

SARAWAK PROPERTY BULLETIN

“Work Together With You”

PPK 344/6/2007

KUCHING CITY NORTH - PETRA JAYA

Description of Kuching City North	
Size	369.48sq km
Population	approx. 160,000
No. of properties (as at 2002)	22,398



Aerial view of Kuching City North, north of Sg. Sarawak

Kuching is divided into 2 regions, namely, **Kuching City North** and Kuching City South.

A large extent of Kuching City North is covered by **Petra Jaya** which is the suburb area across the Sarawak river, north of Kuching City Centre and stretches from the Northern bank of the Sarawak River, right after the crossover at Satok to the Santubong Bridge further north which connects Petra Jaya to the Santubong Peninsula. It is easily accessible from Kuching City South via Datuk Patinggi Tun Abdul Rahman Yaakub bridge from Satok and the newly completed Tun Salahuddin Bridge from Pending. Alternative access is via the Bako Causeway or Jalan Matang-Batu Kawa. Petra Jaya is under the administrative jurisdiction of Dewan Bandaraya Kuching Utara (DBKU).

History

Before the establishment of Petra Jaya, the area was formerly known as Matang where most of the lands were undeveloped. The only residential areas then were the kampungs situated along the riverbanks of Sungai Sarawak such as Kampung Surabaya, Kampung Gersik and Kampung Bintawa. The access to Petra Jaya then was either by the Satok suspension bridge or ferry. The kampung areas were accessible only by sampan across the Sarawak river.

With the completion of the Datuk Patinggi Tun Abdul Rahman Yaakub bridge in 1975 (then known as Satok Bridge) and the further development of road networks, many government offices and bodies relocated their headquarters to Petra Jaya which was designated as the Administrative Centre for the Sarawak Government.

Present

Petra Jaya today is fairly densely developed in the South and residential in nature with pockets of vacant lands fast giving way to more housing developments. Most lands in this area are classified as Native Area Land and as such, has become a popular area for the Bumiputra community, particularly the Malays.

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KUCHING CITY NORTH - PETRA JAYA

The development of the first low cost housing scheme, known as Rancangan Perumahan Rakyat (RPR) Phase I by the then Sarawak Housing Commission (now known as Housing Development Corporation) in 1979 spurred many small scale private developers to develop housing estates in the area. Most of the existing housing schemes are located along Jalan Datuk Patinggi Tun Abdul Rahman Yaakub and Jalan Semariang but recent years have seen avid residential developments along Jalan Depo whilst individual houses standing on private agricultural lands are mostly located along Jalan Astana.

Housing Units completed in Kuching City North (2000-September 2006)

Type of Property	2000	2001	2002	2003	2004	2005	2006	Grand Total
DH1T	30	8		80		7	18	143
DH1MLC						331	111	442
DH2T		40	73	64	187	79	29	472
DH1SD	8	9	5	4		14	8	48
DH2SD	9	9	42	46	94	37	10	247
DH1D		1	12		5	1	1	20
DH2D		12	27	9	1			49
Grand Total	47	79	159	203	287	469	177	1421

Housing developments currently under construction in Kuching City North include the following :

Housing projects under construction in Kuching City North

Taman/Project	Location	DH1CT	DH1LC	DH2T	DH1SD	DH2SD	DH1D	DH2D	Grand Total
Pine Villa Garden Homes	Jln Bako	208		110	54	10			382
Pristina Garden	Jalan Demak Laut		15	84					99
Casa Mutiara	Jalan Depo			39		8			47
Taman Nuri	Jalan Astana					6			6
Taman Suriza	Jln Depo			19		4	3		26
Taman Wangsa	Jalan Depo			28		10	6		44
Laman Gamelan	Jalan Merdeka			17		2			19
Taman Haziq	Jalan Depo	9		19		4			32
Perronesan 1	Jalan Depo			20		12			32
Taman Daya Riang	Jalan Unggas					18			18
Grand Total		217	15	336	54	74	6	3	705

Because of the classification of land as Native Area Land in Kuching City North, the prices of houses launched in this area are relatively lower than those in Kuching City South where lands are mostly Mixed Zone.

