable'. From our perspective, affordable housing falls within the range of RM250,000 to RM300,000. Still, it really depends on the location. For example, affordable and landed homes in Setia Alam would be priced around RM800,000. In Semenyih, it would be around RM600,000. In Johor, it would be about RM800,000.

There is also another underserved segment that we regard as 'affordable luxury'. These developments would be priced between RM1.2 million and RM1.5 million. The target market for this segment is those who yearn for a better lifestyle, luxury product, yet cannot afford a home that is RM2 million to RM3 million. Empty nesters are also drawn to this segment. Although it is not cheap, there is certainly a market for this.

### Could you highlight some of the challenges the company faces? What are some of your strategies moving forward?

One of the main challenges is when genuine buyers, especially those purchasing affordable homes and upgraders, are unable to obtain loans due to tighter lending policies set by Bank Negara Malaysia to curb the increase in property prices.

We foresee the same market conditions for this group for the coming year. To address this situation, we will continue to focus on developing mid-range and affordable houses and landed terraced homes. We will also look into meeting the needs of the underserved markets. At the same time we are constantly on the lookout for more landbank in strategic locations, both locally and overseas.

### How has S P Setia evolved as a brand? Do you feel the public's perception of the brand has changed since Tan Sri Liew Kee Sin's departure?

S P Setia started off as a construction company and we shifted our core focus to property development in 1996. Since then, we have not looked back. We made sure the S P Setia brand became a household name, not only in Malaysia but overseas as well. We started off in construction and then moved to developing townships. From there, we expanded to eco-themed developments, luxury developments and integrated developments. With the experience and expertise gathered, we expanded internationally in 2007, and now we have a presence in six countries.

Admittedly, there has been some apprehension about SP Setia in the past two years, which is understandable. Over the past two years, the team has worked very hard to maintain and deliver all the promises expected of the group. We feel the confidence in the S P Setia brand is back now. The most important thing is that we deliver our promises. That is the only way to convince our investors.

### What makes the group stand out from the rest?

We pride ourselves on our teamwork, and we have very strong execution capability. In order to do that, we have to get the whole team on board. This is the edge we have — to come up with ideas, innovations and to adapt quickly to market demand.

### What are some of the things S P Setia can improve on?

While we strive to deliver the best quality products, we also acknowledge that there are some problems with the construction labour force in Malaysia. In a way, the labour force is skewed, work permits are not being renewed every few years as they need to be. But we do try to make do. Now that we have ventured into overseas projects, we can compare

## S P Setia Bhd

FINANCIAL YEAR-END: (RM MIL)	2014	2013	2012	2011	2010
Revenue	3,810,102	3,261,159	2,716,173	2,417,736	1,871,011
Pre-tax profit	722,438	658,415	624,362	463,254	364,317
Paid-up capital	1,903,748	1,844,034	1,504,250	1,374,554	762,606
Shareholders' funds	5,858,581	5,475,696	3,993,634	3,391,089	2,161,014
Profit attributable to shareholders	405,676	418,348	386,613	302,172	247,713
Dividend payout ratio (%)	60.5	62.3	62.3	64.9	61.7

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Fulton Lane, Melbourne	High-rise residential	804	1,400	Nov 11	100
Setiahills, Kuala Lumpur	Bungalow	45	110	Feb 07	100
Duta Nusantara, Kuala Lumpur	Semi-detached house & bungalow	178	350	Oct 02	100
Pusat Bandar Puchong, Selangor	Mixed township	10,000	1,500	Nov 94	100
Bukit Indah, Ampang	Township	4,116	450	Dec 90	100

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH PERIOD	TAKE-UP (%)
Setia Ecohill, Selangor	Township	6,428	4,260	Nov 13	96
Battersea Power Station, UK	Mixed-use scheme	4,117	50,000	Jan 13	68
KL Eco City, Kuala Lumpur	Integrated commercial	2,729	6,500	Oct 11	93
Setia Eco Park, Selangor	Semi-detached house & bungalow	2,906	5,500	June 04	93
Setia Alam, Selangor	Township	25,050	16,700	April 04	95

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Setia Ecohill 2, Selangor	Township	8,404	5,210	2016
Setia Eco Templer, Selangor	Township	1,842	2,050	2016
Sky Ville, Penang	High-rise residential	819	682	2016
Sky Seputeh, Kuala Lumpur	High-rise residential	290	817	2016
Setia Federal Hill, Kuala Lumpur	Mixed-use development	9,158	14,500	2017

the level of skill and craftsmanship between local labour and international labour. This is one area we hope to improve on.

### Since you took over this year, what has changed? And what do you intend to do in the coming year?

We have a very solid system and processes in place, which I have only further fine-tuned. Some of the things that are being fine-tuned include certain rules and regulations, as well as IT systems that need updating.

I have also led the team to fill in the gaps when some staff left during the transition period. This included inculcating the S P Setia culture and rubbing off S P Setia's passion on the new team members, with the hope that the team will be ready to achieve greater things ahead.

### What is the company's outlook for 2016?

The market will continue to be challenging in 2016, as the impact of the Goods and Services Tax will be felt by many, not to mention the weakening ringgit that has also affected purchasing power.

Nevertheless, we are optimistic as there are potential underserved segments in the market, which S P Setia has the breadth and depth to provide for. Malaysia is a young

population who ultimately desire to have a home for their families, thus the demand for properties will always be there.

One upcoming trend is integrated developments. We are already big in township developments but we are looking into integrated developments because there is a younger audience. The younger generation yearn for convenience and lifestyle; they would like to come down and have a cup of coffee or Starbucks or a kopitiam, or go to the gym. This is the one area we think will explode. Senior citizens are also fans of integrated developments. The mentality is different now, as you would find many older people preferring to have access to these conveniences to take care of themselves. Of course, we would continue to develop houses for traditionalists, but we are looking into integrated developments as well.

We will continue to develop innovative and quality products to suit the needs of the market. We are also actively looking at expanding overseas, particularly in Australia, as our two maiden projects in Australia have done well. As for London, we will keep an eye out for opportunities.

### Please share with us future targets.

We are confident that we are on track to hit this year's target of RM4 billion,

of which 75% will be derived from our local products such as Setia Alam, Setia Ecohill 2, Setia Eco Park, Setia Eco Glades.

We will determine some of our future targets at our next board meeting, and they will definitely not be lower than this year's targets. When times are tough, we try to maintain. This year, our sales target is RM4 billion, and as for next year, we would like to have a target of at least RM4 billion, which we shall announce at our coming review.

In the last one to two years, we have been very quiet because we do have sufficient landbank. Our current undeveloped landbank of 4,198.35 acres (with an estimated GDV of RM71.27 billion) will last us between 10 and 15 years. However, we do think that now is a good time to start looking. Today, landowners are more realistic in their asking prices.

There are few places where we are actively looking for landbank. For local projects, we would like to look for more places in the Klang Valley. And for international projects, we are actively seeking landbank in Australia, in Melbourne and Sydney.

We will continue to strive to maintain our position as a top developer. As for our long-term goals, we will continue to expand overseas and develop more integrated developments both locally and internationally. ■



## NO. 5 - MAH SING GROUP BHD

## A good balance of growth and stability

BY CHAI YEE HOONG

From a plastics trading firm in 1965, Mah Sing Group Bhd has grown into a leading property developer today, creating a portfolio of prime residential and commercial developments across the country in the 20 years since it entered the field.

Mah Sing has ranked among the Top 10 in *The Edge Malaysia Top Property Developers' Awards* since 2010, and the Top 30 since 2005.

The group currently has 46 projects spread throughout the country's economic nexus and property hotspots like Greater Kuala Lumpur and the Klang Valley, Iskandar Malaysia, Johor, Penang and Kota Kinabalu, Sabah.

The strong portfolio of projects, with a remaining gross development value of RM26.4 billion, provides growth visibility for the group for the next six to eight years.

Led by group managing director Tan Sri Leong Hoy Kum, Mah Sing is versatile in its ability to cater for diverse buyers and market segments. Also on board with Leong is his daughter, Jane Leong, the group strategy and operations senior general manager.

In addition to residential developments, the group has a strong commercial presence with Grade A buildings, integrated business parks and mixed-use commercial developments as well as being one of the pioneers of en bloc sales of Grade A buildings and corporate offices in Kuala Lumpur.

Mah Sing recorded revenue of about RM1.6 billion and net profit of approximately RM189.4 million for the six months ended June 30, a 16.1% improvement in revenue and 10.8% increase in net profit compared with the corresponding quarter of the preceding year. During the same period, the group accumulated net cash of RM1.54 billion.

The group's strong balance sheet and net cash position make it nimble enough to grab opportunities and deal with unforeseen market challenges, allowing it to maintain a good balance between growth and stability.

In response to the current challenging market conditions, Mah Sing has scaled back launches from RM3.4 billion planned for the year to RM2 billion and reduced its sales target for the year from RM3.4 billion to RM2.3 billion.

Despite that, the group has achieved property sales of RM1.4 billion for the first half ended June 30, faring 18.7% better than the corresponding quarter last year at RM1.2 billion.

The improvement for the six months comes from the progress and sales of the group's ongoing development projects such as Icon City in Petaling Jaya, M City in Jalan Ampang, Kuala Lumpur, and Southville City @ KL South in Selangor.

Mah Sing's strong unbilled sales position of RM4.8 billion and the well spread-out development projects, new and matured, will continue to drive the group's cash flow, liquidity and earnings.

The property developer remains

confident of medium and long-term prospects, and believes there is demand for the right products in well-connected locations, supported by a young demographic, healthy employment conditions, and the ongoing infrastructure projects in the country.

Moving forward, the group will focus on strengthening its business fundamentals, operationally and financially, and to continue to deliver a steady and sustainable performance over the long term.

Mah Sing has projects in the pipeline in the northern, southern and central regions for the next six to 12 months — Ferringhi Residence Phase 2 in Penang with a gross development value (GDV) of RM735 million, comprising resort condominiums and town villas; Meridin East in Johor Baru, a 1,352-acre integrated township with a RM5 billion GDV; M Residence 3 in Rawang, Selangor, a RM520 million mass-market township; and Cerrado serviced apartments at the RM8.31 billion GDV integrated development Southville City @ KL South, Bangi.

The group's recent and upcoming launches this year include the Cerrado serviced apartments in Southville City @ KL South; Meridin Bayvue in Johor Baru; the final two blocks of Lakeville Residence in Taman Wahyu, Kuala Lumpur; and the premium block Tower 3 at D'Sara Sentral in Sungai Buloh.

In their interview with *The Edge*, Leong and Jane talk about the developer's strategies in the coming months.

#### **The Edge: How do you feel about being ranked in the Top 10 this year?**

**Tan Sri Leong Hoy Kum:** Let me start by thanking *The Edge* and the other judges for selecting Mah Sing as one of the Top 10 property developers in Malaysia. We would also like to thank all our stakeholders for their support and faith in Mah Sing. I am very proud to say that this win marks the sixth consecutive Top 10 ranking for Mah Sing. Being recognised by notable organisations such as *The Edge* is truly a great honour. We are humbled by this award, which recognises our contribution to the property industry.

The awards that Mah Sing has received through the years are only possible because of my talented and dedicated team. Together, we look to actively innovate to meet market needs and to continuously add value to the lives of the people we build homes for.

#### **What is the secret of your company's success?**

**Leong:** We are an entrepreneur-led company with a highly professional management. As the world is constantly changing, we are constantly learning and growing as a market-driven developer to stay ahead of the market. We strive to live up to our brand promise to build a premier lifestyle by being highly invested in our human capital. The success of Mah Sing is a team success. It is the strength and effort of my team that makes Mah Sing what it is today.

### Mah Sing Group Bhd

	2015	2014
Overall	5	9
Quantitative	9	13
Qualitative	3	6

As a market-driven developer, we need to stay ahead of the market. We have evolved from a developer building houses to building communities.

— Leong

#### **How have the past 12 months been for the company?**

**Leong:** The past 12 months have been challenging. I'm sure everyone is aware of the market conditions, and many developers have been prudent with launches. In 2014, we achieved our target of RM3.43 billion new sales. This year, in response to the challenging market, we have reduced our sales target for the year from RM3.4 billion to RM2.3 billion. Despite that, we achieved property sales of approximately RM1.4 billion for the first half ended June 30 this year.

With a portfolio of 46 projects, of which 11 are completed and the remaining in various stages of development, we are able to sustain our growth for the next six to eight years. We believe real demand will continue to be strong for property buyers who are buying to own or buying to invest for long-term rental income.

In the meantime, we will focus on our product launches over the next six months.

#### **How has your brand evolved over the years and what can be improved on?**

**Leong:** As a market-driven developer, we need to stay ahead of the market. We have evolved from a developer building houses to building communities. We are committed to build a sustainable mixed-use township development, such as Southville City @ KL South, which aspires to create a cohesive master plan that delivers a conducive and safe environment for living. The township aims to draw both multigenerational living and the working community, and we are also working towards building a vibrant and sustainable business and commercial hub within Southville City that will benefit the surrounding neighbourhoods.

