UPCOMING: Artist's impression illustrates One Jesselton@Kepayan (above) and Jesselton View (below); two of Bina Puri's future property developments in Kota Kinabalu.

Sabah a vibrant market for property — Bina Puri

By Ghaz Ghazali
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KOTA KINABALU: The market for construction and property sectors remains vibrant in Sabah, with many upcoming projects rolling out especially in Kota Kinabalu.

With this in mind, building construction group Bina Puri Holdings Bhd (Bina Puri) remains as one of prospective beneficiaries getting a 'slice of the pie', given its established presence in the northern Malaysian Borneo state.

"Here in Sabah, I believe the boost would be on tourism," said its executive director Matthew Tee during a recent briefing with the media on the group's properties in Sabah.

Currently, Bina Puri has completed two flagship residential properties and one commercial hub in Kota Kinabalu. These residential properties: the high-end Jesselton Condominium in the Damai area, and the medium cost, four-storey walk-up Malawa Court apartments in Sepangar, gather a combined value of some RM83.1 million.

The commercial property Alamesra Commercial Centre, comprising blocks of shop and office, is worth RM85 million.

On the construction segment, Bina Puri is engaged in many projects involving institutions and road works in Kota Kinabalu. The latest construction project completed by the group was the phase one of its RM162-million contract with Universiti Malaysia Sabah, which was ahead of the targeted completion date by three month. Phase two, which will comprise new lecture halls, is expected to be finished by this May.

"These are a few of our projects in Sabah. Going forward, we will be focusing on two future projects, namely an apartment project called Jesselton View and a proposed condominium development named One Jesselton@Kepayan," added Tee.

With an estimated gross development value (GDV) of RM66 million, the 16-storey Jesselton View comprising 80 units of apartments is slated to commence construction next month.

On the other hand, Tee disclosed that One Jesselton@Kepayan was still in the design stage. As such, construction would take another nine months to kick off.

"But we have bought the land. Tentatively, the condominium development should reach about RM75 million in GDV," he added.

Outline For The Week Ahead

The Borneo Post Business Desk

BY GHAZ GHAZALI

Market to see positive rebound this week amidst concerns on external factors

KUCHING: The local market could witness a positive rebound this week, despite consensus' concerns of expected volatility on share prices on Bursa Malaysia due to unrest in West Asia.

Explaining further on this, TA securities Holdings Bhd's head of research Kaladher Govindan noted that increasing civil strife in Libya would disrupt oil supplies, sending crude oil prices above the US$100-per barrel mark that in turn, could stall the global economic recovery.

On Thursday, the Kuala Lumpur Composite Index (KLCI) lost 21.24 points, or 1.4 per cent, to close at the day's low of 1,489.87 from an early high of 1,511.39, as losers swarmed gainers 863 to 116 on heavy volume of two billion shares worth RM2.62 billion.

"However, for the index, with the 1,498-support broken amidst increased volatility, there may be further downside risk towards the next significant support from the 1,474 low of last year's November 29, which must hold to prevent further downside risk towards 1,450, which is the 38.2 per cent Fibonacci Retracement (FR) of the rise from 1,243 low of last year's May to the record high of 1,576.95 of January 6," commented the head researcher.

"Immediate resistance is adjusted lower to 1,511, with stronger hurdles seen at 1,525, 1,537, and next at 1,552," he explained further.

For HwangDBS Vickers Research Sdn Bhd, a mild technical rebound could be in store for the nation's bourse ahead.

"The benchmark index may struggle to cross the 'support-turned-resistance' level of 1,495. The immediate support level for the FBM KLCI is now seen at 1,465," authorised the research house's head of research, Wong Ming Tek.

However, he added that the upcoming slew of corporate financial reports would remain as the main focus for investors.

"Among the long list of results announcements made Friday, MISC Bhd's October-December 2010 quarterly earnings was surprisingly weak but AirAsia Bhd beat our expectations," said Wong.

On AirAsia, Govindan concurred and elaborated, "After the recent sell-off, AirAsia shares are most oversold since May last year, hence any further dip towards RM2.28 (38.2 per cent FR) or RM2.05 (50 per cent FR) is a good buying opportunity for rebound towards RM2.58 (23.6 per cent FR)".

He added that Genting Bhd would be a good defensive blue chip to accumulate, with any dips towards RM9.77 (38.2 per cent FR) or RM9.09 (50 per cent FR) ideal to buy for rebound upside towards RM10.62 (23.6 per cent FR).