The prices of houses launched in Kuching North in the last six (6) years or so are as follows :

Prices of houses launched in Kuching City North (2000-2006)

	2000	2001	2002	2003	2004	2005	2006
DH1T		160,000	135,000-170,000		135,800-175,800	168,000-240,000	
DH2T	174,000-231,000	158,000-190,000	163,000-230,000	175,000-280,000	191,000-270,000	192,000-255,000	195,000-289,000
DH1SD					188,000-190,000	200,000-246,500	
DH2SD	197,888-249,000	259,000-325,000	280,000-340,000	273,000-368,000	295,000-376,000	298,000	320,000-465,000
DHD	From 237,888						From 446,800
DHMLC					60,000-72,000		

Further up North of Petra Jaya, along the Jalan Sultan Tengah stretch of road leading to the Santubong peninsula, are large tracts of land approved for larger residential projects such as Bandar Baru Samariang (BBS), Kuching Family Park and

Rampangi. The 1st two are developed by M/s Projek Bandar Samariang Sdn Bhd, a joint venture between Cahya Mata Sarawak Berhad and EPF; and Naim Cendera Berhad respectively, two of Sarawak's public listed development companies whilst Rampangi is a government resettlement scheme. Unlike most of the other lands in Kuching North, the lands in BBS and Kuching Family Park have been converted to Mixed Zone.



A Residential Development in Petra Jaya

Bandar Baru Samariang is a new township mooted by the Sarawak government approximately 7 km North of Kuching with the intention to build a substantial suburban community by providing affordable housing, supported by commercial, industrial, public and communal facilities, followed by the development of upmarket residential housing. Once fully completed, Bandar Baru Samariang would be the largest residential project in this region with a population of about 200,000.

Projects at Bandar Baru Samariang

	Property Type	No. of Units	Selling Price Range (RM)
Completed Projects			
Commercial	SH2T	56	From 270,000
Commercial	SH3T	56	From 399,888
Located at Taman Puteri	SST	644	From 79,888
Located at Taman Puteri	DST	214	From 149,888
Taman Indah & Lakeside	SSSD	178	From 173,888
Taman Indah & Lakeside	DSSD	18	From 299,888
Ongoing Projects			
Taman Puteri (B15P2)	SST	40	From 159,888
	DST	37	From 209,888
In the Pipeline			
Taman Indah (B2P5)	SST	54	From 152,888
Taman Indah (B2P4)	SSSD	8	From 228,888
	DST	48	From 209,888

Source : CMS Development Sdn Bhd, 2006



Bandar Baru Samariang

KUCHING CITY NORTH - PETRA JAYA

The Kuching Family Park is developed to meet the needs of a growing suburban population which emphasise on space and low density. As such, this project offers only 2 types of property units i.e. the single-storey semi-detached and vacant detached lots. Once completed, it would offer 1,500 units of property catering to a targeted population of more than 7,000.



Kuching Family Park

Project size (ha)	Lease Term (yrs)	Launched Started	Full Completion	Expected Project Duration (yrs)	Target Population	Targeted No. of Property Units	Type (no. of units)		Units completed	Units UC	Total project land developed to date (ha)	Total GDV to date ('000)	Performance to date (take up rate %)
							Detach Lots	SSSD					
105.9	60	Oct 02	2015	15	7,500	1,500	100	1,400	164	49	15.5	32,650	80%

Phase	Land Size (acres)	Land Tenure	Property Type	No of Units	Selling Price Range (RM)	GDV RM'000	Launch/ Expected Launch Date	Completed/ Expected Completed Date	Take Up (%)
Completed Projects									
1	-	-	Petrol Station	1	NA	NA	NA	NA	NA
2	15.07	60 years	DH1SD	76	143,000	NA	Oct 02	Dec 03	100%
3	13.1	60 years	DH1SD	86	146,000	23,600	Jul 03	Dec 04	100%
			VDL	1	250,000	250	NA	NA	NA
Ongoing Projects									
4	10.13	60 years	DH1SD	42	181,888	7,600	Oct 06	Mar 07	57%
			VDL	7	175,000	1,200	NA	NA	NA
In the Pipeline									
5	6.42	60 years	DH1SD	34					
			VDL	1					
6	17.19	60 years	DH1SD	98					
			VDL	1					
7	21.97	60 years	DH1SD	116					
			VDL	7					

Note :

DH1MLC Single storey medium low cost
 DH1T Single storey terrace house
 DH2T Double storey terrace house
 DH1SD Single storey semi-detached house
 DH2SD Double storey semi-detached house
 DH1D Single Storey Detached house
 DH2D Double Storey Detached house
 VDL Vacant Detached Lot

Source : Custodev Sdn. Bhd. 2006

As the Administrative Centre of the Sarawak Government, the seat of the Government i.e. the State Legislative Assembly (DUN) building as well as various government and semi-government buildings are located in Petra Jaya, such as the DBKU building, Wisma Bapa Malaysia, High Court Complex, Menara Pelita, State Library, Wisma Sumber Alam (STIDC), Wisma Sultan Tengah (which houses the State Ministry of Housing and the Housing Development Corporation (HDC)), Wisma SESCO and Bangunan MASJA which is located within Medan Raya, the new administrative and banking center.