Over the years, we have cultivated a panel of trusted contractors, and we engage good and experienced contrac-



Leong with daughter Jane



Jane with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

tors, architects, consultants and suppliers who can deliver our vision. I am blessed to have a good and loyal team and as the company grows, I believe we should improve on human resources. We are always on the lookout for talent; it is also our commitment to develop and retain our people.

We also place great emphasis on customer service, and we are always working to improve the user experience at each and every point of contact. With our ever-growing workforce, team Mah Sing looks to enhance our value through providing our customers with an uncompromising customer experience, as we ensure the quality of our products is of the highest

standard and continuously innovate to make sure we meet market demand.

#### **What is your medium and long term vision for the company?**

**Leong:** For the medium term, apart from property development, we may look into plans to diversify and explore different areas such as real estate investment trusts.

For the long term, we are looking to target Malaysian and international buyers. At present, our base of international buyers is small. Nevertheless, there has been growing interest owing to a prolific rise in interest in Malaysian real estate in neighbouring countries such as China, Hong Kong



Recent launches include the Cerrado serviced apartments in Southville City @ KL South, Bangi

and Macau, Taiwan, Japan, Singapore and Indonesia.

#### Why do you believe the upcoming launches will do well?

**Leong:** We believe there is still a need for well-located, mid-range, mass-market properties for middle-income households. About 84% of our target launches are mass-market products priced at RM1 million and below. Our focus is Greater Kuala Lumpur, which makes up 61% of our landbank.

**Jane:** We believe that we have planned the right product offerings that cater for individual target groups, with the right pricing at the right location. With our precise planning over the next few months, we believe they will do well.

#### What do you see are the challenges for the property market in the coming year? Please elaborate on your strategies.

**Leong:** We are aware of the industry-wide market conditions. The implementation of the Goods and Services Tax has affected market sentiment. The weakening ringgit and difficulty in getting end financing and mortgage approvals due to tighter lending rules further slowed down sales. These are challenges that all of us have to face. However, with a strong team, a comprehensive range of products and a strong financial position, we believe we can weather these challenges.

We always aim to carve out a niche in a crowded market and we do so with a belief in the power of product branding and differentiation. We maintain our market leadership position by rolling out products with relevant price points.

In addition, we always keep in mind that we want all our buyers to have good rental income and capital appreciation because we want repeat buyers.

#### What are your strategies to grow the property investment segment?

**Leong:** Property will remain the preferred wealth preservation and investment option in Malaysia.

We will continue to focus on Ma-

laysian first-time homebuyers aged 39 years and below, who make up about 70% of the 30 million population. They will form new households, thereby creating demand for new houses. We believe there is still a large supply-demand gap, with only 70,000 to 90,000 new homes completed each year when more than 200,000 are required annually.

In addition, with the country's current low unemployment rate of 3% and growing urbanisation in places like Kuala Lumpur, Penang, Johor and Sabah, there is healthy demand for the right property products in the right location.

Moreover, the current attractive mortgage rates (at an effective rate of 4.45%) have also created a more conducive interest rate environment.

#### What is your view on affordable housing in the country?

**Leong:** Housing remains one of the key needs of an individual and, as a property developer with more than 20 years in the industry, we are proud to be able to contribute to building affordable housing for the mass market.

With the challenging market conditions, Mah Sing will continue to focus on its strategy of providing affordable homes for the mass market, targeting buyers mainly in the Klang Valley. We offer attractive price points, with 84% of planned residential launches in 2015 priced below RM1 million, 71% below RM700,000 and 44% below RM500,000.

#### What are your strategies for the company in order to stay ahead in the current economy?

**Leong:** Mah Sing always looks at a fast turnover model. We sell fast and we keep searching for new land. We always ensure we provide the right type of product in different regions based on the market demand in that area.

Secondly, we aim to build products that are correctly priced without compromising on the quality. We strive to offer award-winning properties and are committed to raising the bar to continuously improve our concepts

## Mah Sing Group Bhd

FINANCIAL YEAR-END: (RM MIL)	2014	2013	2012	2011	2010
Revenue	2,904.72	2,005.59	1,775.26	1,570.69	1,110.10
Pre-tax profit	455.01	371.50	315.52	238.62	177.86
Paid-up capital	738.05	706.80	420	416	416
Shareholders' funds	2,268.62	1,952.29	1,244.89	1,073.15	918.86
Profit attributable to shareholders	339.24	280.61	230.61	168.55	118.07
Dividend payout ratio (%)	43.9	42.1	45.1	41.0	40.1

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
The Icon, Jalan Tun Razak	Commercial	1	452	2007	100
Southgate, Kuala Lumpur	Commercial	239	466	2008	99
Residence@Southbay, Batu Maung, Penang	Landed home	380	250	2009	95
Aman Perdana, Klang	Landed home	2,000	950	2005	99

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH PERIOD	TAKE-UP (%)
Southville City@ KL South, Bangi	Integrated development	Total launched - 3,544	8,310	2014	90
Lakeville Residence at Taman Wahyu, Kuala Lumpur	Condominium	Total launched - 1,276	1,500	2014	85
D'Sara Sentral, Sungai Buloh	Integrated development	Total launched - 1,363	901	2014	78
Icon City, Petaling Jaya	Integrated development	Total launched - 1,126	3,170	2011	95

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Meridin East, Johor Baru	Integrated township	Planning stage	5,000	2016
M Residence 3, Rawang	Mass-market township	Planning stage	520	2016
Ferringhi Residence Phase 2, Penang	Resort condominium and town villa	632	735	2016
Cerrado at Southville City@KL South, Bangi	Serviced apartment	1,616	TBC	2016

and designs, in addition to creating iconic buildings and developments.

We also strongly believe in good after sales service and our customer service team is the first point of contact for buyers' feedback.

**Jane:** In good times or challenging times, we always have to look out for areas of improvement to stay ahead and stay relevant in the property industry. While we continue to selectively launch products we believe would enjoy strong take-up in this

economy, the current economic climate allows us to take a breather to focus on areas we can improve on to serve our buyers and potential buyers better.

Our main strategy is still to look out for strategic landbank for future growth and always to ensure that we can manage a healthy cash flow and build up our balance sheet while continuing to stay innovative in developing our projects.

In order to be sustainable and remain one of the preferred brands in

the property industry, the other important aspect close to my heart is to build a people and customer-centric organisation. We will continue to invest in building our people, to build a strong and conducive Mah Sing culture and to continue to build homes that cater for the needs of the buyers. We are committed to continuously improving our product offerings, product quality and customer service in order to achieve our goal as one of the preferred brands for homeowners. **E**



**NO. 6 - UOA DEVELOPMENT BHD**

# Focusing on the affordable segment

BY **RACHEAL LEE**

The interview with CS Kong, the media-shy managing director of UOA Development Bhd, takes place in a corporate club at the company's 60-acre flagship integrated development Bangsar South. Calling itself a city property developer, the company has caught the attention of many with this project in Kuala Lumpur that borders Petaling Jaya, Selangor.

In 2005, UOA Development bought the parcel, which was once known as Kampung Kerinchi, and turned it into a landmark that many now see as a location for the upper-middle to high-income groups. Bangsar South currently consists of modern office towers, mid to high-end high-rise residences and retail spaces. It is accessible via two light rail transit stations. Last year, corporate club The Oak Room became its latest addition. Membership is for a select few.

UOA Development is ranked in the Top 10 of *The Edge Malaysia* Top Property Developers Awards 2015. It was last in the Top 10 in 2013. In 2012, the developer was the recipient of *The Edge Malaysia* Notable Achievement Award.

The development arm of UOA Group, UOA Development was listed on Bursa Malaysia with a market capitalisation of RM3.1 billion in June 2011, making it one of the largest property developers in the country.

UOA Development has long remained focused on property projects in the Klang Valley. While its projects have been rather niche medium to high-end residential and commercial developments, Kong reveals a different strategy for next year, amid the government's cooling measures as well as weak market sentiment in the property market in Malaysia.

The company is going to focus on products in the affordable segment, which are priced at less than RM500,000. It will also be looking at growing its investment income. "The market is experiencing a slowdown for investments above RM1 million. Hence, we are focusing on properties in the affordable range of RM500,000, which require efficient and careful planning as the margin is lower for products in this segment."

In the next 12 months, it will have launches in Kepong and Sentul for homes in this segment of the market.

Meanwhile, its investment portfolio includes three lifestyle and retail precincts in Bangsar South, namely The Sphere, Nexus and The Village. Its other investment properties are The Horizon Boutique Office, Camellia Serviced Suites and car parks — all in Bangsar South — as well as integrated residential and commercial suites at its Plaza Menjalara project in Bandar Menjalara.

Kong disclosed that in 2017, UOA Development will be replicating the success of Bangsar South on a 30-acre tract near Jalan Ipoh, taking

UOA Development Bhd		
	2015	2014
Overall	6	11
Quantitative	7	5
Qualitative	12	12

By leveraging our experience and success with Bangsar South as well as the lessons learnt, we are confident of doing an even better job with the Jalan Ipoh development — Kong

advantage of the location, existing and new public transport system in the area as well as accessibility to various highways.

The project is located between Jalan Kuching and Jalan Ipoh, and is 1km from the Duta-Ulu Kelang Expressway (DUKE). It is 150m from the Batu Kentonmen KTM Komuter station and an upcoming station under the Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line (Line 2).

During the interview, Kong answers questions on the company's performance and his strategies going forward.

**The Edge: How has your brand evolved and how do you differentiate yourself from the other developers?**

**C S Kong:** Our focus is within the Klang Valley, in line with our objective to be a 'city property developer'. We are also committed to delivering quality developments in an efficient and timely manner. In fact, our pro-



MOHD IZWAN MOHD NAZAM/THE EDGE



SHAHRIN YAHYA/THE EDGE

Kong with Au Foong Yee (left) managing director of The Edge Communications and TheEdgeProperty.com and Ho Kay Tat, publisher and CEO of The Edge Media Group

jects are completed ahead of schedule, which benefits our customers in the form of capital appreciation.

**Is the brand and business currently at the level you envisioned?**

We are proud of the quality and timely delivery of our products. Our brand signifies our strong commitment to excellence in development. For example, when we develop a residential project, we conceptualise the design from a viewpoint of how we would like our own homes to be. And, our dedicated in-house customer service personnel are very focused on understanding the needs of our customers based on their feedback, which in turn helps us to provide them with a better service.

In terms of products, we are committed to developing quality properties with distinctive concepts. For instance, we created a stunning man-made beach pool with Le Yuan Residence in Happy Garden and a jungle bridge for Scenaria@North Kiara Hills. Our aim is to create lifestyle-inspired developments that will enrich and add value to the lives of our customers.

We would like to express our appreciation to our customers for their support and confidence in our products and services throughout the years. Credit should also be given to our great team of more than 1,200 personnel who have contributed to our success. Without their hard work and commitment, the company would not be where it is today.

**How has the weakened ringgit impacted the company's profitability?**

We anticipate a price increase in things such as mechanical and electrical equipment, and lifts.

**Some developers have reported slower sales this year due to the government's cooling measures as well as weak market sentiment.**

CONTINUES ON PAGE 100



UOA DEVELOPMENT

In 2017, the company will be replicating the success of Bangsar South on a 30-acre tract near Jalan Ipoh



# SHAPING THE CITYSCAPE BY UPHOLDING HIGH STANDARDS

Since its inception in 1987, UOA has been shaping the cityscape with an expansive range of properties that reflects our uncompromising standards of excellence. As we celebrate our milestones with an outstanding track record of achievements in property development, we will continue in our endeavour to deliver high quality properties that bear the hallmark of distinction including

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- a pivotal future landmark in our award winning flagship integrated city development, Bangsar South.

UOA DEVELOPMENT BHD (654023-V)

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## A heart for the business

PICTURES BY UOA DEVELOPMENT



The Kepong 5 Land Development will have a GDV in excess of RM1.5 billion

### FROM PAGE 98

#### How do you ensure that the company maintains its profitability?

We do expect sales for this year to be weaker than last year in the light of the current market situation. Nevertheless, we will continue our efforts to remain competitive not only by maximising efficiency in project execution but also capitalising on our in-house construction capabilities that adopt the correct method of form and system.

We also expect our investment income to increase in the future from our investment properties and hospitality divisions. Although both divisions are expected to generate revenue of about RM100 million, we expect this to grow with the completion of The Vertical Corporate Tower and a hotel in Bangsar South next year.

#### Given that most of your projects are in the high-rise segment, how does UOA Development overcome the challenge of drawing sufficient demand in the current market condition?

We will be focusing on offering products in the affordable segment that are priced at less than RM500,000, based on efficient space planning and optimal design in targeted areas within the Klang Valley.

#### What challenges do you foresee for the property market and UOA Development in the coming year and how will you deal with them?

We will continue to focus on the affordable segment to tide us over the slowdown.

#### UOA Development had said it plans to emulate the success of Bangsar South in its new Jalan Ipoh development. When are you going to launch it? What impact do you think this project will have on the area?

