

# New lifestyle experience for Sibu Jaya

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About 1km from the Sibu Airport in Sarawak, is the 1,400-acre Sibu Jaya township. Visitors can get to Sibu Jaya via the Pan-Borneo highway, which also links Sibu to Kuching and Miri.

Upon entering Sibu Jaya, you see conventional walk-up shophouses as well as industrial lots. Touted as the largest township in Sibu, the leasehold Sibu Jaya is now poised for its next phase of growth, having obtained approval for its revised master plan recently.

The next phase entails some 750 acres and will be undertaken by AMDB Bhd, the property development arm of AmcorpGroup Bhd.

When the township began in the mid-1990s, the state government envisioned it to be an affordable township to serve the needs of Sibu's lower and middle-income groups. So far, of the net developable area of 1,100 acres, about 360 acres have been completed with a gross development value (GDV) of RM395 million. The development comprises 4,986 residential, 174 shops and 96 industrial units that serve a population of about 20,000. Currently under construction are 537 residential units and 83 industrial properties. This northern part of the township is known as the Sibu Jaya Old Township.

In 2004, the Sarawak government identified Sibu Jaya as a model township for the state. The Housing Development Corp (HDC) teamed up with AmcorpGroup to form HDC-Amcorp Joint Venture Sdn Bhd in 2007 for the replanning and development of the undeveloped 750 acres of the township, which is known as Sibu Jaya New Township.

The 40:60 joint venture company was tasked to transform Sibu Jaya into a modern, self-contained recreational township. Based on the revised master plan, the township is expected to be completed by 2023 with a total population of 60,000 and will see an additional 5,600 medium to high-end residential units, 476 shophouses, 136 industrial units and four parcels identified



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for commercial buildings with a total GDV of RM1 billion. Some 86 acres have been earmarked for green landscaping.

AmcorpGroup is not new to the project as it was the main contractor for the residential, commercial and industrial properties for the Sibu Jaya old township and was "paid" with some 200 acres there. It then built and sold commercial and industrial properties in 1997, including 2 to 4-storey shophouses that cost more than RM300,000 to over RM600,000 each. Industrial units launched in 2002 had price tags starting from RM228,000.

## Repositioning AMDB

Incorporated in 1965, AMDB was listed on the Main Board of Bursa Malaysia in 1972. Its range of diversified businesses include engineering and infrastructure, property investment, travel and leisure. For FY2008 ended March 31, the group posted a RM14.2 million loss.

However, AMDB's management is seeking to reposition itself as a focused property, engineering and infrastructure company. It has proposed to acquire four property development firms from controlling shareholder, AmcorpGroup. This proposed injection is part of AMDB's restructuring scheme, which involves a capital reduction to wipe out the company's accumulated loss

of RM356.5 million and disposal of non-core businesses to AmcorpGroup for RM22.1 million cash, according to an earlier report in *The Edge*.

It was also reported that under the proposed restructuring scheme, AMDB will buy three companies — the entire equity of Amcorp Prima Realty Sdn Bhd, Regal Genius Sdn Bhd and Distrepak Sdn Bhd — as well as a 60% stake in HDC-Amcorp JV. The purchase consideration will be settled via paying off the inter-company loans that the four entities owe AmcorpGroup. AMDB will fork out cash and issue shares to AmcorpGroup to settle the inter-company loans. This means that AMDB will be taking over AmcorpGroup's landbank in Sibu (Sibu Jaya New Township) and Bukit Raja, Selangor (part of the 400-acre gated and guarded bungalow project known as Kayangan Heights).

According to AMDB CEO Ben Lee, the proposed acquisition (subject to approval at AMDB's EGM on May 12) will allow AMDB to take over income-generating assets that can sustain its property development business in the long run.

It is a property developer's dream to have a township development that provides stable and sustainable recurring income for the next 10 years, says Lee. "Sibu Jaya has passed the start-up phase, which required sizeable capital outlay for infrastructure work. It has also gone through a proven transition phase between 2004 and 2008 when the JV company came into the picture and sold more than 600 properties. So when AMDB comes into the picture, we can start offering properties for sale," he says, adding that being backed by a banking group has bolstered confidence among its prospective buyers. Lee also admits that teaming up with the state government offers additional benefits, such as obtaining quicker approvals.

For the Sibu Jaya development, AMDB is targeting mainly local buyers, including those from the interior part of Sarawak like Sarikei and Kanowit, as well as those who want to upgrade from neighbouring areas. The completion of the Durin Bridge, says Lee, has enabled people from the interior to come to Sibu for supplies. "We want to position Sibu Jaya as a transit town as it is located 26km from Sibu. Being so close to the airport too has its benefits. Being the only township here

augurs well for us as our development will be newer and more modern," he says. Another plus point is that Sibu Jaya is located on higher ground as opposed to some areas in Sibu which are prone to flooding.

