

# GUH plans RM1.2b projects

## Contribution from property division to reach 30% by 2018

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**GEORGE TOWN:** GUH Holdings Bhd plans to launch RM1.2bil worth of commercial and residential properties in Seremban over the next five years, raising the contribution of its property development division to about 30% by 2018.

Group managing director Datuk Kenneth H'ng (*pic*) said in an interview that the mixed development project would comprise 1,041 units of medium to high-end landed residential properties with RM939mil gross development value (GDV) in Taman Bukit Kepayang on 195 acres.

"The remaining GDV is for a commercial component comprising a shopping mall, shops, small home offices, and a food and beverage centre.

"We will kick off the project later this year," he said.

Last year, the contribution of the property division segment to the group's revenue had already hit 12%, while its contribution to the pre-tax profit was 25%.

"Our development projects in Taman Bukit Kepayang have always enjoyed brisk sales because of its strategic location," he added.

The mixed development scheme is just off the North-South Expressway and the Seremban interchange, which is the gateway to Seremban town, and shopping facilities like the Tesco hypermarket, 12 public primary and secondary schools, commercial complexes such as Jusco and Seremban Parade, and hospitals.

"It is also 45 minutes to Kuala Lumpur via the highway.

"Taman Bukit Kepayang is also convenient for those working in Nilai, Bangi, Tampin, Kuala Pilah, and the KL International Airport," he said.

Since 2008, the pricing of landed residential properties has increased substantially, due to the



accessibility of Taman Bukit Kepayang.

A double-storey terraced house is now priced at RM405,888, compared with RM173,888 in 2008, while a 2.5-storey semi-detached house is now selling for RM571,888, compared with RM445,888 in 2008.

A 2.5-storey bungalow is now priced RM861,888, compared with RM679,888 in 2008.

"For a strategic location, the pricing is still very competitive against other popular township like George Town in Penang.

"We will look for new sites in the country, particularly in the growing townships that are suitable for property development. These can be in the form of joint-venture development with landowners," he said.

Over the past 10 years, GUH has developed 1,450 units of residential and commercial property on 304 acres in Taman Bukit Kepayang with a GDV of RM286mil.

GUH's core business is in the manufacturing of

printed circuit boards (PCBs) for audio-visual and household appliance products.

But due to the declining demand for LED television globally, GUH's business strategy is to grow on its property development division and water treatment business, which currently generates about 13% of the group's revenue.

According to the Germany-based GfK research house, the global unit sales of LED-backlight LCD television is forecast to grow 4% year-on-year to 217 million in 2013.

"This, however, is well down on the 11% growth achieved in 2011. Growth in emerging markets is projected to offset a slight reduction across developed regions, but will slow compared with last year's levels," the GfK report said.

In mature markets such as Japan and western Europe, sales are projected to remain subdued, declining by 1% year-on-year, according to the GfK report.

On GUH's water treatment business, Teknoserv Engineering Sdn Bhd, a tier two water contractor, is now bidding for RM150mil worth of contracts.

"Among the contracts tendered, some are providing sub-contracting services for high profile jobs such as the Kuala Langat water treatment plant in Selangor.

"As of Dec 31, 2012, the company still has RM20mil worth of contracts to deliver in 2013," he said.

Through Teknoserv, GUH is presently exploring water and wastewater concession projects in China and the Asean region, according to H'ng.

"We are working on a couple of leads, which we will disclose once we have something concrete," he said.

Teknoserv's profit after tax is expected to increase to RM1.79mil in 2013 from RM1.4mil in 2012, while its revenue is forecast to grow to RM15.6mil from RM11.5mil a year ago.