For an integrated development to be successful, it requires key elements such as a strategic location, catchment and population, seamless transport, and facilities.

Our 30-acre Jalan Ipoh devel-

opment meets all the above criteria. With an estimated gross development value (GDV) in excess of RM6 billion, the development will comprise residential, office, medical, hotel and retail precincts. There will be seamless connectivity to an MRT station and KTM Komuter station, as well as a direct link to DUKE. Facilities will include a shopping mall, school, medical centre and childcare centre. In addition, priority will be placed on easing human mobility, including the introduction of driverless shuttles that could ferry the community from point to point within the sprawling development.

With a population catchment of 300,000 within a 2km radius, it aspires to be the next Bangsar South — our award-winning flagship integrated city development. UOA Development received the inaugural *The Edge Malaysia* Notable Achievement Award in 2012 in recognition of its significant achievements in raising its profile as a leading developer in Malaysia through its projects, notably Bangsar South.

By leveraging our experience and success with Bangsar South as well as the lessons learnt, we are confident of doing an even better job with the Jalan Ipoh development. It will become a vibrant lifestyle and business hub of tremendous potential with the winning ingredients for a successful integrated project. We expect to commence this project in 2017.

#### What are some of the projects to be launched in the next 12 months?

We will have two launches in the next 12 months. The first one is what we refer to as the Kepong 5 Land Development, which will cover about 10 acres. The GDV of this project is in excess of RM1.5 billion.

It is a mixed-use development that will comprise three blocks of apartment suites and more than 130 retail shoptlots with direct access to a new KTM Komuter station with park-and-ride facilities. The development will also have direct connectivity to Phase 2 of DUKE, which is currently

### UOA Development Bhd

FINANCIAL YEAR-END: (RM MIL)	2014	2013	2012	2011	2010
Revenue	1,077.85	1,245.50	799.16	613.60	375.23
Pre-tax profit	460.70	577.91	414.18	481.80	340.56
Paid-up capital	71.59	66.99	63.54	59.79	59.79
Shareholders' funds	2,750.57	2,444.81	2,090.69	1,805.91	1,506.78
Profit attributable to shareholders	316.12	362.83	301.30	384.81	278.68
Dividend payout ratio (%)	59	48	51	62	-

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Vertical Business Suites	Commercial	518	700	2012	84
Le Yuan Residence	Condominium	670	450	2012	97
One @ Bukit Ceylon	Hotel suite	356	200	2011	99
Camellia Serviced Suites	Serviced apartment	720	500	2011	98
Nexus	Retail	N/A	150	2013	81

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH PERIOD	TAKE-UP (%)
South View Serviced Apartments	Residential	1,204	900	Sept 2013	95
Vertical Corporate Towers	Commercial	2 towers	1,000	2015	N/A
Desa Green	Condominium	1,388	650	2013	79
Scenaria @ North Kiara Hills	Condominium & landed home	981	800	2013	81
Southbank	Mixed development	Residential: 674 Office: 6 blocks	550	2014	86

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Jalan Ipoh Development	Mixed development	To be finalised	6,000	2017
Kepong 5 Development	Mixed development	2,509	1,500	2016
Sentul (Phase 2) Development	Mixed development	2,652	1,500	2016
Desa Business Suites	Commercial	To be finalised	300	2016
Setapak Development	Condominium	285	230	2016



The developer's investment portfolio includes lifestyle and retail precinct Nexus in Bangsar South

under construction and is expected to be completed in 2017.

Another project is Phase 2 of our development in Sentul. It is a freehold nine-acre mixed-use development with a GDV of RM1.5 billion. It will comprise three blocks of apartments, a commercial block and 140 retail shoptlots. It is set to transform the Sentul skyline with an urban concept that gracefully

combines both convenience and serenity.

#### What has contributed to UOA Development's success?

Most importantly, we are focused on one key business — property development. This is complemented by a combination of passion, dedication, hard work and continuous learning.

We are passionate about what

we do because we believe that when you have a strong interest and heart for your business, you will be able to produce the best results. Teamwork is also crucial and at UOA Development, we treat our staff as equals irrespective of their positions. This approach fosters harmony and creates unity in our workplace. It also cultivates a sense of pride, loyalty and belonging.



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NO. 7 - UEM SUNRISE BHD

# Staying ahead of the pack

BY RACHEAL LEE

While negative sentiment continues to loom over Iskandar Malaysia's property sector, UEM Sunrise Bhd managing director and CEO Anwar Syahrin Abdul Ajib is clearly focused on ensuring that its projects there succeed.

"We believe in the story of Iskandar," seems to be Anwar's favourite phrase during the interview with *The Edge* in conjunction with the developer being ranked among the Top 10 of *The Edge Malaysia* Top Property Developers Awards 2015.

He says a lot of effort has been put into making sure economic activities come to Iskandar Malaysia, which will create job opportunities that, in turn, will generate demand for housing.

"It is just a matter of time, and we will have to meet the demand," he says. "For example, there is the Petronas plant [Petroliam Nasional Bhd's Refinery and Petrochemical Integrated Development project or RAPID] in Johor. I am asking my guys if we are doing anything to accommodate the [housing] needs of the workers who will come in upon completion of the project. We need to stay ahead of our competitors."

"The eventual workforce of the project [RAPID] is estimated to be 4,000, with a mix of executive-level employees and low-level workers. What have we done to provide Kuala Lumpur-type facilities for them? No one has actually looked into that. We need to make sure there are enough facilities, such as education and healthcare."

The public-listed UEM Sunrise, which is the property development arm of UEM Group Bhd, is the result of a merger between UEM Land and

UEM Sunrise Bhd		
	2015	2014
Overall	7	4
Quantitative	6	4
Qualitative	14	9

When we launch a project, we set a [sales] target of 65% but we actually want to get 80%. Property development is very competitive and you don't get satisfied with what you do but always strive to be better every time.

- Anwar

Sunrise Bhd in 2010. The merger positioned the company as one of the largest listed property developers in Malaysia with total assets with a combined value of over RM5 billion.

With significant landbank in Johor, UEM Sunrise is the master developer of Nusajaya, one of the five flagship zones in Iskandar Malaysia. Gerbang Nusajaya is the second phase of Nusajaya, spanning over 4,551 acres, that will feature various developments, including Nusajaya Tech Park, Motorsports City, Signature Residences and Gerbang Nusantara.

At the same time, the developer is looking to target locals, especially first and second-time homebuyers. "We need to make sure that we have



HARIS HASSAN/THE EDGE



SHAHNIN YAHYA/THE EDGE

Anwar with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

very sensitive to pricing now, even for the price difference of RM50,000 to RM60,000, which doesn't add up to much when you spread it over 30 years.

**Some developers have reported slower sales and lower profits this year due to the market slowdown. How do you ensure that the company remains profitable?**

We need more effort in achieving sales. That's why we launched our Signature Selection campaign, in which we throw in a lot of goodies and benefits such as kitchen fit-ups. In some projects, we even give free Honda HR-V and Jaguar cars in our lucky draw. The sentiment is a bit low now, so we have to give buyers some excitement, to let them feel that they don't have to sacrifice something to buy a house. We feel that it is something we need to do and we want our buyers to feel good.

Also, we don't compromise our quality, even for our overseas projects. Our second project in Melbourne, the Conservatory, was more than 60% sold during our sales preview in September. This figure shows the level of quality we have in our overseas projects and the confidence of overseas buyers in our products.

Our focus now is on the affordable segment to target local buyers. We are also looking at developing or co-developing some catalytic projects in Johor Baru to create economic activities there. For example, industrial and hospitality projects, convention centres as well as a public and private marina. We will put money into developing these facilities so people will come in.

Landbanking is also very important, especially land in a good location and at a reasonable price.

**What are your priorities in the next 12 months?**

For Johor, it will be the catalytic projects and we will go for targeted product launches. We still have some inventory we want to sell, so we are looking at a strategy to sell existing products. We may also have to revisit some product launches ... maybe not make them too high-end. As I said, target the affordable side more, within the RM500,000 range.

In the Klang Valley, we will launch a mix of development types. For example, for Serene Heights, perhaps we will launch more landed products. However, we are also looking at some niche high-rise developments.

Overseas, there are still good opportunities. We may not be as aggressive as before, and I think what we have right now is enough. We believe we still have a good pipeline of projects. We can launch one project a year. We will go for large-scale projects when the time is right.

We have projects in Melbourne and Vancouver as well as landbank in South Africa. We are the manager for a project in Singapore. We were looking at the UK earlier but it was halted because of the weakening ringgit. We will focus more on Australia be-

a decent level of local buyers as we don't want to rely too much on overseas investors," Anwar says. "We need to look at the target market and the products have to be right. Also, when we launch a project, we set a [sales] target of 65% but we actually want to get 80%. Property development is very competitive and you don't get satisfied with what you do but always strive to be better every time."

In this interview, Anwar shares his views on the property market and his strategies going forward.

**The Edge: What sets UEM Sunrise apart from other developers?**

**Anwar Syahrin Abdul Ajib:** We take in young people who can give different ideas and do different things and who are social media savvy. It is a tough business environment now due to the weakening ringgit and the implementation of the Goods and Services Tax. All these things have an impact on market sentiment.

It (is important) to have the right product at the right pricing. This year, we have a mixture of high-end and mid-range properties. Buyers are



An artist's impression of Arcoris in Mont'Kiara





PICTURES BY UEM SUNRISE

11 Mont'Kiara was completed in 2008

cause we already have a core team in Melbourne. I would also love to have something in Sydney.

**What are your main strategies now?** Pursue strategic landbanking, and at this point in time most likely outside Nusajaya.

We will also focus on niche markets or township types of mixed residential developments, either on our own or in joint ventures and strategic tie-ups. We are still positive about undertaking such arrangements in Nusajaya, most likely in Gerbang Nusajaya. Moreover, we still have three pieces of land outside Malaysia that we have yet to launch — Alderbridge, Canada; St Kilda Road, Melbourne; and Durban, South Africa. Our teams are currently looking at their development plans.

We would also expand the property-related businesses as recurring income, considering we have a few assets both in Nusajaya and the Klang Valley, which at the moment contribute very little to revenue. We plan to leverage existing projects like Publika in Dutamas, Arcoris and Solaris 3 in Mont'Kiara and Mall of Medini in Nusajaya.

We are also looking to expand revenue from our hospitality business with Ledang Clubhouse, Marina Clubhouse and Opera House Symphony Hills; property management with Publika, MAP@Publika, Anjung Strip Mall in Nusajaya and other condominium management and car parks; project management with Duo Residences in Singapore and Radia Bukit Jelutong; as well as potentially leasing services from Arcoris (hotel component) and Impiana in East Ledang, which is slated for completion soon. We have appointed Hyatt House to operate the Arcoris hotel component — a three-star hotel with 287 rooms.

**UEM Sunrise has sold some parcels in Iskandar Malaysia. Are you going to sell more land?**

We believe in the story of Iskandar very much, but it is now going through a lot of challenges. Like most companies, we need to balance the financials. It is not the right strategy for us to keep borrowing to buy land elsewhere, so that's why we decided to monetise some land in Johor for the purpose of buying land elsewhere (especially in the Klang Valley).

We want to diversify, but I am not saying that we don't believe in Iskandar, it has nothing to do with that. It is just that we need to have a balanced financial position and we want to make sure that we are operating at a very comfortable gearing ratio. However, we don't want to sell just like that. If we have the opportunity to co-develop with other people, we will do it. In Malaysia, the hot spots are still Penang, the Klang Valley and Iskandar Malaysia. We need to look at how we can actually balance our products across the country, but the price must be right.

We don't want to offer fire sales as well. This year, because of the weak market, many people wanted to buy our land and they were throwing us offers that we felt were not worth it.

Buyers of our overseas projects are very excited about us. They look at us highly, and I feel humbled by this, and I want to make sure that we deliver. We will leverage the name and reputation we have made.

**What is the current revenue contribution ratio between local and overseas projects, and what is the targeted ratio? How are you going to achieve it?**

Currently, the revenue contribution

## UEM Sunrise Bhd

FINANCIAL YEAR-END: (RM MIL)	2014	2013	2012	2011	2010
Revenue	2,662	2,425	1,919	1,670	458
Pre-tax profit	609	686	535	354	204
Paid-up capital	2,269	2,269	2,166	2,163	1,883
Shareholders' funds	6,333	6,019	5,316	4,836	2,688
Profit attributable to shareholders	480	579	448	302	195
Dividend payout ratio (%)	0.28	0.31	0.29	-	-

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Quintet, Canada	Mixed development	615	1,000	June 2011	100
28 Mont'Kiara	High-rise condominium	460	1,000	Jan 2010	100
11 Mont'Kiara	High-rise condominium	339	875.1	Jan 2008	100
Summer Suites/VOS KL	Office tower	877	470	Jan 2011	100
Imperia, Puteri Harbour	High-rise condominium	246	337.3	Sept 2011	100

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH PERIOD	TAKE-UP (%)
East Ledang, Nusajaya	Landed/high-rise home	3,677	6,200	Feb 2008	92
Aurora, Melbourne	Mixed development	941	1,600	Oct 2014	100
Teega, Puteri Harbour, Johor	Mixed development	1,371	1,300	Dec 2014	96
Arcoris, Mont'Kiara	Mixed development	959	1,100	Oct 2011	100
Residensi 22, Mont'Kiara	High-rise condominium	534	973	Nov 2013	91

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Signature Residences, Gerbang Nusajaya	Mixed development	Residential: 2,148 Commercial: 120	1,900	2016
Artisan Hills, Kajang	Landed residential	983	1,500	2016
Floresta - Solaris 3	Mixed development	919	1,300	2016
Alderbridge, Vancouver	Mixed development	798	1,300	2017

ratio is 50% from Johor Baru, 35% from the Klang Valley and 15% from overseas. Our three-year goal is 10%, 45% and 45% for overseas, Klang Valley and Johor Baru respectively. So it means we need to find more landbank in the Klang Valley. In Mont'Kiara, we still have 60 acres.