Other government agencies within the vicinity of Petra Jaya are the Construction Industry Development Board (CIDB) Office, Malaysian Agricultural Research & Development Institute (MARDI), Crop Research and Application Unit (CRAUN) headquarters, Malaysian Rubber Board Office and the Telekom Training Center.

There are also a few educational, tertiary and training institutions sited within this area, namely SK(A) Ustaz Hj Abdul Kadir Hassan, Sekolah Agama Tun Ahmad Zaidi, Junior Science Mara College and Institute Kemahiran Mara. Other landmarks include Dewan Bahasa & Pustaka, the State Mosque (Masjid Jamek) and State Library (Perpustakaan Negeri) further south.

Commercial developments are few and far in between with scattered blocks of shophouses. The largest cluster of shophouses are presently found at Bandar Baru Samariang. However, an on-going project named Vista Tunku consisting of different commercial units once completed would put in place a commercial hub at Petra Jaya.

Sukma Ria, near the entrance of Taman Sukma was recently developed to cater to the marketing needs of residents in that area. Choice Food Mall built in 2000 is the only shopping mall in Kuching City North.

Commercial developments currently underway in this area are as follows :

Taman/Project		SH3T	SH4T	Showroom	Total
Pine Villa Garden Homes	Jln Bako			1	1
Sukma Commercial Centre	Jalan Sultan Tengah	22			22
Vista Tunku	Jalan Demak		26		26
Business Square@Jalan Astana	Jalan Astana	5			5

Note: SH3T - 3 Storey Shophouse
 SH4T - 4 Storey Shophouse



Kuching North City Hall (DBKU) Building



State Legislative Assembly (DUN) Building

Effects of the Federal Budget 2007

Sarawak Region

Several projects to be implemented in Sarawak include :

- The upgrading of Jalan Kuching-Sibu from Simpang Julau to Sibu;
- The expansion of Kuching International Airport;
- The construction of Jalan Sibu-Bawang-Assan-Seredang;
- The construction of the Integrated Deep Sea Fishing Port at Tanjung Manis;
- The construction of palm-oil based cluster industry.

Construction Sector

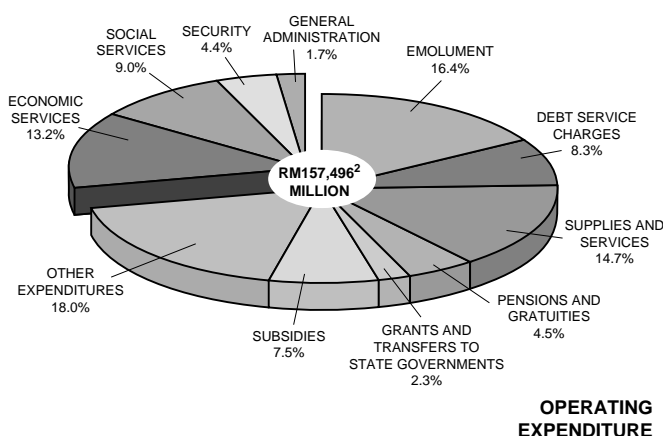
- The recent roll-out of projects under the 9MP such as the construction of roads, quarters and other infrastructure facilities will help to accelerate the expansion of the construction sector. A sum of RM27.5 billion is allocated for this purpose in 2007;
- Several Private Financing Initiatives (PFI) projects valued at RM4 billion will be implemented in 2007;
- An additional allocated sum of RM1 billion for the maintenance of buildings and public facilities will be awarded to small contractors.
- Tax treatment for the construction sector to be improved as follows :
 - (i) expenses incurred by property developers within the defects liability or warranty period be allowed as deduction from the same project, and not only as deduction from the other projects; and
 - (ii) losses incurred in the last year of a project be allowed as deduction from profits from the previous years of that project (carry back of losses).

