

Banking on construction

By ANGIE NG

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Malton sees higher contribution with more projects

PETALING JAYA: Malton Bhd expects higher contribution from its construction division following the return of more building and infrastructure projects in the country.

In the past two to three years, contribution from construction projects undertaken by its subsidiary, Domain Resources Sdn Bhd, has overtaken property development as the main revenue contributor at the group level.

According to executive director (projects) Hong Lay Chuan, Domain only started to undertake external construction projects earlier this year.

"Our objective is to achieve a 70:30 ratio of external and internal projects. We believe this will optimise our resources," he told *StarBiz*.

Its current projects comprise the construction of property projects and other related infrastructure development for its parent as well as for third party clients.

Currently, Domain has an order book of RM680mil.

Its ongoing projects include the construction of the Carrefour hypermarket complex in Bukit Rimau and the design and redevelopment of the former Jaya shopping centre in Section 14, Petaling Jaya.

The contract for Carrefour is worth RM34mil and the Jaya project is RM175mil.

Hong said Domain would be tendering for other projects, including RM534mil worth of in-house property projects and RM305mil external contracts, including an aircraft hangar in Subang and a commercial project in Putrajaya.

"Besides Malton's in-house property projects, there will be more project design, build and management contracts for other clients. Going forward, the company would be looking for projects in the region as well," he added.

Meanwhile, property development projects are also expected to make a comeback after the soft market sentiment of the past three quarters.

Malton executive director (sales and marketing) Fong Kin said that although the prevailing market sentiment had been quite soft, "it has been quite stable for us with monthly sales of RM30mil these past few months."

For the financial year ended June 30 (FY09), the company is expected to turn in RM400mil in sales, a marginal increase over the RM394mil registered in FY08.

The company's landbank include 56 acres in Ukay Springs that are planned for semi-detached houses and bungalows with potential gross development value (GDV) of RM500mil.

Another parcel is a 2.7-acre site in Taman Maluri earmarked for mixed development with service apartments, office suites and retail podium worth RM210mil. The project will be launched by year-end.

Development plans for its 67 acres in Sg Long, Cheras are under way while its 0.67-acre plot in Petaling Jaya will have service hotel suites

worth RM70mil. It also has 17 acres in Seremban that will be turned into a RM160mil project comprising bungalows and shop offices.

Fong said more environment-friendly themes starting with the Ukay Springs project would be introduced into the company's projects in future.

They will have designs that promote greater energy and water efficiency, better natural ventilation and water harvesting features.

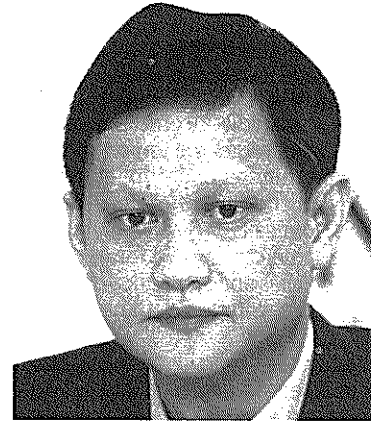
Malton has seven ongoing projects including the Bukit Rimau township development, high-end residences and commercial projects with a total GDV of RM1.5bil, according to Fong.

Of this, RM900mil worth of properties have been sold.

One of its latest lifestyle offerings is the high-end gated development called The Grove in SS23, Petaling Jaya.

The 4.8-acre freehold project comprises 35 bungalows priced from RM3mil to RM3.8mil each.

Other developments include The



Hong Lay Chuan ...the company will be looking for projects in the region

Pearl @ KLCC and Amaya Saujana @ Saujana Subang.

The Pearl @ KLCC is a high-end condominium project along Jalan Stonor.

On 6 acres opposite Saujana Golf Resort, Amaya Saujana comprise three 13-storey residential suit blocks with a total of 378 units priced from RM605,000 to over RM2mil. It has a GDV of RM285mil.