

Rakyat BTR to be involved in RM1b venture

■ By Rupinder Singh
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PRIVATE boutique fund manager Rakyat BTR Capital Partners Bhd is close to buying five parcels of land in the Klang Valley to develop into commercial buildings worth a collective RM1 billion.

"We have identified the plots of land and are finalising the agreement," Shamir K. Nandy, who has an advisory role in Rakyat BTR's property investment portfolio, told Business Times.

An associate company of Bank Rakyat, Rakyat BTR was formed in 1995 as a licensed asset management company.

According to Shamir, the sites being negotiated are in Kota Damansara, Setia Wangsa, Subang Jaya, along Jalan Stonor, and close to Jalan Aman behind Crown Princess Hotel.

"The development value over the next five to six years in terms of turning the project around would be in excess of RM1 billion," said Shamir, adding that the land acquisition cost is between RM300 million and RM400 million.

Part of the proposed development involves joint ventures in which Rakyat BTR will finance and manage the property for the land owners.

He said the project is likely to be commercial in nature,

Bank Rakyat associate company is buying five parcels of land in the Klang Valley to develop into commercial buildings

but will only be finalised once the property market "settles down" after a year and half to two years.

Rakyat BTR will use its special purpose vehicle, Crest Worldwide Resources Sdn Bhd, to develop the project.

With investment backing from Rakyat BTR, Crest can enter the market at a very low entry level and lock in the funds for a minimum of three to five years without returns, unlike conventional borrowings, said Shamir, who is also the managing director of Crest.

"This gives us the ability and time to conceptualise the project in terms of pricing and positioning," he added.

Currently, Crest is developing 0.6ha at the crossroads of Jalan Sultan Ismail and Jalan Ampang, behind the Pakistan embassy.

The maiden development, Crest Kuala Lumpur, will have two hexagonal towers comprising 45 storeys of residential units and 27 office levels.

Prices for the condominium units will average at about RM650 per sq ft for sizes between 616 sq ft and 7,593

sq ft for penthouses. Office units will be priced from RM550 per sq ft.

Crest, which bought the land for RM35 million in 2005, expects construction to start in two months and to be completed in three years.

The RM368 million development has an estimated gross development value (GDV) of RM400 million.

Crest Kuala Lumpur was first offered to investors more than two years ago, but the higher cost of building materials forced the company to re-price it.

"Even after re-pricing, it is still cheap since the average price in the vicinity is about RM850 per sq ft to as high as RM2,400 per sq ft," said Crest sales and marketing president Joy Nandy.

Although the development is priced to suit local investors, about 25 per cent of the initial buyers to date are foreigners.

Crest is planning a roadshow to attract investors from India, Mauritius, India, South Africa and the UK.

Crest Kuala Lumpur is slated for an official launch on July 26.



Joy (left) and Shamir discuss features of Crest Kuala Lumpur while looking at a model

VADS hits fresh high on strong results

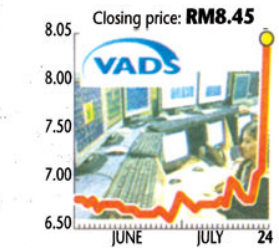
SHARES of VADS Bhd, an outsourcing firm, rose to a fresh high after it reported its best-ever quarterly results and a higher interim dividend.

VADS, a Telekom Malaysia Bhd subsidiary, said second quarter net profit more than doubled to RM13.6 million. Revenue jumped 22 per cent to RM112 million in the period to June 30 2007.

The stock jumped as much as 20 per cent, or RM1.40, to hit a high of RM8.50 yesterday. It closed at RM8.45 for a gain of 19 per cent.

OSK Research raised its target price for the stock by 17 per cent to RM10.50 as it expects profits to grow from its contact centre services.

VADS has orders worth some RM400 million, of which more than 70



per cent is recurring.

The stock is OSK's top pick among information technology firms with small market value.

Japanese tech firms keen to invest in Penang



Penang offers opportunities in new areas like life sciences. — AP picture

■ By Audrey Dermawan
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SEVERAL Japanese technology companies have expressed their interest to invest in Penang, which is positioning itself to become an international hub for medical travellers.

The companies specialise in new areas such as life sciences, biotechnology, and medical equipment and devices.

"I have met up with the top management of these companies and they are keen to invest in Penang," said Penang Chief Minister Tan Sri Dr Koh Tsu Koon, who had just arrived home after a

five-day visit to Japan as part of the Malaysian Industrial Development Authority (Mida) trade and investment mission.

"They were also pleased when we briefed them on the many projects to be carried out under the Ninth Malaysia Plan (9MP) and the soon-to-be-implemented Northern Corridor Economic Region (NCER) as well as Penang as a regional logistics hub," Koh told a press conference in Penang yesterday.

He declined to reveal details of the new companies, saying that discussions were still at an early stage.

Koh said he also took the op-

portunity to meet up with chief executive officers (CEOs) of three Japanese companies which have set up operations in Penang since the 1970s and 1990s.

The three companies comprised the Toray Group, which recently announced a RM350 million reinvestment, Tanaka Electronics and Renesas Technology Corp.

"I spoke to the CEOs on their future plans in Penang, and they are committed to continuing their operations here."

"They also voiced their confidence in the business climate potential Penang promises," he added.