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MMosaics to focus on foreign tie-ups

It plans strategic joint ventures as well as mergers and acquisitions



By **HANIM ADNAN**
nem@thestar.com.my

MALAYSIAN Mosaics Bhd (MMosaics) will focus on strategic joint ventures as well as mergers and acquisitions (M&As) with foreign parties in its quest to be a prominent global tile manufacturer and trading house.

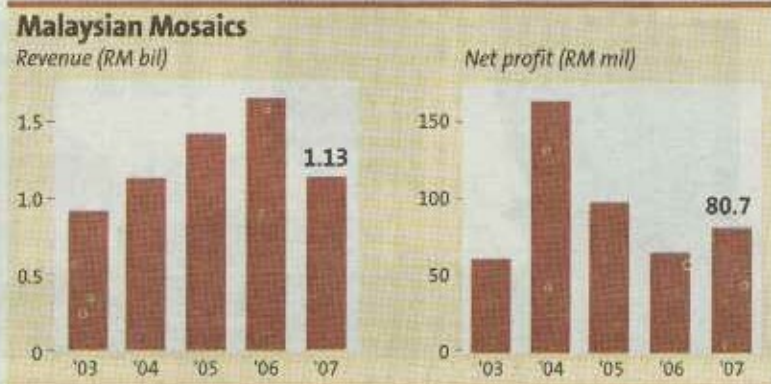
Executive chairman Thomas Rapp said the group planned to have at least three foreign original equipment manufacturers (OEM) in the next five years while also focusing on maximising production capacity at its three plants in Kluang, Johor.

He said MMosaics would make its maiden overseas foray soon through a joint venture with a China-based tile manufacturing group to produce large tiles for both Malaysia and the overseas markets.

"It will be our first OEM and also mark the first of our many joint ventures or M&As. Next in the pipeline, we plan to tie up with a European partner," Rapp told *StarBiz* in Petaling Jaya.

MMosaics is one of the seven major tile manufacturers in Malaysia. It is currently ranked third, with a production capacity of 15 million sq cu metres per annum.

Outlining the group's five-year road map, Rapp said: "We will seriously look at building a global net-



Source: Annual Report 2007

work of business partners and suppliers to stay in the forefront."

In the past 10 to 15 years, most tile makers had to change their business models following dramatic changes in the global tile industry. This include the consolidation among top European tile companies, exponential demand growth in emerging economies of Asia and intense competition from China, a low-cost producer.

"The challenge for MMosaics is to change its business model - to attain the status of a world-class manufacturer and trading house," he added.

Rapp said the issue was no longer about adding more plants in Malaysia, but developing strategic foreign alliances for better positioning in the world's key growth markets. "Combining the strength of strategic partners does not require a capital-intensive exercise. Rather, we are combining existing know-how, brands and international network-



Thomas Rapp

ing," he added.

In the past three years, Rapp said, MMosaics had invested over RM170mil to beef up production and

equip its plants with the most modern facilities seen in Malaysia and South-East Asia.

For the current financial year ending Jan 31, 2008, the group is allocating RM8mil for capital expenditure.

Rapp said: "We were quick to react to the global changes by transforming into a full-fledged tile maker."

"We enlarged our business portfolio from mosaic into homogenous tiles and glazed porcelain as well as enhanced distribution channels both domestically and overseas."

Following the divestment of the group's unit, Hap Seng Consolidated Bhd, to Gek Poh (Holdings) Sdn Bhd last year, MMosaics is focusing solely on the manufacture and distribution of ceramic tiles.

The next step will be to increase exports in terms of market expansion and sales growth.

Despite having sufficient growth in Malaysia, MMosaics strongly believes that its potential lies in the export market.

"We want to balance sales from both domestic and export markets within the next two years," he said, adding that currently, the local market accounted for 60% of sales.

The group exports its MML branded tiles to over 70 countries, with the biggest markets being Australia, Europe and Singapore.

"We expect higher demand, given the growing number of big do-it-yourself (DIY) hypermarkets across Europe," he added.

He said MMosaics was banking

Kenanga Investment Bank looks abroad

By **JAGDEV SINGH SIDHU**
jagdev@thestar.com.my

KENANGA Investment Bank Bhd is looking at key markets outside the country in its bid to create a niche in the corporate banking business.

Chief executive officer Tunku Afwida Malek has been busily beefing up the bank's competencies in key business segments in the investment banking business and believes the time has come for Kenanga Investment Bank to venture abroad.

"A lot of companies here are going overseas and we are following our clients. And there are a lot more deals overseas than in Malaysia. The more areas you cover, the more business opportunities there will be," she said.

"Even though the bread and butter is Malaysia, I think there will be more cross-border deals in the future."