Housing Sector

Efforts to provide housing facilities for the rakyat, particularly the low income group, will be intensified :

- Jabatan Perumahan Negara will build 30,000 units of houses under the Projek Perumahan Rakyat, including houses for rent and ownership.
- Syarikat Perumahan Negara Berhad (SPNB) will also build 34,000 affordable housing units, 2,000 under Projek Pemulihan Rumah Terbangkalai and 2,500 under Program Rumah Mesra Rakyat.
- A sum of RM2.2 billion is allocated to build 46,000 units of government quarters.

DEVELOPMENT EXPENDITURE



Federal Government Budget 2007

	Allocation	RM million
Development Expenditure	28.3%	44,571.4
Economic Services	13.2%	20,789
Social Services	9.0%	14,175
Security	4.4%	6,930
General Administration	1.7%	2,677
Operating Expenditure	71.7%	112,924.6
Emolument	16.4%	25,829
Debt Service Charges	8.3%	13,072
Supplies and Services	14.7%	23,152
Pensions and Gratuities	4.5%	7,087
Grants and Transfers to State Governments	2.3%	3,622
Subsidies	7.5%	11,812
Other Expenditures	18.0%	28,349
Total	100.0%	157,496

Source : The Federal Government Budget 2007 Speech

Highlights of the Economic Report 2006/2007

- The Malaysian economy to expand at 6% in 2007 compared with 5.8% forecasted in 2006;
- The agriculture sector is projected to grow at 4.7% in 2007 largely supported by sustained production of palm oil and higher output of food crops;
- The manufacturing sector is expected to expand by 6.8% in 2007 (2006: 7.3%) following growing intra-regional trade and strong domestic activities;
- The construction sector is projected to grow at a higher rate of 3.7% in 2007 from an estimated 0.7% in 2006 due to new infrastructure projects under the 9MP;
- Growth in the mining sector is expected to increase strongly by 4.5% in 2007 (2006 : 2.4%) due to higher production of crude oil and gas following capacity expansion in upstream activities;
- The services sector to register higher growth of 6% in 2007 compared with 2006's forecast of 5.7%;
- The government to reduce overall budget deficit of GDP to 3.4% of GDP in 2007 from 3.5% in 2006;
- Malaysia will face a more challenging global environment in 2007 with the slower growth among the major economies amidst high crude oil prices, tightening monetary conditions and deepening global imbalances;
- Private consumption expenditure (PCE) is expected to remain one of the driving forces of the domestic economic activities and crucial in generating growth in the coming years;
- The government will continue to curb unjustified price increases, profiteering as well as hoarding activities, especially with the rise in the Consumer Price Index (CPI) following increases in the prices of petroleum products and electricity tariffs;
- After a slow down in the 1st half, new takaful business is expected to pick up in the 2nd half of 2006;
- Malaysia will continue to leverage on its strengths in Islamic finance.

SPECIAL TAX TREATMENT FOR THE PROPERTY DEVELOPMENT AND CONSTRUCTION BUSINESS proposed to be gazetted by way of special regulations and effected for year of assessment 2006.

- Revision of Estimates of gross profit can be allowed where there is an increase in development or construction costs due to escalating material costs, a reduction in selling prices or contract sums or other commercial reasons acceptable to the Director General;
- Expenses incurred during the defects liability period shall be allowed to be deducted against the income of the year of assessment in which the expenses are incurred or carried forward to the following years or carried back to the year in which the project is completed. The excess of expenses after deducting from the income for the year of completion shall be allowed to be carried back as deductions from income in the preceding years of assessment for the duration of the project or contract;
- Any income from the project or contract not previously included in the gross income shall be included in the gross income for the basis period of the year of assessment in which the project or contract is completed;
- Any losses ascertained may be apportioned to each year of assessment for the duration of the project or contract using the percentage of completion method;
- Where the actual gross profit is less than the total estimated gross profit, the property developer or contractor shall review the assessment for the immediate preceding years of assessment prior to the year of completion of the project or contract. However, the property developer or construction contractor may elect to review all relevant assessments by apportioning the actual gross profit to each year of assessment over the duration of the project or contract using the percentage of completion method.