We also have 500 acres in Bangi (Serene Heights), where we are improving access from Lebuhraya Kajang-Seremban to the township and we hope to replicate a Publika there. Many people love Publika in Dutamas, but we have not really capitalised on its success.

**What is your plan for Iskandar Malaysia?**

The high-speed rail project (between Kuala Lumpur and Singapore) is coming and we are now looking for a plot in Gerbang Nusajaya for a station there. Gerbang Nusajaya is the next phase for us, and it spans 4,000 acres. However, we need to plan it properly to target the right target market. We are working on the infrastructure and facilities. We try to achieve world-class standards because once you have something there, it will be there permanently. If it is not good, it will be an eyesore.

We also want a balanced mix of

local and overseas buyers and not be dependent on foreigners. For locals with a budget of about half a million ringgit, we need to make sure that they don't lose out but benefit from our developments.

Malaysia still depends on foreign investments and we need international companies with worldwide access to come in and invest. Facilities are important, such as two ports and an airport in Johor, but we have yet to fully realise their full potential because we lack job-creating facilities.

Another example is our water taxi facility at Puteri Harbour. It takes two hours from Puteri Harbour to Singapore and we are looking to make the route faster, but it is a busy waterway. We have all the facilities but we are not extending them. Once we are able to do it, plus the MRT, people can get into Singapore within an hour.

We are pushing the team on how we can get different industries to come to Johor (and create jobs), but first of all, we need to offer them the lifestyle and facilities such as sports, recreation and education. All these are important.

There are already Singaporeans who don't want to stay in Singapore and, eventually, many Singaporeans will also see Singapore as an unaf-

fordable place to live. They can choose to go somewhere not too far away, yet still enjoy world-class facilities and infrastructure. That's why I believe strongly in our products; we just need to market them better and share the story of its (Nusajaya's) prospects.

**What challenges do you foresee for the property market and UEM Sunrise in the coming year?**

We need to work backwards to understand what kind of houses are mostly likely to attract buyers. We know that it is between RM500,000 and RM1 million. We need to know what we can give and help to make the buying process easy for them. We are also looking at directing buyers to banks that are more friendly and aggressive in giving out loans.

The strategy team is always advising the development team of the products we need to offer while the landbanking team is also scouting around for suitable land. This is what we can do.

As a listed company, our job is to sell but the margins may not be as before. That also means it is a volume game now and we need to sell more to reach those margins. Landbanking is critical now so we can be ready for the next up cycle.



NO. 8 - IOI PROPERTIES GROUP BHD

# Reaching new heights through diversification

BY TAN AI LENG

IOI Properties Group Bhd, the property development arm of IOI Group, was established in 1980. One of the country's most established developers, it is a popular brand among homebuyers.

The developer began with building terraced houses in Taman Megah in Petaling Jaya, Selangor, and moved on to build the Bandar Puchong Jaya township in Selangor, propelling it into the big league.

Besides property development, its property investment as well as leisure and hospitality business is also shining bright. Last year, it opened the largest shopping mall in southern Klang Lumpur — IOI City Mall — near Putrajaya.

This year saw the opening of Four Points by Sheraton Puchong, a partnership with Starwood Hotels and Resorts, at Puchong Financial Corporate Centre in Bandar Puteri Puchong.

Chief operating officer Teh Chin Guan says over the past three decades, IOI Properties has evolved from a pure property developer into a group with a portfolio that includes investment property, retail as well as hospitality.

Overseas, the company is making its presence felt in Xiamen, China, while in Singapore, it is turning itself into a multinational corporation. The group currently has a 10,000-acre landbank here and abroad.

Teh says 2016 will be a challenging yet busy year as the company plans to introduce a series of developments in the next 12 months.

"At home, we have numerous products to offer in 16 Sierra, Bandar Puteri Puchong, Bandar Puteri Warisan and Bandar Putra in Johor, while overseas, Xiamen Palm City development will be unveiling its second phase of development soon," he says.

Although Teh feels that the market will remain slow next year, he sees this as an opportunity for the company to grow further.

"As one of the oldest developers in Malaysia, we have gone through downturns and financial crises, but we grow stronger after every downturn. We believe change is constant; you have to change with the times in order to stay resilient," he says.

Teh shares with *The Edge* the developer's upcoming plans.

**The Edge: For FY2015, IOI Properties' revenue increased 31% year on year. What contributed to the strong sales performance?**

**Teh Chin Guan:** The company has three main businesses — property development, property investment, and leisure and hospitality.

Property development is our core business, contributing 82% to the group's revenue. During the last financial year ended June 30, 2015, we launched our new township project, Bandar Puteri Bangi, and some new developments in Bandar Putra Johor and 16 Sierra in Puchong.

These projects have received over-

## IOI Properties Group Bhd

	2015	2014
Overall	8	10
Quantitative	3	2
Qualitative	16	13

We believe change is constant; you have to change with the times in order to stay resilient. — Teh

whelming response. For instance, 3 and 4-storey shopoffices in Kubica Square at Bandar Puteri Bangi have enjoyed a take-up rate of 85%.

Our overseas development in Xiamen was also well received with 170 landed residential properties in Phase One of Palm City fully sold since their launch in May. Phase Two is targeted to be launched next year.

The remaining 18% of revenue comes from our property investment properties, such as shopping malls and offices, as well as the leisure and hospitality business — hotel and golf courses. IOI City Mall and Four Points by Sheraton Hotel have become new drivers of revenue growth.

**Although FY2015 revenue showed strong growth, profit growth remained flattish. Do you think there will be significant improvement in FY2016?**

If we exclude the fair value gain on investment properties and the one-off gain on acquisition of properties, our net operational profit for FY2015 registered a 22% increase compared with FY2014. For FY2016, I would say it's not all doom and gloom and we are still hopeful of maintaining our current performance. Although next year will be challenging as there are a lot of uncertainties, we will be able to maintain our pace of growth. This is because our overseas development — Phase One of Palm City in Xiamen — has recorded overwhelming response, and we are ready to launch our second phase, which has a gross development value (GDV) of RM630 million. In Xiamen, we still have 37 acres of undeveloped land.

Back home, we still have our bread-and-butter business, which is our landed residential development that supports our revenue growth. In Puchong, Le Pavillion, a mixed-use development with a GDV of RM515 million that was launched in October, has recorded sales of 60% for Tower B. It offers 606 units of freehold serviced apartments [at prices starting at RM703,000] and 101



SHAHRIN YAHYA/THE EDGE



SHAHRIN YAHYA/THE EDGE

Teh with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

units of commercial lots [RM920,000 onwards].

The residences have built-ups of 983 sq ft to 1,256 sq ft while the commercial lots range from 1,195 sq ft to 1,350 sq ft. Le Pavillion will be built on a 5.47-acre parcel and is scheduled for completion in November 2019.

This financial year, we also plan to launch 400 two-storey terraced houses in Bandar Puteri Warisan in Sepang. This project is currently in an advanced stage of construction. It is close to the future Xiamen University Malaysia campus and has great potential for capital appreciation.

During a time of uncertainty, people will still want to buy properties to hedge against inflation. Now is a good time to buy as buyers can have better bargaining power and developers are more willing to offer attractive packages.

As IOI City Mall starts contributing its full-year revenue to the group, we expect property investment as well as the leisure and hospitality segments to contribute more than 15% to the group's revenue.

**Industry players foresee the soft market to continue till next year. What are the group's medium to long-term strategies to grow the business in such an environment?**

In the medium term, our focus will be on medium-cost housing developments that fit middle-income earners' budgets. In the long term, we will focus on transport-oriented developments (TODs), which could give fresh impetus to our township development.

We acknowledge that there is a serious shortage of affordable housing and we have around 10,000 acres of land across a few locations in Malaysia, China and Singapore. This allows



us to launch different products to cater to market needs.

For instance, we plan to launch landed properties with a selling price of about RM700,000 and apartments for about RM400,000 in Bandar Puteri Bangi. Homebuyers looking for affordable homes can take this opportunity to own a property.

In the long term, TODs may be another catalyst for our townships, especially in Puchong as LRT2 and MRT2 will be passing by our development areas, with four stations.

TODs emphasise the 'live, work, play and commute' concept with activities centred around the stations. We have seen successful TODs in Singapore, Hong Kong and Tokyo, and now, we are building ours.

IOI Properties has a joint venture with Prasarana Malaysia to develop the parcels of LRT land in front of IOI Mall in Bandar Puchong Jaya — a mixed-use development consisting of retail and office space that will complement the transport system.

The public transport system will change the lifestyle of people who live and work in the Klang Valley. We are optimistic this will bring more opportunities for us, considering future demand for housing near the public transport system.

**Projects in Johor are the second contributor to the group's revenue growth. What is your outlook for the Johor property market, including Iskandar?**

Iskandar's high-rise residential property market has been saturated and there is a glut. For us, we are lucky as our land is located in Kulai, on the northern fringe of Iskandar and near Senai airport. This allows us to stay away from fierce competition in Iskandar.

IOI Properties has been in Johor for over 30 years and we have built our reputation and branding there.

Although the market remains cautious, demand remains strong as most people still see property as the best investment, especially landed property. Our recent launch of 225 single-storey linked houses in


 IOI PROPERTIES  
 IOI City Mall is the largest shopping mall in southern Kuala Lumpur

Bandar Putra Kulai received overwhelming response with 70% of Phase One already taken up.

In Johor, our development will be focused on affordable landed properties. We plan to launch golf-view bungalows in Bandar Putra in the first quarter of 2016. We believe in the current weak ringgit environment — many Singaporeans will see Johor as an attractive investment destination.

### The group's developments in Singapore and Xiamen are gaining momentum. Any plans to expand to other countries?

Currently, we do not have plans for new markets but will continue to focus on existing markets and enhance our presence in these countries.

IOI Properties has high exposure in Singapore with its award-winning South Beach mixed-use development. There are two towers in South Beach, one of which is an office tower that enjoys 95% occupancy, with well-known tenants such as Facebook, Legoland, Rabobank and Boeing.

This investment property will continue to generate recurring income for the group. Currently, the average rent for the South Beach office space is S\$10 psf while rental yield is about 3% to 4%.

The other tower at South Beach will comprise a 600-room designer hotel and a 180-unit super condominium. The construction of the super condominium is nearing completion. The smallest unit will have a built-up of about 1,500 sq ft while the average selling price is S\$3,000 psf.

The Singapore market has been cooling down for the past three to four years after the government implemented the most stringent cooling measures in its history.

Another new project in Singapore is Triling, with 755 units of apartments in three high-rise towers of 33 and 36 storeys. This will be a medium-cost condominium, which should attract the locals.

In China, we are looking for opportunities to expand to other cities but our current focus is our second

project, Palm City. Our first project in Xiamen — 643 Park Bay apartments — was fully sold and will be handed over to purchasers by the end of this year.

Palm City's first phase of 170 landed residential properties with a GDV of RM500 million has been fully sold. We are now waiting for the right time to launch Phase Two as the land price around our development has doubled (commercial) or tripled (residential).

### IOI Properties has a strong presence in Puchong. With more competitors coming into the area, will steps be taken to further strengthen your position there?

We still have 110 acres of undeveloped land in Puchong and with four MRT and LRT stops in our townships, there is great potential for them to grow.

16 Sierra will enjoy the biggest benefit as it has a MRT station in the middle of the township. This will definitely give our sales a boost. Currently, we have developed 40% of our landbank in 16 Sierra. The remaining 60% or 300 acres will take us 10 years to develop. MRT2, which will join the high-speed rail train in Putrajaya Sentral, will become another catalyst for 16 Sierra as the MRT station in the township is just one stop away from the future bullet train station.

Our presence in Puchong will further strengthen with the improved connectivity within the townships there, coupled with the continuous development of Bandar Puchong Jaya and 16 Sierra.

### What are your upcoming projects and their potential catalysts?

As Kuala Lumpur becomes increasingly crowded and Petaling Jaya has limited land for residential development, it is a natural progression for developers and homebuyers to move away from these areas to suburban areas.

