

REVIEW OF OPERATIONS

During the financial year under review, the Group's revenue and profitability were mainly contributed from the Group's core business activity in property development. Our developments are located mainly in the growth areas of Klang Valley and Penang. In Klang Valley, the Group has five on-going commercial and residential developments in Seri Kembangan and an integrated development with retail shopping mall in USJ, Subang Jaya. While in the state of Penang, the Group has a residential development in Batu Kawan.

SERI KEMBANGAN



Villa Heights

Taman Equine, Putra Permai and Pusat Bandar Putra Permai respectively are the Group's landmark township development projects in Seri Kembangan which has begun in the 1990s. These developments spanning over 789 acres of leasehold land in Seri Kembangan are strategically connected to the Damansara-Puchong Expressway, Bukit Jalil Highway, South Klang Valley Expressway and Seremban Highway. The proposed interchange of Maju Expressway ("MEX") which links Jalan Putra Permai to MEX is expected to further enhance the connectivity of our developments in Seri Kembangan and would substantially reduce travelling time and distance to Kuala Lumpur City Centre.

Over the years, our developments have progressively matured into established townships with various amenities such as a shopping mall, an international school, petrol stations, banks, fast food restaurants and Pasar Borong Selangor.

The commercial and residential developments undertaken by the Group in Seri Kembangan during the financial year are as follows:

i) Equine Boulevard

This commercial development comprising 118 units of 3 and 4-storey shop offices with a total Gross Development Value (“GDV”) of RM170 million is strategically located at the commercial prime area in Taman Equine and spreads over a land area of approximately 13 acres.

With the ease of accessibility from Jalan Putra Permai, this project received immediate good response and achieved 100% sales upon its launch. The project was completed and handed over to the purchasers. With its prime location and close proximity to the proposed interchange of MEX, the value of the shop offices have appreciated significantly since its launch.



ii) EQuator

EQuator is a joint venture development project located at the 16-acre land formerly used for equestrian activities in Taman Equine. This joint development project comprises 74 units of 2-storey shop offices, 59 units of 3-storey shop offices and 5 units of 4-storey shop offices together with a multi-storey car park housing several small shops at ground level. The development site is adjacent to the Alice Smith International School with a direct frontage to Jalan Equine.

The project was launched in April 2011 with an estimated GDV of RM213 million. To date, all shop offices have been fully sold. The construction work for EQuator is currently in progress and is expected to complete in early 2014. Upon completion, EQuator is expected to be the beehive of all commercial activities in Taman Equine and a centre of attraction.

iii) Villa Heights

Villa Heights is an exclusive guarded and gated residential project which is located next to our recently completed Villa Avenue project on the elevated grounds in the pristine area of Taman Equine.



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This 35-acre development project comprises 182 semi-detached houses and bungalows would be launched in 3 phases. Phase 1a which consists of 82 units of semi-detached houses and 17 units of bungalows was launched in March 2012 and has achieved 100% sales take-up rate while Phase 1b and Phase 2 is planned to be launched by end of 2013. These exclusive semi-detached houses and bungalows are meticulously designed to complement its natural surroundings. Inspired by the beauty of nature, the concept blends modern aesthetics and contemporary architecture to accentuate space and elevate sheer elegance and classiness. Villa Heights is expected to be the next most sought-after residential destinations in Seri Kembangan.

Construction work of Phase 1a is currently in progress and completion is expected to be achieved by end of 2013.



iv) Springville

Springville is a low-density residential development which comprises 277 condominium units housed in two 18-storey tower blocks with 3 levels of car park and full condominium facilities. The development is strategically located next to our recently completed Equine Boulevard shop offices and features excellent accessibility and convenience.

Nestled in the matured township of Taman Equine, Springville is developed on a sparse natural landscape of a 4.6-acre prime land tucked beside the lush greenery of a forest reserve. This development provides exclusive lifestyle living with lavish natural landscapes and established amenities in the surroundings. The project has received encouraging response from purchasers and achieved 90% sales take-up rate since its launch in October 2012. Construction work for the two condominium blocks has commenced and the project is targeted for completion in 2015.



v) Suria Permai

Located within the matured township of our Pusat Bandar Putra Permai, this affordable housing development comprises two tower blocks with a total of 300 units medium-cost apartments and 13 units shops. With ease of accessibility and convenience to amenities, the project had received overwhelming response from purchasers and has been fully sold. The project is currently in its final phase of completion and is expected to be handed over to its purchasers by end of 2013.