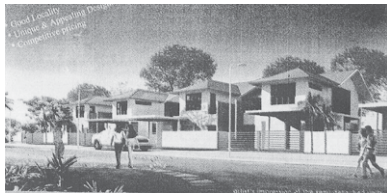
Effects and Implications

The special regulations will provide the property development and construction business with certainty and predictability in planning their business activities. The introduction of carry back of losses will also reduce the tax burden of property development and construction businesses.

Adapted from 2007 Budget Commentary & Tax Information

New Projects Launched

KUCHING



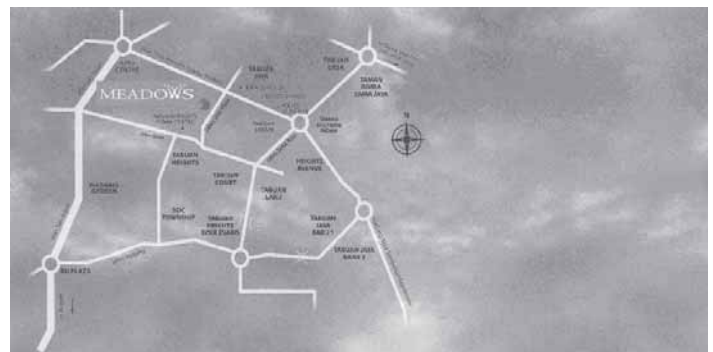
Taman Daya Riang is a semi-detached housing project developed by **M/s Daya Perumahan Sdn Bhd** along Jalan Tan Sri Aba Ikhwan Zaini in **Petra Jaya**. It consists of 18 units of double-storey semi-detached houses with a minimum lot size of 9.8 pts starting from RM320,000 and is expected to be completed by November 2007.

Multiplex Realty which developed **Centurion I** has embarked on **Centurion II** offering 68 units of residential units comprising 10 double-storey semi-detached (2,093 sf), 37 double-storey terraced (2 types : 1,808 sf ; 2,239 sf) and 21 single-storey terraced units. Located right behind Centurion I, in the **Jalan Stutong** residential area, Centurion II has priced its double storey terraced units from RM382,00 for Type A and RM328,400 for Type B and from RM498,000 for its semi-detached units. These comes with alarm system, 3-phase electric supply and built-in cabinets and walk-in closets. The single-storey units are priced from RM169,000.



MJC City Development Sdn Bhd in it latest launch at Batu Kawah New Township has introduced a fairly new design concept of offering 1½ storey town villas, 2-storey garden and courtyard villas and 2½ storey Super-link villas simultaneously. The variety offered by **One RESIDENCY** is unique in a single development. The town villas are priced from RM183,000, the garden villas from RM250,000, the courtyard villas from RM292,000 and the super-link villas from RM302,000. The total units launched so far are 105 with 90% of Phase I already sold.

MEADOWS, launched by **IBRACO Berhad**, is a rare development offering one of the last few exclusive bungalow lots available in the Tabuan Jaya area. Nestled behind existing residences at Jalan Urat Mata, the lots number 46 in total with land sizes ranging from 17 to 30 points. These are tagged from RM20,000 per point. To-date, more than 80% of the lots has been sold.



SIBU



Jaya Li Hua, off Jalan Pahlawan



Pine Avenue, Jalan Bukit Lima Timur

Developer	Hock Peng Realty Sendirian Berhad	Luk Enterprise Sendirian Berhad
Type of Property	3 storey shophouse	DH2D, DH2T and DH2SD
No. of Units	37	DH2D – 1; DH2T – 32; DH2SD – 6
Price (RM)	SH3IT – From RM668,000.00; SH3CT – N/A	DH2IT – RM258,888.00; DH2CT – RM329,998.00; DH2SD – RM388,998.00
Land Area	SH3IT – From 111.6 sq. metres; SH3CT – From 154.1 sq. metres	DH2IT – 242.81 sq. metres; DH2CT – 485.62 sq. metres; DH2SD – 566.56 sq. metres
Wall Up Area	SH3IT – 316.59 sq. metres; SH3CT – N/A	DH2T – 183.76 sq. metres; DH2SD – 199.74 sq. metres

BINTULU



RPR Sibiyu, Stage 2 is situated within Rancangan Perumahan Rakyat Sibiyu, to the North of Jalan Sungai Sibiyu and about 5.80 kilometres to the North-East of Bintulu Town Centre. Launched in July, 2006, it is developed by Messrs Paling Construction Sdn. Bhd. and offers 72 double-storey terrace units ranging in price from RM149,000.00 to RM239,000.00 with land area from 118.70 sm to 291.30 sm.

