

property

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Construction to be Ireka's core business

by Allison Lee
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KUALA LUMPUR: London Stock Exchange-listed Aseana Properties Ltd has plans to launch a mixed-use development in Mont'Kiara by 2008 said Ireka Development Management Sdn Bhd's (IDM) chief financial officer and Ireka Corp Bhd executive director Monica Lai.

The 54,005-sq ft freehold tract would have an estimated gross development value of RM110 million and is likely to include what Aseana, in its website, calls an investment-grade office tower and integrated commercial area.

IDM is Aseana's property development manager and is wholly owned by Ireka Corp. Earlier this year, Ireka Corp had disposed of its interest in Ireka Land Sdn Bhd and ICSD Ventures Sdn Bhd to Aseana for RM50 million in cash and a 20% stake in Aseana. ICSD Ventures was a Ireka Group-Syarikat Charng Sheng Sdn Bhd joint venture to undertake the Sandakan Harbour Square project.

"We (Ireka Corp) will no longer be getting income from the sales of our property development. Instead, we would be receiving property development management and performance fees from Aseana," Monica said after Ireka Corp's 31st annual general meeting yesterday.

IDM chief executive officer and Ireka Corp executive director Lai Voon Hon said construction would be Ireka Corp's core business. "Our construction side would be kept busy with contracts from Aseana. Although we do not have exclusive rights to all Aseana projects, we are confident of winning them, as we have vast experience in construction," he said.

Last month, Aseana had entered into

an RM99mil joint-venture deal between Malaysian Resources Corporation Bhd (MRCB) to acquire 95,151 sq ft of land from Kuala Lumpur Sentral Bhd for the RM620-million development of two office tower blocks and a hotel, coming up by 2012.

Aseana is also undertaking four property development projects in the Mont'Kiara area - i-Zen @ Kiara 1, Tiffany by i-Zen, one Mont'Kiara and Seni Mont'Kiara, as well as the development of the Sandakan Harbour Square in Sabah.



Ireka Corp's Monica and Voon Hon

Tiffani and one Mont'Kiara are being developed jointly with Singapore's CapitaLand Ltd. The luxury condominium, Tiffani is scheduled for completion in mid-2009 and to-date more than 80% of its 599 units have been sold. One Mont'Kiara has a retail mall and 179 office suites, and almost all the 128 units for sale have been snapped up.

The first phase of 500 units in Seni Mont'Kiara has already been more than 80% sold since its July launch, while the second phase of another 500 units is scheduled for launch early 2008.

Aseana would be looking into property development in Vietnam, China and India. "We have yet to firm up plans for China and India, but have reached advanced stages for our talks in Vietnam and plan to unveil some of the projects by year-end," he said.

In Vietnam, Aseana already has some RM6 billion-worth of projects in the pipeline and Monica said it would be focusing on Vietnam's major cities such as Ho Chi Minh, Hanoi and Da Nang.

For the financial year ended March 31, 2007 Ireka Corp registered lower revenue of RM186.5 million from RM230.5 million in 2006. The dip was mainly due to the lower volume of construction works completed during the year.

HOT deal

sold

Address: Platinum Hill Condominium,
Taman Melati Utama,
Kuala Lumpur
Type: Condominium
Size: 1,328 sq ft
Tenure: Freehold
Price: RM270,000
Sale concluded by: Ho Chin Kun,
MetroWorld Realty Sdn Bhd
Tel: 014-626 2623

The agent says this was a good deal for the buyer as there were not many units in the condominium for sale. "The condo is less than a year old and is in a good location near the Taman Melati LRT station and Tunku Abdul Rahman College," he adds.



on the market

Address: SS14 Subang Jaya
Type: 2-storey corner semi-dee
Size: Land area 6,200 sq ft
Built-up 3,000 sq ft
Tenure: Freehold
Price: RM1.1 million
Sale handled by: Sally Wong
Reapfield Properties
(KL) Sdn Bhd
Tel: 012-624 8183

This basic unit has a larger land area compared to the other surrounding units, says the agent. Standard semi-dee units with smaller land area at nearby US111 are also asking for RM1.1 million while recent transacted prices are close to RM1 million. Although USJ houses are newer, SS14 enjoys better access in and out from Subang, the agent adds.



Disclaimer: Information on the above transaction was provided by the agent/writer named above. As the information has not been independently verified by us, please contact your own verification if you intend to rely on it.

AMDB continues focus on property

by Yap Yew Jin
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KUALA LUMPUR: Property development and engineering will continue to be the main revenue and profit drivers for AMDB Bhd in this financial year. The group's other core businesses include travel and leisure, manufacturing and trading of textile products.

Its executive chairman Azmi Hashim said, after the group's annual general meeting yesterday, the group's property division is always on the lookout for development opportunities and already has plans to launch a new project in Salak South by the first quarter of next year. The company is currently seeking approval from the authorities for the project, comprising terraced and semi-detached houses with a gross development value (GDV) of RM50 million.

Last year, the group concentrated on completing its ongoing projects and disposing of idle and non-performing properties. "We have sold about 90% or more than RM117 million worth of properties in our 62-acre Bayu Mutiara mixed development in Bukit Tengah, Seberang Perai since its launch in May 2005," he said. The properties sold include 2- and 3-storey shop houses (10 units), 2-storey terraced houses (289 units), 2-storey semi-dees (12 units) and 4-storey low cost flats (151 units).

On its Desaria Nilai project in Negri Sembilan, Azmi said construction of 142 units of 1-storey terraced homes in Phase 1A5 had been completed and issued with certificate of fitness for occupation (CFO) last October.

AMDB property division general manager Mohd Fadzil Abdul Hamid said the group initially planned to launch another phase comprising 52 units of 1-storey semi-dees, with a GDV of RM9 million, in August but chose not to proceed due to a substantial land premium of about RM600,000 charged by the authorities.

Meanwhile, AMDB completed the sale of its Lot 670 commercial land on Jalan Lumat, Kuala Lumpur in June this year for a cash consideration of RM25.5 million. The group is targeting to complete another sale this year, a 567-acre leasehold plot in Klang, through its subsidiary, Pulau Indah Marina Resort Sdn Bhd, for RM150 million.

According to Azmi, the group does not discount selling its 1,500-acre tract in Sepang in the near future. "Of course, our first choice is to develop it ourselves and exploit the value of the land but if there are parties willing to buy it, we would consider selling it," he said.

AMDB is not only into residential properties. "Together with the new team from Amcorp (an associate company), we will have enough experience to offer more products in the real estate (industry) as we are quite open to all types of properties," he said.

AMDB recorded a profit of RM24.5 million on revenue of RM284.9 million for the financial year ended March 31, 2007. Its property division registered a profit before tax of RM16.5 million on a revenue of RM60 million.

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- TAN CHENG SIONG
(Lawyer)

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