Moves to broaden Kenanga Investment Bank's wings have been set in motion as partnerships in South Korea, Dubai and Saudi Arabia are being struck.

Earlier in the month, Kenanga Investment Bank announced a memorandum of understanding (MoU) with Good Morning Shinhan Securities Co Ltd, an investment bank with a paid-up share capital of US\$1.4bil. The MoU was to pursue cross-border business opportunities in the financial services industry.

"The Koreans have a lot of money and they are looking to invest outside of South Korea and we are looking at the inbound and outbound business with them," she said.

"They also plan to invest in various assets such as property, share place-

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S'pore firm plans three high-end projects in KL

Stories by S.C. CHEAH
sccheah@thestar.com.my

They will be launched in first-half 2008

THE well-diversified Lum Chang group will launch three high-end development projects in Kuala Lumpur in the first half of 2008.

They are a 40-storey serviced apartment in the Kuala Lumpur City Centre (KLCC) area, Twin Palms Kemensah, and bungalows at its flagship Twin Palms Sungai Long.

Executive director Cham Kooi Joo told *StarBiz* that the 320-unit serviced apartment at Lorong Binjai (behind the Nikko Hotel) would have three layout designs: one-bedroom unit (750 to 850 sq ft), two-bedroom unit (1,100 to 1,300 sq ft) and three-bedroom unit (2,000 to 2,500 sq ft).

Cham said the Twin Palms Kemensah on about 30 acres of freehold land would have 128 units of three-storey bungalows with a large built-up area from 5,000 sq ft.

"It will have a gross development value (GDV) of about RM250mil and all the bungalows will be within a gated and guarded community," he said.

He said the undulating land, currently a secondary jungle, was bought early last year. It is located just behind Zoo Negara.

"We have not fixed the price, but it will be very high-end. The upper floor will have an outdoor terrace. We are waiting for the approval of the building plans," he added.

As for the bungalows to be launched in Twin Palms Sungai Long, Cham said they would have a built-up area of about 4,500 sq ft. Fabulous Range Sdn Bhd, a member of the Lum Chang group, is the developer.

Fabulous Range general manager George Fong said the elegant bungalows, called Tsara, would have modern and contemporary designs. "We feel that for the money one is paying for, the look of the bungalows should



Cham Kooi Joo (left) and Fabulous Range general manager George Fong with a model of the Twin Palms Sungai Long

last at least the next 20 years," he said.

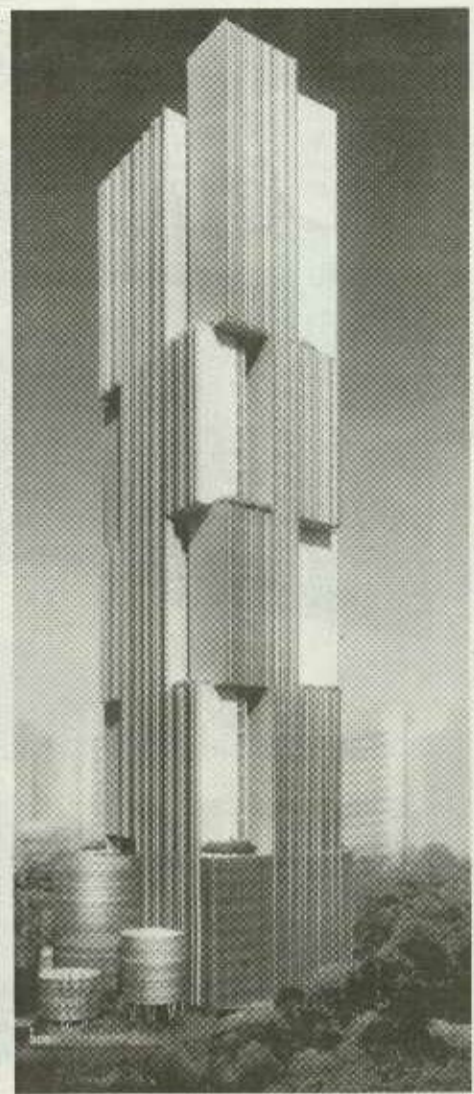
Meanwhile, the group has handed over with certificate of fitness for occupation for all its sold-out LamanSeri homes (88 terrace houses and 24 semi-detached houses) in Shah Alam last June.

Its Suria 618 project in Section 27, Shah Alam (near LamanSeri), comprising 66 double-storey terrace houses with a single entry and exit point, has also been handed over.

Both projects were completed six months ahead of schedule.

Lum Chang is one of the earliest developers to build high-end projects in Kuala Lumpur. They include The Forum in Jalan Tun Razak, Damansara Villa, Wickham Manor and the Kuala Lumpur Golf & Country Club (owned by Sime Darby since 1996).