Golden Hill located along Jalan Sibiyu is developed by Messrs Homemas Development (Bintulu) Sdn Bhd and comprises of 35 units of double storey terraced houses with prices ranging from RM238,000.00 to RM290,000.00 (24' x 45'sq.ft) in various designs.






Taman Terus, a housing scheme developed by Messrs Pekerjaan Piasau Konkerit Sdn. Bhd., a subsidiary of Messrs Shin Yang Construction Sdn. Bhd., is located to the South of Jalan Tun Hussein Onn, about 5.00 kilometres from Bintulu Town Centre. It is a mixed housing development comprising of 365 units. Phase 6 & 7 offer 56 units of double-storey semi detached units with wall up dimensions of 24.6' x 43' (with an attic floor) and 23' x 55' ranging from RM368,000.00 to RM455,000.00 per unit; and 43 single-storey terrace units with wall up dimensions of 18' x 36' priced between RM95,000.00 and RM185,000.00.

Located about 3.3 Kilometres North-East from Bintulu Town Centre and within walking distance from the Taman Tumbina and Tanjung Batu Beach, the **Beach Resort Condominiums** is developed by Messrs Bay Villa Sdn. Bhd., another subsidiary company of Messrs Shin Yang Construction Sdn. Bhd. The Condominium block consists of 256 units in two towers ranging from RM 390,000 to RM598,400 (3,141-3,562 sf) for condominium units and RM1.162 m to RM1.154 m for penthouse units. Studio units (150-217 sf) are sold out.



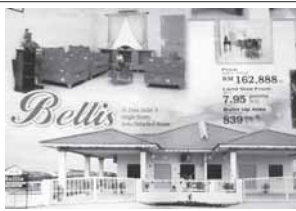
MIRI

			
	<i>Everglades Lock-up Shops (Taman Tunku)</i>	<i>Luak Bay Residence</i>	<i>Fuldev S.B</i>
Developer	Kumpulan Parabena S.B	Alpine Binatek S.B	Fuldev S.B
Type of Property	1 1/2 - storey lock-up shops	Double-Storey Semi-Detached House	Single-Storey Semi-Detached House
No. of Unit	52 units	20 units	20 units
Price (RM)	From RM100,000.00	From RM395,800.00	From RM210,000.00 – RM260,000.00
Land Area	From 27.0 s.m	From 311.9 s.m	NA
Wall Up Area	From 27.0 s.m	From 165.0 s.m - 179.8 s.m	From 119.0 s.m

Phase 5, Desa Senadin launched by Miri Housing Development Realty

		
Type of Property	Single-Storey Terraced House	Single-Storey Terraced House
No. of Unit	214 units	96 units
Price (RM)	From RM99,500.00 – RM133,000.00	From RM107,500 – RM145,500.00
Land Area	From 137.59 s.m	From 153.78 s.m
Wall Up Area	From 68.50 s.m	From 68.50 s.m

Projects launched by Naim Cendera Bhd



	<i>Bellis (Desa Indah 3)</i>	<i>Vanilla (Desa Pujut)</i>	<i>Heliconia & Freesia (Desa Pujut 2)</i>
Type of Property	Single-Storey Semi-Detached House	Single-Storey Detached House	Double-storey semi-detached house (Heliconia); single-storey semi-detached house (Freesia)
No of Unit	16 units	8 units	Heliconia – DH2SD – 10 units Freesia – DH1SD – 16 units
Price (RM)	From RM162,888.00	From RM279,888.00	DH2SD – From RM373,888.00 DH1SD – From RM269,888.00
Land Area	Frm 321.72 s.m	Frm 558.0 s.m	DH2SD – From 450.0 s.m DH1SD – From 471.8 s.m
Wall Up Area	From 78.00 s.m	From 113.92 s.m	DH2SD – 200.625 s.m DH1SD – 136.0 s.m



NEW PROJECTS SUMMARY QTR 3 2006

New Residential Projects launched for 3rd Quarter 2006

Type	Kuching	Sibu	Bintulu	Miri
DH1T	151(972)	515(836)	43(59)	310(646)
DH1.5T	46(91)	0(0)	0(0)	0(0)
DH2T	311(873)	303(773)	107(164)	0(130)
DH2.5T	12(12)	0(0)	0(0)	0(0)
DH1SD	28(96)	64(64)	0(0)	52(96)
DH2SD	66(226)	82(176)	54(72)	36(98)
DH1D	0 (1)	9(9)	0(0)	8(14)
DH2D	4 (9)	2(6)	2(2)	0(14)
Total	618(2280)	975(1864)	206 (297)	406(998)