For the week ended Friday, February 25, the FTSE Bursa Malaysia (FBM) KLCI eased marginally by 0.6 point to 1,489.72, after quickly moving into positive territory during the morning session. On a weekly basis, FBM KLCI declined by 28.29 points from 1,517.56 last week.

Total weekly volume increased to 8.584 billion shares worth RM10.397 billion from 7.092 billion shares worth RM7.638 billion last week.

Malaysia remains largest contributor for Kelington

KUCHING: Provider of ultra high purity (UHP) gas and chemical delivery systems Kelington Group Bhd (Kelington) posted a 33 per cent increase in group revenue for the financial year ending December 2010 (FY10) of RM84.7 million from RM63.8 million previously.

While the rise in group revenues were mainly due to improved contribution from Malaysian operations during the period, the group also noted growth in sales contribution from overseas namely China, Taiwan and Singapore.

"Kelington's all round expansion in the local and overseas markets reinforces the group's position as a leading provider of UHP gas and chemical delivery systems in the region," said its chairman and chief executive officer Raymond Gan in a press statement.

"Going forward, we are set to enhance our capabilities to expand our range of services to capture even more breakthrough projects to bring the group to a higher level," he added.

The year under review had seen the group increasing its business development and market penetration efforts across the region, including to Singapore and Vietnam which resulted in higher cost of sales and administrative expenses in FY10.

The group's net profits were sustained at RM8.4 million in FY10 from RM8.1 million previously.

Basic earnings per share in FY10 amounted to 11.21 sen based on a larger base of 74.710 million weighted average number of ordinary shares, compared with 12.21 sen in FY09 based on 66.117 million weighted average number of ordinary shares.

FY10 saw the group making notable advancements into the light emitting diode (LED) industry in mainland China and Malaysia. The group had also secured a project from Semiconductor Manufacturing International Corporation, the largest water fabrication foundry in mainland China.

E&O primes for performance uptrend

KUCHING: Eastern and Oriental Bhd (E&O) is anticipating an uptrend in its financial performance for the following quarters as it rides out the tail-end impacts of the successful pre-emptive balance sheet management strategy that the group undertook in 2009.

The company had also utilised the crisis downtime to nurture new earning drivers which included the refurbishing and expansion of Lone Pine Hotel as well as the opening of the Straits Quay festive retail marina. These new earning drivers were expected to positively impact the group upon achieving their targeted operational levels.

The balance sheet management strategy that involved, among others, an irredeemable convertible secured loan stocks issuance exercise which is currently at the interest payout stage.

This included the recently-launched exclusive Martinique villas by-the-sea, Cayman bungalows and Caspian super semi-detached homes in Seri Tanjung Pinang, Penang, which received overwhelming response. Buoyed by this, E&O launched the third tower of the Quayside Seafront Resort Condominiums during the Chinese New Year period.

E&O's unbilled property sales amount continued to be on the rise attaining more than RM600 million as at Dec 31, 2010.

At the group level, E&O via its three business arms – property development, hospitality and lifestyle as well as property investment, achieved revenue of RM241.12 million for the nine-month period ended Dec 31, 2010.

E&O executive director Eric Chan Kok Leong was upbeat on the group's plans given its strong unbilled sales position and the subsequent profit to be recognised within the next two to three years, in line with the construction phase of the projects. He said the group was capitalising on its strengthened position to embark on an expansion mode across all segments.

According to Chan, E&O was actively growing its hospitality and lifestyle front with the expansion of the Delicious Cafe local brand of restaurants beyond the Klang Valley and regionally.

In April this year, Delicious would be making its debut in Penang. Another exciting development at Straits Quay was the anticipated opening of the Marina in the second quarter of 2011 (2Q11) which would promote a wholesome boating lifestyle.

Construction of the E&O Hotel Victory Annexe was progressing on schedule and was targeted for a phased opening starting with its retail as well as food and beverages outlets in early 2012.

The Annexe block to the existing E&O Hotel would also feature an additional 139 suites, conference rooms as well as a host of guest facilities.

E&O's reputation as a premier property developer is built across a series of exclusive addresses in Kuala Lumpur and Penang Island. Its track record includes prestigious residential projects such as Sri Se-Ekar and 202 Desa Cahaya.

OPENING SOON: Delicious will be making its debut in Penang this coming April.