Lum Chang Holdings Ltd started as a major earthworks, civil engineering and building



An artist's impression of the proposed serviced apartment in Lorong Binjai, Kuala Lumpur, by the Lum Chang group

contractor. Today, Lum Chang has grown to become a well-diversified network of 33 companies and 11 associated companies involved in hotel and serviced apartments, property and construction.

Listed on the Singapore Stock Exchange, it has diversified interests in Thailand, China, Britain, Australia, Vietnam, Laos, Malaysia and Singapore.

Twin Palms to bolster group's image in M'sia

REMEMBER this name: Twin Palms.

It is the new brand for the Lum Chang group's high-end residential properties in Malaysia.

Founded in Singapore, the group currently has two developments with the Twin Palms name: Twin Palms Sungai Long and Twin Palms Kemensah. Both are high-end gated and guarded community projects in Kuala Lumpur.

According to Lum Chang executive director Cham Kooi Joo, the group will be involved in more high-end property developments and reinforce its image as a niche, high-end developer.

He said its flagship project in Malaysia was Twin Palms Sungai Long in Cheras. The project will have 66 super links, 308 semi-detached villas and 229 bungalows.

"We will launch the Palmyra two-storey super link homes priced from RM595,000 under Phase 1A and the Areca three-storey semi-detached villas from RM929,000 under Phase 1B on Sept 29," he said.

Cham said the Palmyra would have 2,827 to 3,423 sq ft built-up areas while the Areca would have 3,642 to 4,387 sq ft built-up areas for Type A and 3,907 to 4,669 sq ft for Type B.

The Areca will have three designs: 6+1 bedrooms (6 attached bathrooms), 5+1 bedrooms (5 attached bathrooms) and 4+1 bedrooms (4 attached bathrooms).

"The 6+1 type is ideal for big families while the 4+1 type should attract the yuppies as it has an interesting layout. A staircase from the car porch leads to the living room on the first floor.

"It has two levels of gardens with three bedrooms on the top floor and a guest room on the ground floor," he said.

The 4+1 bedroom Palmyra super link has column-free car porch for two cars to park side

by side. Its open courtyard concept enables one to see the rear bedroom from the master bedroom.

Twin Palms Sungai Long, being developed by Fabulous Range Sdn Bhd (a Lum Chang group member), will have a gross development value (GDV) of over RM800mil and will take five to six years to complete.

The SILK Highway cuts the 126-acre freehold development into two. The two parcels are linked via an underpass.

»We want the residents to enjoy a safe and resort-style environment«

CHAM KOOI JOO

If one is driving on this highway towards Kuala Lumpur, all the bungalows (Naria, Indica, Tsara and Westiara) are on the right.

About seven to eight acres in this parcel will be turned into woodland with jungle trekking activities and an observation deck mounted on the highest point where one can have a breathtaking view of the surroundings.

The super links and stylish semi-detached villas are on the left parcel and are called Maya, Areca, Sierra, Latania and Palmyra.

Hence the name Twin Palms is derived from the "twin" parcels that flank the SILK Highway while the "palms" represents the resort-styled environment that it brings to its residents.

The development's nine phases called Tsara,

Westiara, Indica, Naria, Palmyra, Areca, Latania, Maya and Sierra - the acronym spells "Twin Palms" - have the simplified scientific names of palm trees.

All the homes have modern and contemporary designs by award-winning architects from Malaysia and Singapore. They boast large built-ups with courtyard concept for super links and semi-detached villas. Some of the hillside bungalows will have individual lap pools.

An elegant clubhouse called Orinoco (named after one of the world's longest rivers) will be built to enhance the resort lifestyle.

It will have an infinity pool complete with wading and children's pool, water features, food and beverage outlets, convenience centre, reading room, sauna and jacuzzi, poolside cafe and an activity hall where one can play badminton, table tennis and basketball.

A linear park would link the clubhouse to a forested area where different forest species would be planted, said Cham.

"We want the residents to enjoy a safe and resort-style environment. Unlike many housing estates in Cheras that are built amid older developments, Twin Palms Sungai Long is standalone. There are no condos or housing developments next to it," he added.

There are two famous golf courses in the vicinity: Sungai Long Golf & Country Club and Saujana Impian Golf & Country Club.

Fabulous Range general manager George Fong said there would be an "early bird" discount of RM35,000 for the Areca and RM25,000 for the Palmyra during the launch period.

"Purchasers will also get free maintenance charges for a year during the launch period," he added. The maintenance charges for the super links, semi-detached villas and bungalows are RM280, RM380 and RM480 a month respectively.



Semi-Detached Villas



Superlink Homes

The Twin Palms Sungai Long boasts of elegant superlinks, semi-does and bungalows