Note: Figures in bracket are year to date

Selling Prices of residential units launched for 3rd Quarter 2006

Type	Kuching	Sibu	Bintulu	Miri
DH1LC	-	-	40,000 - 47,000	-
DH1T	138,000 onwards	84,000 - 192,000	95,000 - 185,000	99,500-145,500
DH2T	195,000-358,000	240,000 - 355,000	149,000 - 290,000	-
DH2.5T	302,000 onwards	-	-	-
DH1SD	350,000 onwards	193,880	-	162,888-269,888
DH2SD	280,000-560,000	From 335,000	368,000 - 450,000	373,888-468,000
DH1D	-	-	-	279,888 onwards
DH2D	1,300,000 onwards	-	-	-



PROPERTY ISSUES

New Concept of Native Customary Land (NCL) Development

Development of Native Customary Land (NCL) will be by invitation as stressed under the New Concept which will involve a tripartite arrangement between the private sector (investor) (60%), NCL owners (30%) and Land Custody and Development Authority (LCDA) (10%) as the managing agent and trustee for the NCR landowners. These 3 parties will form a joint venture company (JVC) for the purpose of developing the NCR lands into oil palm plantations. Under this New Concept, the consideration for the use of NCL has been fixed at RM1,200 per hectare. NCL developments have continued to gain momentum with 399 participating landowners in 1999 and increasing to 6,000 by 2006. As of May, 2006, 21 NCL projects with a total gross area of 200,157 hectares were being developed.

Source : Borneo Post, 2/8/2006

Extension of Housing Developers Licence & BG

In line with the extension of the Defect Liability Period to 12 months, the State Housing Ministry has decided to adopt a policy to extend the Housing Developers Licence and Bank Guarantee to 12 months from the date of issuance of Occupation Permit w.e.f. 1st July, 2006 which will be incorporated as part of the Sale and Purchase Agreement.

Source : Ministry of Housing, 16/6/2006

Construction sector to grow 3.7% in 2007

Malaysia's construction sector is anticipated to grow at a higher rate of 3.7% in 2007 from an estimated 0.7% in 2006 due to the acceleration in civil-engineering activities from new infrastructure projects under the 9th MP. Major projects expected to boost growth of this sector include the Pulau Pinang 2nd Bridge, Pulau Pinang Monorail System and South Johor Economic Region projects. Residential and non-residential activities were expected to remain active.

Source : Federal Budget Speech 2007, 1/9/2006

Asian Development Bank Outlook

Growth Rate of GDP (% per year) - Updated

Subregion	2003	2004	2005	2006	2007
Central Asia	10.3	10.7	10.9	11.3	10.3
East Asia	7.1	8.3	7.9	8.2	7.5
South Asia	7.7	7.4	8.1	7.5	7.5
South East Asia	5.4	6.4	5.5	5.4	5.3
Malaysia	5.5	7.2	5.2	5.2	5.0
Singapore	2.9	8.7	6.4	6.6	4.6
Indonesia	5.0	4.9	5.6	5.4	6.0
Thailand	7.0	6.2	4.5	4.2	4.0
Philippines	4.9	6.2	5.0	5.4	5.3
Vietnam	7.3	7.8	8.4	7.8	8.0
Myanmar	13.8	13.6	13.2	-	-
Cambodia	9.5	10.0	13.1	6.3	6.4
Laos	5.8	6.9	7.2	7.3	6.5
The Pacific	1.9	3.9	2.3	3.3	3.4
Asia Pacific					
Average	7.0	7.8	7.6	7.7	7.1