We believe the market focus will shift to Bangi. Our Bandar Puteri township development in Bangi will attract the attention of buyers, not only for the pricing but also its loca-

## IOI Properties Group Bhd

FINANCIAL YEAR-END: (RM MIL)	2015	2014*	2013	2011	2010
Revenue	1,906	1,454	1,323	—	—
Pre-tax profit	1,130	1,151	905	—	—
Paid-up capital	3,779	3,239	3,239	—	—
Shareholders' funds	13,427	11,226	10,335	—	—
Profit attributable to shareholders	891	913	694	—	—
Dividend payout ratio (%)	25	1.6	4.1	—	—

\* Unaudited results for the financial year ended June 30, 2014

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Akira @ 16 Sierra, Puchong South	3-storey semi-detached house	122	280	April 2012	50
Skypod Residences @ Bandar Puchong Jaya	Serviced apartment	742	420	May 2012	Serviced apartment: 100 Retail: 80

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH PERIOD	TAKE-UP (%)
Le Pavillion @ Bandar Puteri Puchong	Serviced apartment Retail Shop office	606 18 45	515	24 Oct 2015	N/A
Avira @ Bandar Puteri Warisan, Sepang	2-storey terraced house	196	148	31 Oct 2015	N/A
Bandar Putra @ Johor	Single-storey terraced house (Verana 1 & 2)	414	127	Oct 2015	50
Sierra 6 @ 16 Sierra, Puchong South	2 & 3-storey superlink house	217	312	Aug 2014 May 2015	30
N'Dira @ 16 Sierra, Puchong South	3-storey town house	336	260	May 2015	30

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Par 3 Residence @ IOI Resort City, Putrajaya	Condominium	High Rise: 200 Low Rise: 18	183	2Q2016
Bogain Villa @ Bandar Putra, Johor	2-storey bungalow	31	87	Nov 2015
Le Meridien Putrajaya @ IOI Resort City, Putrajaya	Hotel	350 rooms	150	1Q2016
IOI RIO City, Phase 1 @ Bandar Puteri Puchong	Mixed retail, office & serviced apartment	858	652	2Q2016

tion. There will be an interchange at the KL-Seremban Highway in the future, connecting Bandar Puteri Bangi with the Kuala Lumpur city centre, which will be just 30 minutes away.

In the next 12 months, we plan to launch affordably priced 2-storey linked houses and condominiums as well as shopoffices.

We also plan to launch Bandar Puteri Warisan. Future developments include 2-storey linked houses, namely Avira and Avista. Avira was launched on Oct 31 while Avista is expected to be unveiled in the first quarter of 2016.

### It will be another challenging year in 2016. How will the group turn challenges into opportunities?

We have been in the market for more than three decades, and have gone through a few downturns, and we have not only survived but become stronger after each downturn. To turn a crisis into opportunity depends on two important elements — landbank and the management team.

IOI Properties has a landbank of 10,000 acres in various locations. This

allows us to diversify our product portfolio to cater to different needs and to plan for potential risks.

During an uptrend, the management team would have already planned for the downturn with projects in suburban areas at affordable prices, such as in Bandar Puteri Bangi and Bandar Puteri Warisan.

Forward planning allows us to react to the market immediately and introduce a suitable product. Our overseas markets also provide us with opportunities to diversify our risks if we face downturns in Malaysia.

### Do you see the weakening ringgit impacting the company and how will it mitigate the risk?

We are not affected by the weakening ringgit for the time being as most of our borrowings are in ringgit. In fact, the weakening ringgit has brought some benefit to us as recurring income from Singapore has increased and we enjoy higher returns.

However, in the long run, construction might be affected by building cost, as some of our building or furnishing materials, such as tiles, sanitary fit-

tings and equipment, and escalators and elevators as well as construction machinery are all imported.

Currently, our suppliers have not increased their prices but when they clear their inventories and if the ringgit's value remains low, the impact will kick in.

### What are the group's top priorities in the next 12 months?

There are two main priorities — cash flow and maintaining product quality. During times of uncertainty, we need to monitor our cash flow closely to make sure we have enough cash for future developments. We will also continue with our forward planning and wait for the next uptrend.

Our medium term focus will be on affordable housing, but there is one thing that we will not compromise on — product quality, regardless of the selling price. Quality needs to be improved, if not maintained.

A quality product does not mean the use of expensive materials but rather, an emphasis on workmanship and details, which can make all the difference. **E**



NO. 9 - IGB CORP BHD

# Growing its recurring income stream

BY RACHEL CHEW

As we were being led to meet IGB Corp Bhd managing director Datuk Seri Robert Tan, we were told this was his first exclusive media interview in 2015. Tan, the man behind the international business conglomerate, keeps a rather low profile but granted *The Edge* an interview as IGB has once again been listed among the Top 10 developers in Malaysia at *The Edge Malaysia Top Property Developers' Awards*.

"My greatest interest is in solving problems. I only do things that I am passionate about, which is why I hire someone else to take care of PR work," he jokes.

With the current challenging market environment for the property sector in Malaysia, Tan says he has been busier than ever.

"IGB has good fundamentals and low gearing, as well as good and stable recurring income. I expected my retail and hotel businesses to experience a significant impact after the implementation of the Goods and Services Tax but the impact has been lighter than expected," he says.

IGB is one of the biggest property players in Malaysia with residential, retail, commercial and hospitality projects here and overseas. Besides luxury condominiums in Kuala Lumpur city centre, IGB is best known for its iconic Mid Valley City in Kuala Lumpur, home to Mid Valley Megamall and The Gardens Shopping Mall. It is also known for the St Giles brand of hotels in Kuala Lumpur, Penang, Sydney, London, New York and the Philippines.

IGB recorded a 17% fall in net profit to RM55.35 million for the second quarter of its financial year ending Dec 31, 2015, from RM66.75 million a year ago. Its revenue for the same quarter also dropped 6.5%

## IGB Corp Bhd

	2015	2014
Overall	9	7
Quantitative	8	7
Qualitative	10	10

IGB has reached the stage where we do not need to sell properties that much. My strategy now is to keep good assets. – Tan

to RM271.92 million from RM290.84 million.

Tan says the weaker result was mainly due to lower contributions from the property and hotel divisions.

"The haze problem was beyond our control, we received more hotel cancellations due to the haze," he says, adding that Malaysia is still a good tourist destination.

"As for the property development division, we had fewer launches this year compared with last year. However, all of our projects have been well-received. We are a niche developer mainly focused on conceptual high-end developments. We are not in a hurry to launch projects because we have other businesses that contribute to our income," he adds.

According to him, the hotel and retail businesses contribute about half of the group's revenue.

Moving forward, IGB will be focusing more on upgrading its existing malls and its venture into five-star hotels.



SUHAIMI YUSUF/THE EDGE



SHAHKIN YAHYA/THE EDGE

Teh Boon Ghee, IGB's head of property development, receiving the award on behalf of Tan, with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

"We are aiming to have more assets that can give us recurring income. IGB has reached the stage where we do not need to sell [properties] that much. My strategy now is to keep good assets. We are trying to buy, build and keep, instead of purely buy, build and sell," Tan says.

The hotel and retail businesses provide more excitement, says the man who loves challenges.

"However, IGB will not stop building. I have a team of excellent people taking care of the property development division and they are doing a great job. With the support of other businesses, the property development division has more time to plan for new launches, therefore quality and strong concepts are guaranteed," he adds.

Tan shares his thoughts on IGB and the property industry in general.

**The Edge: How is the current market situation impacting the group and what is your strategy in this environment?**

**Datuk Sri Robert Tan:** If you analyse our results for the first half of 2015, you will see that our profit before tax and revenue has improved year on year, despite unfavourable consumer sentiments and other issues like the weakened ringgit and low commodity prices.

If asked to pinpoint an industry, property development has somewhat been affected by the generally cautious sentiment. It is not a huge concern for us as our property development activities focus on niche products and represents only about 15% of the group's turnover and profits.

Our latest Stonor 3 project comprises 400 units of apartments in a



41-storey building with a gross development value (GDV) of about RM650 million. The project is strategically located and is a stone's throw away from KLCC. Barring unforeseen circumstances, we are reasonably confident that this project will do well.

IGB has moved away from being a traditional property developer to investing in properties in strategic and in-demand locations to enhance our recurring income stream. Such a move enhances the stability of the group's revenue and profits.

Besides a stable revenue stream, being in the retail, commercial property, hotels and property development industries affords us a hedge whenever an industry undergoes challenging periods as we are able to continue growing our other core businesses to compensate for a slowdown in a particular industry. This speaks for the relative stability of our earnings to date, with no unpleasant surprises.

We are continually enhancing, improving and refreshing our assets to ensure their attractiveness and desirability to consumers and their return and loyalty. Mid Valley Megamall and The Gardens Mall are two examples of our constant refreshing of our assets, where the malls continue to attract crowds of shoppers on weekdays and weekends and perform well in spite of challenging consumer sentiment.

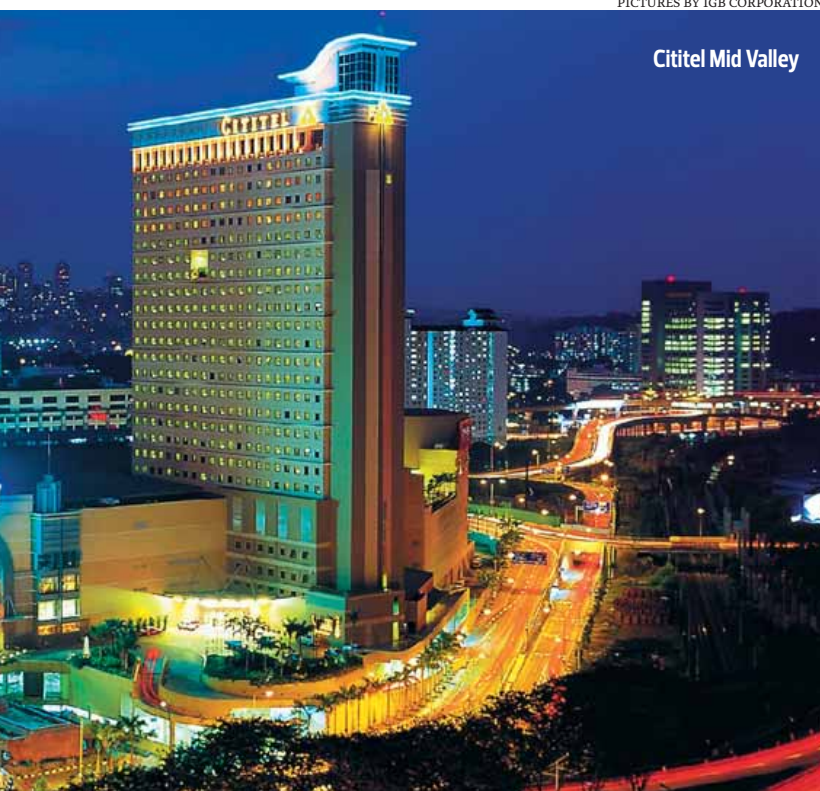
**IGB recorded an outstanding financial performance in 1QFY2015. However, the hotel division recorded lower occupancy and average room rate. What can you do to improve its performance?**

As at 1H2015, our hotel operations contributed 26% of the group's overall revenue. There are no proportionate targets as any drop in contribution by the hotel division may result from an improvement in the group's other di-



An artist's impression of Stonor 3

PICTURES BY IGB CORPORATION



Cititel Mid Valley

## IGB Corp Bhd

FINANCIAL YEAR-END: (RM MIL)	2014	2013	2012	2011	2010
Revenue	1,173.81	1,087.32	993.85	772.12	719.36
Pre-tax profit	422.21	397.84	366.19	357.50	277.92
Paid-up capital	682.39	682.39	745.14	745.14	745.14
Shareholders' funds	4,305.40	4,168.87	4,140.64	3,424	3,105.58
Profit attributable to shareholders	218.11	202.24	180.19	237.65	174.61
Dividend payout ratio (%)	41.5	28.3	35.7	30.8	29.6

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
G Residence, KL	Serviced apartment	474	365	Feb 2012	97
St Giles Wembley and Cititel Express Hotels, Penang	Hotel	649 rooms	270	Opened June 2015	-
The Tank Stream Hotel, Sydney	Hotel	285 rooms	255	Opened July 2015	-
Cititel Express Hotel, Ipoh	Hotel	210 rooms	80	Opened Feb 2015	-

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	LAUNCH PERIOD	TAKE-UP (%)
Three28 Tun Razak, KL	Serviced apartment	166	166	Sept 2013	92
Park Manor, Sierramas	Strata villa	41	170	Dec 2012	20
Damal Residence, KL	Condominium	31	70	Dec 2014	20
Stonor 3, KL	Serviced apartment	400	653	Dec 2015	-
South Key Megamall, Johor	Mixed development	-	6,000	Dec 2019	-

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Melawati, Selangor	Bungalow	130	390	June 2016
Blackfriars, London	Mixed development	-	2,600	June 2016
Kundang North, Selangor	Township	4,176	2,050	Dec 2016



The newly opened The Tank Stream Hotel in Sydney

painstaking work on planning, research and strategy.