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BATU KAWAN

Crescentia Park is our township development project undertaken by Penaga Pesona Sdn Bhd, a wholly owned subsidiary, in Seberang Perai Selatan, Penang. This proposed township is strategically located within Bandar Cassia in Batu Kawan approximately 3km from the proposed cloverleaf interchange which would link to the Second Penang Bridge currently under construction. The upcoming Second Penang Bridge would connect Batu Kawan in mainland Seberang Perai and Batu Maung in Penang Island. Our development is currently accessible from the North South Expressway via Bukit Tambun interchange while in the near future it would also be accessible via a new Batu Kawan Interchange which is currently under construction which link the North-South Expressway to the Second Penang Bridge. The development of approximately 1,600-acre Batu Kawan Industrial Park currently undertaken by Penang Development Corporation together with the existing industrial parks in the surrounding area would further enhance the value of properties in Batu Kawan.

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Crescentia Park is planned to be an integrated self-contained township development which comprises residential and commercial developments surrounded by lush greenery, landscaped walkways, open recreational parks and a variety of amenities. The master planning of the development strives to create a high quality community which incorporates a wide range of housing types, layouts, sizes and prices. The development places high emphasis on the importance of public realm and shared open space with greenery surroundings. The residential precinct consists of terrace houses, town houses, semi-detached homes, bungalows, medium and low cost housing, supermarket and shops.

Callisia

Callisia is a residential development which comprises 246 units of double storey terrace houses. Phase 1 of Callisia has achieved 100% take-up rate and successfully completed and delivered to the purchasers in January 2013. Phase 2 of Callisia which is an improved version of Phase 1 with a modern contemporary design and finishes had achieved sales take-up rate of 98% with the completion of its surrounding road infrastructure and also advanced stage of completion of the Second Penang Bridge. The development of Callisia is currently in its final phase of completion and the units of Phase 2 are expected to be handed over to the purchasers by the end of 2013.



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USJ, SUBANG JAYA



da:men

da:men is a mixed freehold development jointly undertaken by the land owner and our wholly owned subsidiary, Equine Park Country Resort Sdn Bhd. This development which spans across the 8.6 acres of prime land in the thriving USJ area is designed to be an integrated retail, commercial and residential hub. The proposed development with estimated gross development value of RM1.0 billion consists of two 23-storey tower blocks of service apartments, shop offices and a retail shopping mall with 2 levels of basement car park.

The development is strategically located beside the intersection of Persiaran Kewajipan and Persiaran Subang Permai and is easily accessible via a network of highways such as the Shah Alam Expressway, Subang-Kelana Elevated Highway, Federal Highway, New Pantai Expressway, ELITE Expressway and Damansara-Puchong Highway. In addition, the proposed Light Rail Transit (“LRT”) Kelana Jaya extension line in Subang Jaya which integrates with the proposed elevated Bus Rapid Transit (“BRT”) would provide excellent accessibility and seamless connectivity to our development and greatly enhance the present public transportation in the vicinity.

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For the financial year under review, da:men's shop offices and service apartments have progressed as follows:

i) Shop Offices

The commercial development comprises 41 units of contemporary series 2, 3, 5 and 6-storey shop offices that boasts excellent design, high visibility and superior potential. During the financial year under review, da:men shop offices have achieved a sales take-up rate of 98%. The construction of the shop offices is currently in progress and completion is targeted in 2015.

ii) Service Apartments

The residential development of da:men features 480 units of well-planned, integrated freehold service apartments housed in two 15-storey tower blocks together with 6 levels of podium car parks. Each tower block has a comprehensive range of facilities including swimming pool with infinity-edge design, lounge deck, gymnasium, sauna, launderette and podium parking. da:men service apartments have received an encouraging sales take-up rate of 95% since its launch. The construction of the service apartments is currently in progress and completion is targeted in 2015.