With the new master plan, AMDB aims to offer a new lifestyle experience in Sibu Jaya. The new elements include a 2km main boulevard, a 23-acre green lung and a 40-acre green belt. Its launch is planned for early next year and the developer plans to offer more terraced homes and shophouses. For the 1-storey units, prices are around RM100,000 while 2-storey homes are over RM200,000. A first for Sibu Jaya will be the 1 and 2-storey semi-detached homes, which start from RM240,000. As for the shophouses, the 2 and 3-storey units start from RM300,000. According to Lee, the company also plans to offer bungalows at the tail-end of the development.

## Kayangan Heights

Located in Seksyen U9 and near Sunway Kayangan and Denai Alam developments, the 400-acre leasehold Kayangan Heights was first developed by a private company that offered 220 parcels of land ranging from 8,000 to 12,000 sq ft each. These have been sold at between RM14 and RM17 psf. So far, homes have been built on 90 plots.

Amcorp Prima Realty acquired 12 million sq ft of land from the developer in 1995. Up till 2002, Amcorp Prima Realty has sold 170 bungalow lots with average lot sizes of 18,000 sq ft from RM28 to RM35 psf. In 2007, it started building 19 bungalows (2 and 3 storeys), which will be completed this month. Land areas for the bungalows range from 9,000 to 21,000 sq ft while built-ups are from 4,200 to 5,000 sq ft. Prices are expected to start from RM1.1 million while the maintenance fee will be RM200. While the larger units will come with a 40ft-long pool, the smaller units will each feature a Zen spa. Although they have not been officially launched, three units have already been sold.

With the proposed injection of Amcorp Prima Realty into AMDB, the latter plans to build bungalows on the remaining eight million sq ft of land in Kayangan Heights.

Lee sees selling bungalows instead of

bungalow land at Kayangan Heights as the right move for the company. "When it comes to bungalow land, the developer cannot control when the homes will be completed as people have a tendency to wait for others to build first. Discerning buyers today also want to see the completed product before signing on the dotted line," he says.

For Lee, these bungalows will be the model for AMDB's future offerings. "This will be the showpiece for our upcoming products. We are confident with our offering as it is a niche development and is priced affordably. Ultimately, AMDB will be building 10 clusters of houses in Kayangan Heights. With only 10 clusters here, we can afford to offer a build-then-sell concept. However, it will have to depend on market conditions," says Lee. With an estimated GDV of RM700 million, Kayangan Heights features 440 bungalows with clubhouse facilities. Some 28 acres have been set aside for a green lung and there will also be a 4km jogging track.

At Kayangan Heights' second cluster, the homes will be located on a hilltop and the developer plans to offer 15 units. Costing over RM2 million, the 5-bedroom, 6-bathroom units will have average built-ups of 4,500 sq ft. Land areas will range from 13,000 to 27,000 sq ft. A show unit has been built and the developer is waiting for the right time to start construction.

Lake-view units will make up the third cluster and the developer is currently working on the design of the 27 units planned here. The company may also offer condominiums on four acres at the tail-end of the development.

## Some of AMDB's previous projects

Name	Type	GDV (RM mil)	Status
Taman Bayu Mutiara, Penang	Terraced	176.2	Under construction
Taman Seri Rahang, Negeri Sembilan	Terraced	37.4	Completed
Desaria Nilai, Negeri Sembilan	Terraced	89.2	Completed
Desa Wangsuri, Bukit Desa, KL	Terraced	10.5	Completed
Seri Duta II, Taman Duta, KL	Condominium	70.5	Completed
Pantai Panorama, Lembah Pantai, KL	Condominium	147	Completed
Kesidang Indah, Melaka	Apartment	11.5	Completed
Bukit Desa, Taman Desa, KL	Condominium	27.1	Completed
Desa Villa, Taman Desa, KL	Condominium	65.7	Completed
Seri Duta I, Taman Duta, KL	Condominium	73.5	Completed
Arab-Malaysian Business Centre, Seremban	Office	34.1	Completed
Menara Pelita, Kuching, Sarawak	Office	126	Completed
Wisma Arab-Malaysian, Seremban	Office	15	Completed
Bangunan AmAssurance, KL	Office	85.7	Completed
Plaza KWSP, KL	Office	45.5	Completed
Bangunan AmBank Group, KL	Office	72.1	Completed
Arab-Malaysian Industrial Park, Negeri Sembilan	Industrial	120	Completed
Silibin Light Industrial Park, Perak	Industrial	15	Completed

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