Needless to say, a good, experienced and stable team who are convinced of the viability of a company's strategy and direction, motivated by results and who trust one another would be able to bring a company to new heights and consistently better such heights.

#### What is your business focus in the near future and where will that be?

We are focused on our major mixed development projects in Southkey, Johor Baru, and Blackfriars in London. The Southkey and Blackfriars projects have GDVs of RM5 billion and £850 million respectively. If approved, the amended scheme for Blackfriars will yield a substantially improved GDV.

The two projects will enhance the asset base of the group as it is the intention of the group to retain all of Southkey and the bulk of the assets at Blackfriars.

We do not have any particular preferences with regards to future projects, although it is generally easier to expand the group's hotels business. We have added four new city hotels in the past year — two in Penang, one in Ipoh and the other in Sydney, Australia, all of which have added more than 1,100 rooms, giving the group a total of about 6,500 rooms.

We are always on the lookout to expand our hotel business. Europe, particularly tourist destinations such as Barcelona, Berlin and Madrid, is attractive to us. As we have a hotel in the UK already, expanding to Europe should be easier than competitors

who are based somewhere further than Europe.

However, we don't believe in setting ourselves a timeframe to start a business in new market. We will continue to observe and do the right thing when opportunity approaches.

#### What is the overall business development plan?

Our major overseas development projects are in London and Bangkok. We are seeking an amendment to the planning permission for our Blackfriars project, which if successful, will materially increase the GDV for the project.

Meanwhile, our Bangkok project is at the design and planning stage. That is a mixed development project. The land fronts the Chao Phraya River.

Emerging markets offer potential while the developed regions offer ready infrastructure, local expertise and certainty in their financial, tax and legal regimes. But we have a relatively low-risk appetite and have a long record of balancing business opportunities with caution.

#### What are the challenges ahead? What is your strategy moving forward?

The main challenges come from external factors, primarily the prevailing cautious investor sentiment in the market. The IGB group is able to embark on niche developments as we have moved away from being a pure property developer and now have a strong recurring income stream.

As such, we have the opportunity to focus on development projects which deliver value for money prop-

erties at different price levels. We have been able to manage and control our costs by embarking on innovative designs and projects.

Our upcoming key launches include the Southkey project in Johor (GDV: RM6 billion), Blackfriars in London, the Kundang township (GDV: RM2 billion) and the Bangkok project.

#### What is your outlook on the Malaysian property industry?

To be honest, personally I do not see any bright spots in the next one or two years in the Malaysian property market. It is a buyers' market now and this should continue in the next one to two years.

Although the market is moving slower at the moment, we do not see desperate sellers, which could possibly lead to a market crash, thanks to Bank Negara Malaysia, which has been managing the economy pretty well and the strict controls on property market speculation.

I believe property prices will be hovering around current levels in the next two years. We will not see a market crash but a downturn, or slow market movement.

I also do not see property price adjustments because building costs have gone up due to the implementation of the Goods and Services Tax and the volatility of building material prices.

There is a possibility that property developers may stop building due to high cost and the slow market. However, if developers hold back launches till the market recovers, there may be the chance of price surges due to shortfalls in supply. ■

visions. It is more important for each division to at least meet its budgeted numbers. However, we are always on the lookout for opportunities to build or acquire hotels, particularly strategically located ones such as three to four-star hotels in a city.

#### What is your secret to keeping the group competitive?

You must have a genuine passion

for the businesses you are in. With passion, you will spend more time finding ways and means to improve the business operations, efficiency and image, and ultimately the profitability of the group. No company thrives by sitting still or resting on its laurels.

You also must have a clear business strategy. Mid Valley and our current projects were conceived after

## NO. 10 - GAMUDA BHD - PROPERTY DIVISION

## Next up, smart cities

BY NATALIE KHOO

**G**amuda Land, the property division of Gamuda Bhd, has made it to the Top 10 spot of *The Edge Malaysia* Top Property Developer Awards for four consecutive years. Despite the soft market, Gamuda Land registered an impressive RM1.2 billion in sales for financial year 2015, ended July, contributed mostly by the Gamuda City and Celadon City projects in Hanoi and Ho Chi Minh City in Vietnam.

Gamuda Land spent RM 1.6 billion on land acquisition and has set aside RM500 million in FY2016 to acquire more land. Currently, the group has 3,332 acres of undeveloped landbank locally and 571 acres overseas.

With projects worth an estimated total gross development value (GDV) of RM57 billion, Gamuda has set a sales target of RM1.33 billion for FY2016 and has a few big property launches up its sleeve, including a condominium in Singapore.

"We come with a background in the construction and engineering segment, so our viewpoint is different from the viewpoint of a pure developer. We look at things like roads and infrastructure before we start developing a project. Without all these basic necessities coming into place, and if the road system is not properly planned for instance, future developments will be choked up," Gamuda Land's managing director Chow Chee Wah tells *The Edge*.

Gamuda Land bagged three awards at *The Edge Malaysia* Property Excellence Awards 2015. Besides being ranked among the Top 10 of *The Edge* Top Property Developers' Awards 2015, its Kota Kemuning township was a winner of *The Edge-Malaysia* Property Development Excellence Award 2015, while Phase 15 of Ambang Botanic in Bandar Botanic, Klang, won *The Edge-Malaysia* PEPS Value Creation Award 2015 in the residential category.

Chow was all smiles as he shares with us the developer's activities in the past year and plans to stay ahead in the current challenging market environment.

**The Edge: How have the past 12 months been for Gamuda Land?**

**Chow Chee Wah:** For FY2015, we acquired more land. This is to ensure we can continue to grow our property division and achieve our target of doubling our sales turnover in five years' time. We also successfully bid for a land parcel in Toa Payoh, Singapore, in September.

For our Melbourne 661 Chapel Street project that was launched recently, although it is four kilometres away from the central business district, it is still quite a premium location. For this project, we try to be different from the other developers who go into the mass market in the CBD. When we chose this location, we considered both the local Australian market and foreign investors. For foreigners, you can only buy off the plan. However, once you have a ready-built

**Gamuda Land**

	2015	2014
Overall	10	5
Quantitative	10	10
Qualitative	7	7

condominium, you can only sell to the locals. Hence, the locals must really like your product. It will help to preserve your investment value.

Meanwhile in Singapore, the parcel of land which we bid for in Toa Payoh is old mature land. In Singapore, there is not much land available for a private condominium development. If you are in Singapore and you want to buy a Housing and Development Board (HDB) flat, there are stringent conditions that you need to fulfil. If you happen to not meet the conditions and you wish to settle down in that area with your parents ... this is the chance for you to own your private condominium. You do not have to live very far from your parents. It is a good parcel of land. The bidding was very competitive. The price we bid was within 1% of the second bidder and there was only a 4% difference among the top five bidders. Our pricing was just right. It was not overpriced and was just within the market price. We are looking to launch the project this coming March.

We also bought over our local partner in Vietnam. It used to be a 60:40 partnership but we bought over their 40% share, which makes us the full owner now.

**What's the progress of some of your upcoming projects?**

Our project at Bandar Serai, Rawang, is currently in the market planning and approval stage. We are targeting to launch our first phase of linked houses by next year. Currently, we are looking at enhancing our market plan, especially on the innovation and engineering side.

At Kota Kemuning, which was developed 20 years ago, we have incorporated amenities such as a cycling track and jogging track, and enhanced the walkability to nearby amenities. To us, security is the main concern. We want it to be a gated and guarded community. In Bandar Serai, what we want to do is to take it up one notch by being a GBI (Green Building Index) certified township. Nowadays, the younger generation is in favour of public transport. The plus point of Bandar Serai is, you have a choice. If you choose to drive, Bandar Serai is located near to the highway. If you choose not to use the car, the Kuang komuter station is just a stone's throw away. The Kuang station is just a station away from the Sungai Buloh station. Sungai Buloh is the starting point of MRT Line 1 and Line 2. You can also cycle to the station. Alternatively, we are looking to provide a shuttle bus to the Kuang station. This is in line with our efforts to promote a healthy lifestyle. At the same time, while devel-

We are always challenging ourselves to create something different that distinguishes us from our competitors. The question is, can we do better than our previous township?

-Chow

oping this infrastructure, we want to do it without disturbing the natural terrain. The terrain of Bandar Serai is very interesting. It is not flat, and our challenge is to implement the design we want while preserving the terrain.

We are also working on our Tanjung Dua Belas project in Kuala Langat — a 1,530-acre site with a GDV of RM20 billion. The location is quite strategic with MRT Line 2 coming down to Putrajaya and Cyberjaya. I think we have always emphasised connectivity and this must be implemented from the onset to support the product you want to deliver. We are looking into developing a satellite city with a smart city concept.

Globally, everyone is talking about smart cities, so, this will be a testing ground for us to bring it to life. We will have to work with consultants and service providers and it is important that we invest in the data centres and fibre optics so that we can support the broadband speed.

We are also looking into bus shuttle services, including informing you of the arrival times with an app in your phone. With the app, you can plan your time more efficiently. We need to use information technology to facilitate our lifestyle.

We are also planning to have international schools, medical hubs, e-schools and amenities such as jogging tracks, parks and cycling tracks as well as a seamless link to the wetlands.

On the commercial side, we are looking into investing in a data centre such as a cloud computing system. Most businesses invest a lot in their servers and business solution software to ensure they get the best productivity at work. However, with a secured data centre like a cloud computing system, you can save a lot on your software products. Not only does it reduce the cost of your business, you are on par with the technology level of global business demands.

We are also launching our Bukit Bantayan apartments in Kota Kinabalu this December. We have five apartment blocks comprising about 1,500 units. It is situated about 11km from Kota Kinabalu and 3km from Inaman town. We are targeting buyers aged 25 to 44 who have just started to work and are looking for affordable homes and a contemporary lifestyle. It also caters for newlyweds in search of their first home and home upgraders. We are pricing the units in the range of RM450,000 to RM500,000, which is a



MOHD IZWAN MOHD NAZAM/THE EDGE



SHAHRIN YAHYA/THE EDGE

Chow with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

reasonable price. It is also easier for loan approvals as well.

**In view of the current economic situation, what are some of your priorities moving forward?**

We ventured into the property market in 1995 with Kota Kemuning. It has been 20 years since. We have gone through two cycles of major economic downturn and three smaller ones. Despite the soft economy, we believe there is still demand for high-quality products. We at Gamuda Land are known to deliver high quality products. To us, it is vital for us to create value for an investor even in the soft market. We will launch our products even though the take-up may be slow. We can always sell after we build. When the cycle comes up and when it is the right time to own, investors want to own ready products.

Just take our Horizon Hills project in Johor, for example. In the 2007 and 2008 economic downturn, there was a lot of unsold stock. But within six months of the market coming back, all the stock was sold. For the price

that we sold, we covered our holding cost at an even higher rate. When people bought at that time, the capital appreciation for their units was even faster because by then, it was a mature township.

To reach an occupancy rate of 85% is quite fast, especially if it is a gated and guarded community. That is because everyone can move in at the same time when the project has been completed. There is a sense of security because you don't have contractors and residents moving in and out.

Although sales aren't doing as well currently, we still have sales every month for Horizon Hills. Fortunately, we have been able to increase our local market share of purchases as well. We have had buyers moving over from Tebrau. As you know it is really hard to get people to move to the west from the east. For the remaining 50% of the township, the product mix varies. We have linked houses, semidees and bungalows in store.

**The net profit for the property division has dipped for FY2015. What**



GAMUDA LAND

Gamuda Gardens, Gamuda Land's residential development in Hanoi

### steps are you taking to perform better in FY16?

At some point, the profit margin will come down because land prices are going up. Prices are getting more competitive and it is a challenge to maintain high profit margins all the time. We have to make our properties affordable. The pricing of the houses must give value for money. We are always educating our buyers to look into the common amenities that the developer is providing, things that you cannot build or renovate on your own. You can purchase a cheap property but if you do not have the connectivity, the amenities and the maintenance ... you will not enjoy strong capital appreciation. For us to win the Value Creation award from *The Edge* four times is an honour to us.

We have also come up with many ways to help buyers who are interested to own our units. For our High Park in Kelana Jaya and Robertson in Kuala Lumpur, we are offering an easy payment scheme. When you sign your sale and purchase agreement, you only pay the first 5%. Subsequently, you pay 1% every two months until you finish paying up the whole 20%. That translates to 15% every alternate month, which means you are paying over 2½ years. This really eases your cash flow.

We are offering the opportunity to our buyers to buy a property at today's price for a future value. For the balance of 80%, the buyers can pay upon vacant possession. This is a modified scheme of build-and-sell, similar to that implemented in the UK, where there is a 10:90 scheme or 20:80 scheme. When the property is ready, only then do the buyers pay the remaining 80%. They can sell their existing home to upgrade four years from now. The market should have already bounced back by then. As a developer, we want to take care of our buyers' concerns and needs.

