

■ **Focus on Klang Valley:** Firm sees RM500m gross development value by mid-2005

TSI upbeat on property projects

■ By RUPINDER SINGH

TSI Holdings Bhd expects RM500 million in gross development value (GDV) by middle of next year from its property development venture.

TSI managing director Lim Seng Kok said the company has accumulated RM240 million in GDV since venturing into property development three years ago.

"We expect to generate RM500 million in GDV beginning this year until the middle of 2005," he told Business Times.

TSI launched last month three projects, namely Vila Tropika and Vila Shoplex in Ulu Pudu, and Queens Avenue in Cheras. All projects are scheduled for completion in the middle of next year.

Vila Tropika and Vila Shoplex projects are expected to churn out some RM36 million and RM24 million in GDV respectively.

Vila Tropika, comprising 268 units of medium-cost apartments ranging from 87 sq m and above in size, is 80 per cent sold out. Vila Shoplex has 27

units of three-storey shop offices with the first phase comprising 11 units completely sold. Second phase has about only 9 units left for sale.

Queens Avenue is a joint venture between Kuala Lumpur City Hall and Fawanis Sdn Bhd, a company controlled largely by TSI's shareholders.

The shop offices, costing between RM80,000 and RM900,000 per unit depending on size, will generate RM70 million in GDV.

Lim said the group is very much focused on future projects around the Klang Valley.

"The Klang Valley is where the market is now. There is a pent-up demand for quality dwelling in better locations here," said Lim.

TSI has 16.2ha of prime landbank in the Klang Valley at present, which has been earmarked for future projects. It has no plans to develop its 19ha landbank in Kuantan, Pahang, yet.

Adjacent to the Vila Tropika and Vila Shoplex, TSI has a 1.62ha site parcelled for 690 units of service apartments.

The first phase of the project is scheduled to begin in the third quarter of this year, while the second phase is due for launch next year. TSI is expecting RM160 million in GDV.

On a 8.9ha freehold land in Pudu, opposite Queens Avenue, TSI will commence a

mixed development project on a joint-venture basis with Fawanis, also in the third quarter this year.

The project will take eight to 10 years to complete and includes, among others, a pedestrian street mall in the style of Kuala Lumpur's Bintang Walk. The GDV from this is expected to be RM1.6 billion.

The group also plans to develop 0.65ha existing in its Business Industrial Park in Kepong next year with RM50 million GDV.

In the same vicinity, 474 units of medium-cost apartments are expected to be launched late this year, or early next year, for a RM90 million GDV.

"We are in the process of obtaining approval from the authorities to develop a 42-storey high-end service suites and apartments on the existing car park in front of Wisma Denmark," said Lim, adding that if all goes well, the project should take off somewhere in 2005.

Lim said property development contributes equally with its core business of specialist contracting to the group revenue but expects the former to add another 20 per cent in two years.

The group, made up of 34 subsidiaries and associates, expects RM150 million in revenue from last year.



LIM: 'There is a pent-up demand for quality dwelling in better locations'

MSCI Indices

	In local Currency			In US\$		
	Day Clsg	Chg since month end	Chg since year end	Day Clsg	Chg since month end	Chg since year end

	Day Clsg	Chg since month end	Chg since year end	Day Clsg	Chg since month end	Chg since year end
March 5 2004						
World Free	404.0	0.1	1.3	4.7	0.6	1.2
Eafe Free Pre	272.0	0.1	2.1	5.9	1.4	1.5
Pacific	135.2	1.0	3.3	7.2	1.0	1.9
Pacific Free	134.7	1.0	3.3	7.2	1.0	1.9
Far East	122.1	1.0	3.7	8.1	0.8	2.2
Far East Free	121.5	1.0	3.7	8.1	0.8	2.2
Australia	420.8	0.6	1.6	3.3	2.1	0.4
Finland Prelim	868.6	0.7	5.2	28.2	2.7	5.1
Greece Prelim	632.4	1.0	2.0	10.0	2.9	2.0
Hong Kong	648.6	-0.2	-2.6	10.6	-0.1	-2.6
Ireland Prelim	477.0	-0.2	2.5	7.1	1.7	2.5
Japan	112.3	1.2	4.5	8.1	0.9	2.7
Malaysia	340.0	0.3	0.6	13.2	0.3	0.6
New Zealand	170.6	-0.1	0.5	1.0	1.2	-0.7
Portugal Prelim	201.9	-0.4	2.6	16.0	1.5	2.6
Singapore	400.8	-0.3	-0.6	5.8	0.3	-0.8
Singapore Free	407.7	-0.3	-0.6	5.8	0.3	-0.8

Note: Asia-Pacific indices are day close. Other indices midday close. Base date of index value 1.1.1970 100 (except those date 1.1.80)

Source: Morgan Stanley Capital International Perspective, Geneva