### What other challenges is the group facing? How are you planning to overcome them?

We are always challenging ourselves to create something different that distinguishes us from our competitors. The question is, can we do better than our previous township? What can we do next? What can we do better? We do not want to look at ourselves as just a building contractor. We find it pointless to acquire land, build it up and gain our construction profit. Instead, we want to create a product

that our buyers can be associated with and they can be proud of investing in.

For example, at our five-acre HighPark project, we built a park podium on the seventh floor comprising a 1km jogging track, a 50m swimming pool, an aqua gym and herb and maze gardens, among other facilities.

We also provide free WiFi for residents and visitors. Instead of going outside to conduct your business meetings or meet your clients, you can do it at the park podium. We are also looking into installing vending machines for coffee, soft drinks and even food items for the convenience of our residents. This kind of facilities really attract the younger generation.

Kelana Jaya is a 35 to 40-year-old township. As the younger generation comes up, they want their own privacy and to be independent of their parents. Yet at the same time, they want to have a good quality lifestyle. We have built-ups ranging from 452 to 840 sq ft. Nowadays, we only see the younger generation coming out from their rooms during mealtimes. Other than that, they are mostly in their rooms. We feel that this size is practical for the younger generation, and it is good for privacy.

As time passes, service charges increase as well. Service charges are applied based on the built-up. For a 450 sq ft unit, if the service charge is 50 sen psf, the maintenance will only be just over RM200, and for 600 sq ft, that will translate to about RM300. It is still in the affordable range. There are some condominiums that have maintenance charges of over RM800 to RM1,000. Even the rental for a master bedroom costs more than RM1,000. The size of High Park units are just like hotel suites. At the same time, you do not have to sacrifice your lifestyle.

In the CBD area, we have our Robertson project. This caters for buyers who are looking to work and live in the same area, where connectivity is at your fingertips. The monorail, MRT and LRT are all within a 12-minute walk. We invested in two fully covered walkways — one will bring you to the Bukit Bintang MRT station and the other to Pudu Sentral where the city and regional buses are.

From Pudu Sentral, you are connected to the Plaza Rakyat LRT station where you can also get to the Warisan

## Gamuda Bhd – Property Division

FINANCIAL YEAR-END: (RM MIL)	2014	2013	2012	2011	2010
Revenue	1,306.63	1,015.34	1,066.93	704.56	526.36
Pre-Tax profit	225.29	258.48	286.20	149.94	88.15
Paid-up Capital (Ord shares only)	878.22	815.34	668.31	569.02	273.23
Shareholders' funds	2,120.94	1,735.60	1,613.28	1,270.47	899.84
Profit attributable to shareholder	185.78	223.00	191.88	101.44	61.42
Dividend payout ratio, with associate (%)	208	52	77	133	79

Revenue as per audited account for years 2010–2012 is inclusive of joint ventures revenue

### COMPLETED PROJECTS

PROJECT/LOCATION	TYPE	PRODUCTS	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE
Kota Kemuning, Shah Alam	Township	Residential	8,630	3,600	1995–2012
		Commercial	909		
		Industrial	297		
Valencia, Sg Buloh	Township	Residential	890	1200	2001–2012
Bandar Botanic, Klang	Township	Residential	8,956	3,540	2000–2012
		Commercial	741	517	2000–2012
Horizon Hills, Johor	Township	Residential	2,761	3,200	2007–2013
		Commercial	36	20	2008
Jade Hills, Kajang	Township	Residential	878	980	2007–2011
		Commercial	21	23	2009–2011

### ONGOING PROJECTS

PROJECT/LOCATION	TYPE	PRODUCTS	NO OF UNITS	GDV (RM MIL)	LAUNCH DATE	TAKE-UP (%)
Horizon Hills, Johor	Township	Linked house	446	481	2013	70
		Cluster house	60	111	2014	30
		Semi-detached house	78	182	2014	45
		Bungalow	91	451	2015	70
		Condominium	380	340	2014	40
		Commercial	172	285	2015	60
Jade Hills, Kajang	Township	Bungalow	9	36	2013	55
		Linked bungalow	14	31	2014	79
		Serviced apartment (4 Blocks)	366	211	2013	63
Bandar Botanic East, Klang	Township	2-storey terraced house	171	108.6	2014	100
Gamuda City, Hanoi	Township	Semi-detached & terraced house	364	517	2013	50
Celadon City, Ho Chi Minh	Township	Apartment Block C	372	35.4 (USD)	July 2015	24

### IN THE PIPELINE

PROJECT/LOCATION	TYPE	PRODUCTS	NO OF UNITS	GDV (RM MIL)	EXPECTED LAUNCH
Gamuda City, Hanoi	Township	Apartment	624	125	2015
Horizon Hills, Johor	Township	Linked house, cluster, semi-detached, bungalow, condominium, commercial	949	1,400	Future launch
Jade Hills, Kajang	Township-Residential	Semi-detached, bungalow, linked house, serviced apartment & affordable home	1,652	1,080	2016
	Township-Commercial	Shopoffice & commercial precinct	60	81	2016
HighPark Suites, Kelana Jaya, Selangor	Township	Studio, dual key, suite, duplex	964	661	2015
Bandar Serai, Rawang	Township-Residential	Mixed development	2,903	6,100	2016

Merdeka MRT station and the Bukit Bintang monorail. We want to lay out the conveniences for them.

### What is your outlook on the property market this coming year?

Our local market is still soft and there is no sign of Bank Negara Malaysia loosening the interest rates for now. For the local market, we were appointed the project delivery partner for the Penang Transport Master

Plan. We may need to reclaim some land, so there is an opportunity for us to look into that. We are still in the midst of negotiations and no firm plans have been made yet. This will take place on Penang Island, which is a better location than the mainland.

For the overseas market, we are still looking into projects in Singapore. Land prices are realistic and competitive during a down cycle. Our purchasers have indicated to

us that they are looking to diversify their investment portfolio. At the same time, they want to tag along with a developer whom they trust. We have investors whose children are studying in Australia or working in Singapore and they are looking at directing their investments that side. A big portion of sales for FY2016 will be for projects based in Vietnam's Ho Chi Minh and Hanoi and Singapore's Toa Payoh.



**THE EDGE - PEPS**  
Value Creation Excellence  
Award 2015 | Residential

**MERIT**  
**Z RESIDENCE**  
BY TRINITY GROUP SDN BHD

# Creating value for the community

BY NATALIE KHOO

Following the success of The Zest @ Kinrara 9, which won The Edge Malaysia-PEPS Value Creation Excellence Award in 2013, developer Trinity Group Sdn Bhd has come up with another winning project in Z Residence, which earned a merit award in the residential category.

Z Residence, located in Bukit Jalil, Kuala Lumpur, is an improvement on The Zest with more thought and better planning, group managing director Datuk Neoh Soo Keat tells *The Edge*.

"For us, winning the award is secondary. Our main priority is the value we create for the public. Yes, the award is important as a recognition of the work we have put in, but the tangible acceptance from the purchaser is the main driver for us," Neoh says.

Z Residence, which was launched in 2011, was sold out in just six months. The project was developed with the community in mind, with 50% of the development dedicated to environment conservation and greenery, Neoh says. "The Z Residence is our most ambitious project to date."

The condominium project, on a 6.7-acre site with a gross development value of RM580 million, comprises 1,136 units spread over four blocks of 26 and 27 storeys. The built-ups range from 1,032 to 1,407 sq ft and the units were launched at an average price of RM347,888.

One of the five units Trinity submitted for the 2015 award, which was sold at the developer's price of RM339,888 on Aug 2, 2011, was sold on Sept 5, 2014, for RM660,000 — a capital appreciation of 101%. Today, prices range from RM688,888 to RM928,888. The development has achieved an average capital appreciation of 86% since the launch.

The condominium also comes with impressive amenities including a 55m infinity pool, a sky lounge perched 130m above ground level, a floating garden and three-tier security system. Green features include rainwater harvesting and double-glazed windows to deflect sound and reduce up to 50% of solar heat gain into the building.

The project was conceived to address the shortage of affordable housing, says Neoh, who has a background in town planning. Neoh saw the potential the 6.7-acre site could offer.

"When we committed to the land four to five years ago, it was on the outskirts, in an industrial area with no infrastructure. It was an area where a lot of unhealthy activities were taking place. For instance, we saw drug addicts hanging around."

The group bought the land for RM22 million, which some deemed expensive at the time, but Neoh had a vision to transform the area by enhancing the infrastructure. He spoke to the local authorities and spent a lot of time analysing the place to see what the group could do to add value to the area.

"The market price for such condominiums back then was about RM400



SAM FONG/THE EDGE

Neoh: Our team will continue to work towards our mission of building communities and enriching lives



SHAHNIN YAHYA/THE EDGE

Neoh with Au Foong Yee (left), managing director of The Edge Communications and TheEdgeProperty.com, and Ho Kay Tat, publisher and CEO of The Edge Media Group

to RM500 psf but we tried to bring it down to RM300 psf for affordability. We spoke to the local authorities to see if we could compensate for the mark down in prices by reducing the unit size and increasing the number of units instead."

The group also spent over RM3.6 million to build a link connecting Z Residence with the Bukit Jalil Highway to improve connectivity, cutting travel time by 10 minutes. The link connected two roads, Jalan BK1/20 and Jalan 4/155, to reduce traffic congestion.

"We had a choice — we could just buy over the land, build our project and sell it off. But as a responsible developer, we wanted the residents and the public to benefit from the project in the long term," Neoh says.

## Effective cost control

So, how did the group ensure that it met its objectives to provide affordable houses with quality amenities?

"It all came down to cost control. Our design was very practical and we worked with a really good contractor from Sunway. We used steel bars with a diameter of 1.8m. Instead of four conventional 1.2m bars, we used two 1.8m bars. That saved us almost 40% of our construction cost, which translates to about RM6 million for the foundation," Neoh says.

"We had the support of Putra Perdana Construction to advise us on

using the right materials that fit into our value engineering system as well. We wanted to work with materials that are inexpensive but are of good quality. We sourced our top grade double-glazed glass from China."

The residents of the neighbouring Bukit OUG condominium were concerned about the levelling of the slope at the project site for fear of landslides. The group had to stop work and took the time to conduct numerous dialogues with the residents to announce additional measures to minimise the impact of the development. This was done together with the local municipal council and Kuala Lumpur City Hall.

"We told the residents of Bukit OUG that we would take precautionary measures such as installing effective silt traps to avoid soiling existing roads and we would cut the sandstone one metre at a time until it was the same level as the Bukit OUG condominium," Neoh says. The residents of Bukit OUG also benefitted from the extra land they gained after the chopping of the slope.

"The buildings at Bukit OUG condominium were quite run down, but after the slope was chopped down the residents were willing to put in money to repaint the buildings to add value to their condominium. They saw their units appreciate almost 100% from about RM120,000 to RM240,000 after that," he says.



TRINITY GROUP SDN BHD

(Above) Z Residence was sold within six months after it was launched  
(Below) The waiting lounge at Z Residence



Currently, Z Residence is 60% occupied. The group estimates that there is a 65:35 ratio of owner-occupiers and investors. Neoh believes this is an ideal mix for a property development.

"If the whole condominium is bought by investors, it would be a ghost town if no units are rented or sold. However, if the whole building is for own stay, we would not have any new transactions and we would not be able to give you the valuation of the appreciation of the units," Neoh laughs.

As for the maintenance fee of 18 sen psf, he says it is sufficient. When the group was managing the development for a year, there were enough funds to maintain the facilities as it had an effective management. However, the current management body is facing some difficulty as it has been able to collect only 60% of the maintenance fees.

"As a developer, we will see how we can assist the current management committee to increase efficiency in managing the building and also in their collection."

## Next challenge

The next challenge for Z Residence is to see growth in rents. Early pur-

chasers get a rental yield of 8% while the later buyers enjoy yields of about 5%. Neoh says this is average and he expects the number to go up to at least 9% to 10%.

Neoh expects the commencement of the Ampang LRT extension line to push up the rental rates.

"The rental rate should be about RM2,000 to RM2,500 but it is currently at about RM1,500 to RM1,800."

The Awan Besar station, which is about 1km away, started operations on Oct 31.

Neoh is not resting on his laurels. He is looking to develop more projects that will create value for his purchasers. The group launched Trinity Aquata @ KL South, a condominium project in Sungai Besi, Kuala Lumpur, in May this year. It is expected to be completed in 2018.

"At Trinity Group, we want our purchasers to identify with the feeling of security and sustainability our products deliver. We want them to have the feeling of coming home to something they can look forward to after a long day at work. Our team will continue to work towards our mission of building communities and enriching lives," Neoh beams. ■



# THE AZURE RESIDENCES

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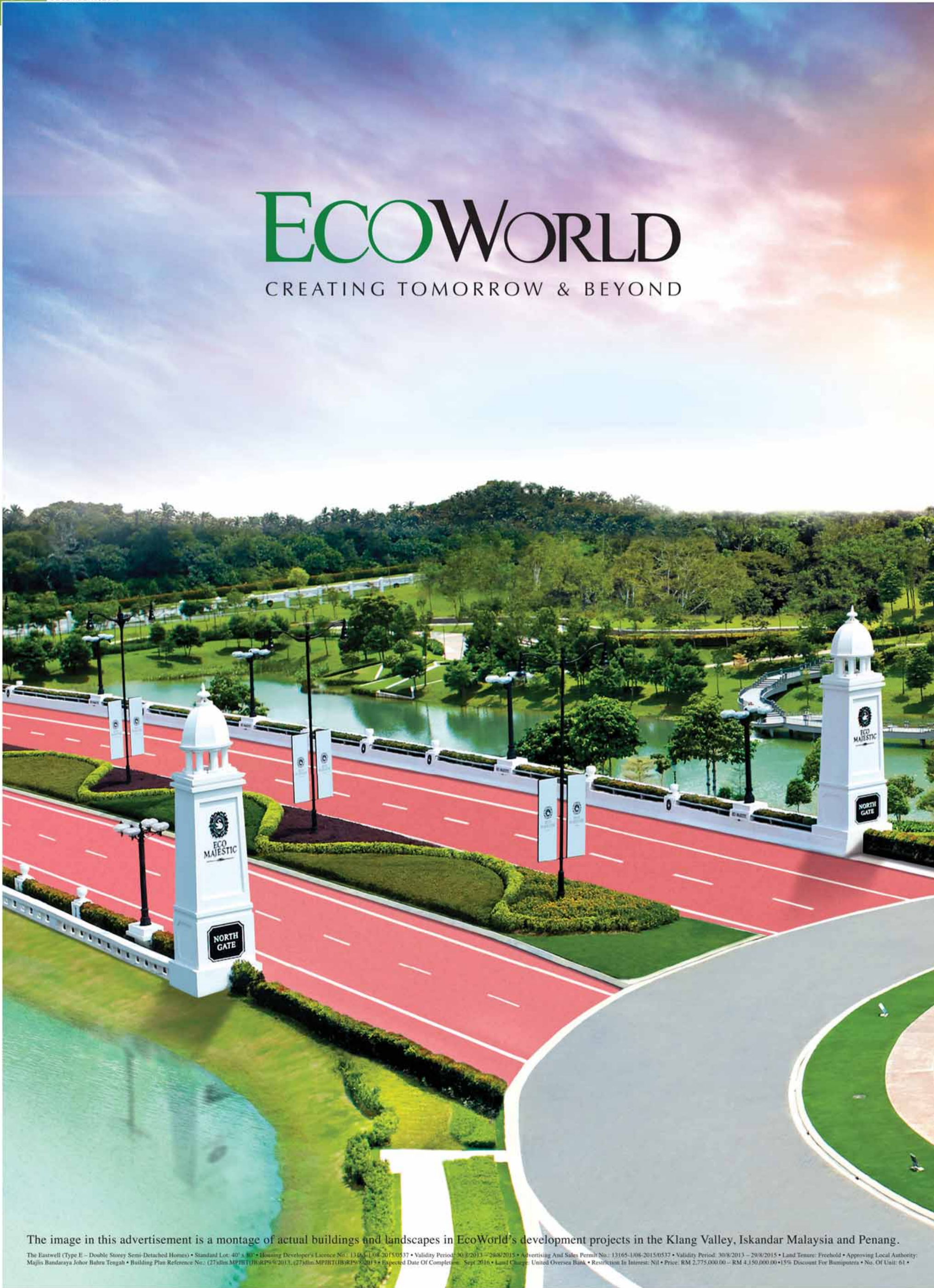


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# ECOWORLD

CREATING TOMORROW & BEYOND



The image in this advertisement is a montage of actual buildings and landscapes in EcoWorld's development projects in the Klang Valley, Iskandar Malaysia and Penang.

The Eastwell (Type E - Double Storey Semi-Detached Homes) • Standard Lot: 40' x 80' • Housing Developer's Licence No.: 13165-1/08-2015/0537 • Validity Period: 30/8/2013 - 29/8/2015 • Advertising And Sales Permit No.: 13165-1/08-2015/0537 • Validity Period: 30/8/2013 - 29/8/2015 • Land Tenure: Freehold • Approving Local Authority: Majlis Bandaraya Johor Bahru Tengah • Building Plan Reference No.: (27)dlm.MPJBT(JB)RP9/9/2013, (27)dlm.MPJBT(JB)RP9/9/2013 • Expected Date Of Completion: Sept. 2016 • Land Charge: United Oversea Bank • Restriction In Interest: Nil • Price: RM 2,775,000.00 - RM 4,150,000.00 +15% Discount For Bumiputera • No. Of Unit: 61

# CREATING TOMORROW AND BEYOND

Our vision of a sustainable future has propelled us to the forefront of Malaysia's property industry. It inspired the establishment of a distinctive presence here in Malaysia as well as the United Kingdom and Australia. And it fuels our mission to craft environments where people from all walks of life can live today to the fullest while looking forward to tomorrow with confidence.

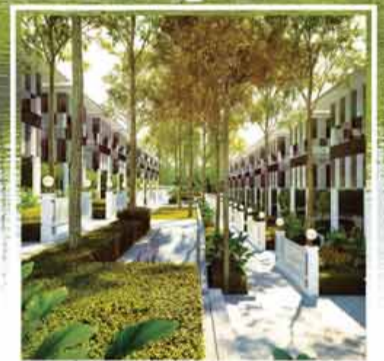




A grand welcome awaits at Eco Terraces, Penang



English country home-inspired architecture in Eco Botanic, Iskandar Malaysia



Landscaped linear gardens in Eco Majestic, Klang Valley

### EcoWorld Gallery @ Eco Botanic

This advertisement is a montage of actual buildings and landscapes in EcoWorld's development projects in the Klang Valley, Iskandar Malaysia and Penang.

The Sandringham (Type SD1 - 3-Storey Semi-Detached Home) • Standard Lot: 42' x 80' • Housing Developer's Licence No.: 14020-2/06-2017/0600(L) • Validity Period: 01/07/2015 - 30/06/2017 • Advertising and Sales Permit No.: 14020-2/06-2017/0600(P) • Validity Period: 01/07/2015 - 30/06/2017 • Land Tenure: Freehold • Approving Local Authority: Majlis Perbandaran Johor Bahru Tengah • Building Plan Reference No.: MPJBT/BB/RP/27/2014 • Expected Date of Completion: June 2018 • Land Charge: United Overseas Bank • Price: RM 3,752,000 - RM 4,630,000 • 15% Discount for Bumiputera • No. of Units: 100 •

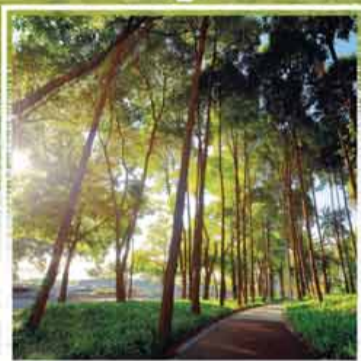
Eco Majestic Sdn Bhd (1002247-X) Developer's Licence: 13544-3/11-2016/01197(L) • Validity Period: 27/11/2014-26/11/2016 • Advertising & Sales Permit: 13544-3/11-2016/01197(P) • Validity Period: 27/11/2014-26/11/2016 • Land Tenure: Freehold • Approving Local Authority: Majlis Perbandaran Kajang • Expected Date of Completion: November 2017 • Land Encumbrances: Hong Leong Investment Band Berhad • Restriction in Interest: Nil • Type of Property: Terrace House • Total Units: 586 units • Building Plan Ref No.: Size 22' x 80', B1(11) dlm, MPKJ 2/P/60/2014 & B1(14) dlm, MPKJ 2/P/61/2014 RM 902,000 (min) - RM 1,302,000 (max) Size: 24' x 80', B1(14) dlm, MPKJ 2/P/61/2014, RM 974,000 (min) - RM 1,586,000 (max) • Bumiputera Discount: 7% •

# PUTTING OUR STAMP ON THE FUTURE

Embrace a fulfilling quality of life that bears EcoWorld's distinctive stamp. Look for our hallmarks in every development — the magnificent grand entrance, distinctive landscaped roundabout, sparkling waterways and water features, expansive green spaces with gorgeous gazebos, scenic parks and timeless architecture of every home — because these signify our pledge to deliver a modern, green and sustainable foundation on which to build a life today, tomorrow and beyond.



The lush, colourful roundabout in Eco Majestic, Klang Valley



Upgraded and beautified green reserve next to Eco Sky, Klang Valley



A stunning contemporary gazebo in Eco Sanctuary, Klang Valley

**ECOWORLD**  
CREATING TOMORROW & BEYOND

# ECOWORLD

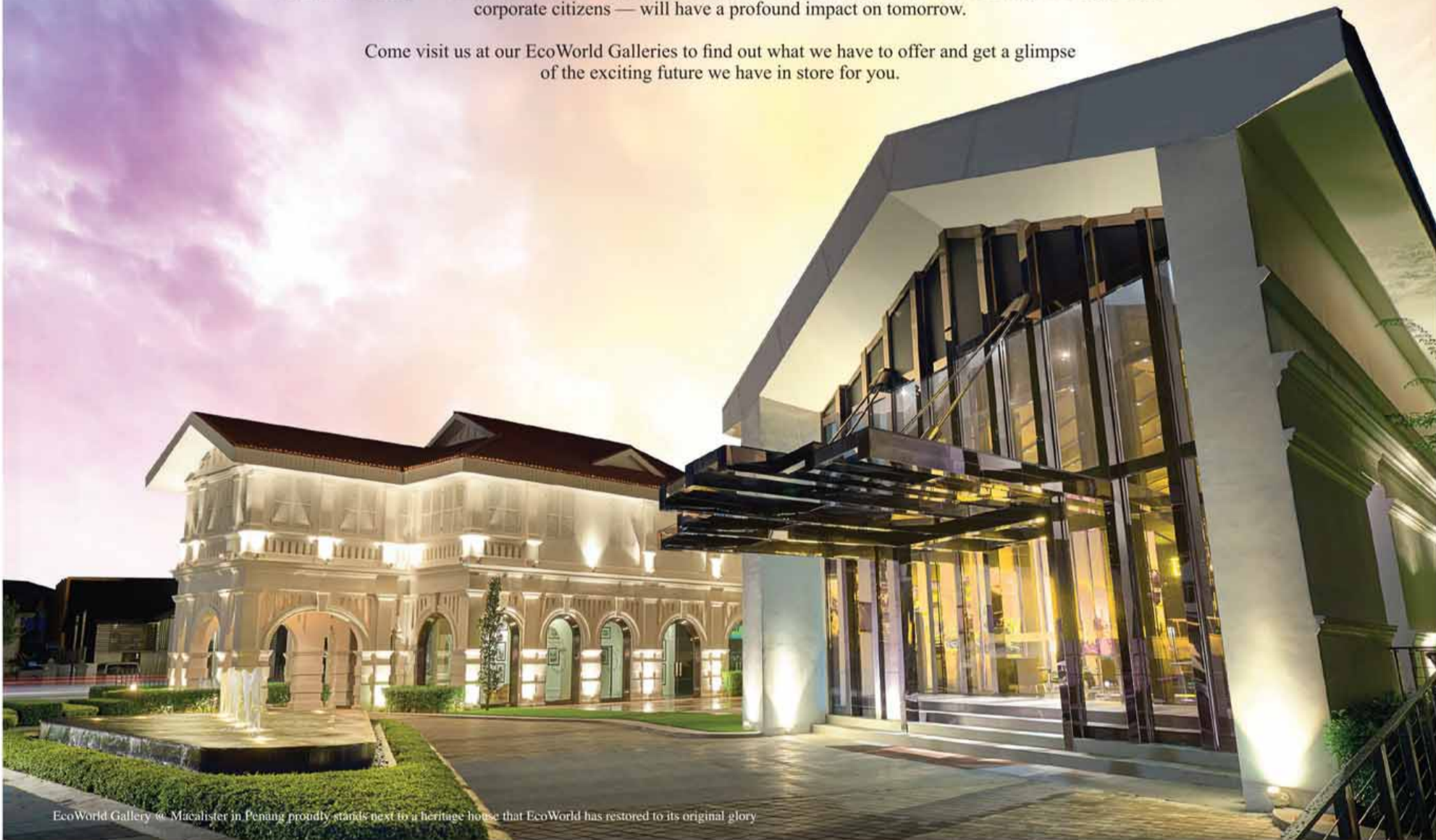
CREATING TOMORROW & BEYOND

## BUILDING A LEGACY FOR A BRIGHTER TOMORROW

Over the last two years, EcoWorld has launched 15 projects in Malaysia, the United Kingdom and Australia. It is an achievement born of our unwavering commitment to our vision of creating tomorrow and beyond.

Our actions today — which encompass not just our role as a property developer but also as caring and responsible corporate citizens — will have a profound impact on tomorrow.

Come visit us at our EcoWorld Galleries to find out what we have to offer and get a glimpse of the exciting future we have in store for you.



EcoWorld Gallery @ Macalister in Penang proudly stands next to a heritage house that EcoWorld has restored to its original glory

### Klang Valley



### Penang



### Iskandar Malaysia



### International