Source : ADO 2006 Update, ADB

Inflation (% per year) - Updated

Subregion	2003	2004	2005	2006	2007
Central Asia	6.6	5.8	7.4	8.5	6.8
East Asia	1.3	3.3	2.0	1.9	2.1
South Asia	5.0	6.2	5.2	6.0	5.4
South East Asia	3.4	4.2	6.3	7.5	5.0
Malaysia	1.2	1.4	3.0	4.0	3.3
Singapore	0.5	1.7	0.4	1.4	1.4
Indonesia	6.8	6.1	10.5	14.0	7.5
Thailand	1.8	2.8	4.5	4.5	3.5
Philippines	3.5	6.0	7.6	6.7	6.0
Vietnam	3.1	7.8	8.3	8.3	7.8
Myanmar	24.9	3.8	-	-	-
Cambodia	1.2	3.9	5.8	4.5	3.5
Laos	15.5	10.5	7.2	9.0	9.0
The Pacific	8.5	3.3	2.4	3.3	3.1
Average	2.4	4.0	3.4	3.8	3.3

Source : ADO 2006 Update, ADB



IMF Developing Asia Outlook

Real GDP Growth (% per year)

	2004	2005	2006 (p)	2007 (p)
Developing Asia	8.8	9.0	8.7	8.6
China	10.1	10.2	10.0	10.0
India	8.0	8.5	8.3	7.3
Cambodia	10.0	13.4	5.0	6.5
Indonesia	5.1	5.6	5.2	6.0
Malaysia	7.2	5.2	5.5	5.8
Pakistan	7.4	8.0	6.2	7.0
Philippines	6.2	5.0	5.0	5.4
Sri Lanka	5.4	6.0	5.6	6.0
Thailand	6.2	4.5	4.5	5.0
Vietnam	7.8	8.4	7.8	7.6

Source : IMF, 14/9/2006

Note : p - projected

5.8% minimum growth likely for 2006

Based on the 5.7% growth for 1st half 2006, a minimum of 5.8% is expected to be achieved for 2006, based on positive signs in the economic momentum.

Source : Federal Budget Speech 2007, 1/9/2006

SARAWAK GDP GROWTH

In tandem with the slow-down in economic growth worldwide, the State economy is expected to grow at a slightly slower rate of 5.5% compared to 5.7% last year and 6.9% in 2004 and continued to be driven by agriculture, manufacturing, mining and service sectors. The State economy is expected to remain healthy with the expanding domestic economy and strong export demand. The State's revenue increased by 10% last year to RM3.229 billion, largely due to increase in oil and gas royalty, revenue from interest and investment, forestry royalty and sales tax from lottery and palm oil. The State expenditure on the other hand was slightly lower than the budgeted allocation which resulted in a record surplus of RM746 million for 2005.

Source : The Sarawak Dun Sitting, 2/8/2006

MALAYSIA GDP GROWTH

Malaysia's GDP is expected to expand by 5.2% this year, which was slightly adjusted downwards from the 5.5% projection made in the Asian Development Outlook 2006 released in April 2006 this year. Malaysia's growth forecast for 2007 has also been revised more sharply to 5.0% from 5.8% on expectations that the US economy and global demand for information technology products would soften.

However, Asia's strong economic expansion is expected to continue with a 7.7% growth in 2006, backed by strong performances by China and India, which account for more than 50% of GDP. However, 3 areas that need to be addressed is the need to complete the adjustment to high oil prices, the need to pick up pace of fiscal consolidation and the need to stimulate investment.

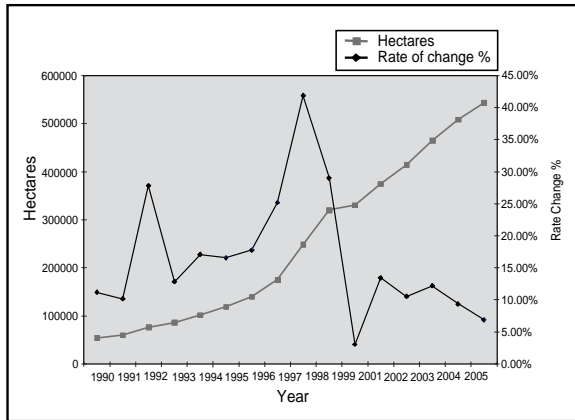
Source : Biz Section, Eastern Times, 7/9/2006

Bank Negara Malaysia has decided to maintain the Overnight Policy Rate (OPR), which has been raised 3 times since last November, 2005, since inflation has moderated in the 2nd half of the year. This decision is in a bid to keep borrowing costs down. While inflation may increase slightly in the coming months due to seasonal factors, the broad trend of prices easing should continue if current developments are sustained.

Source : BNM, 27/9/2006

COMMODITIES

Sarawak Oil Palm Planted Area : 1975-2005 (Hectares)



Source : WTWY Research, 2006

Oil Palm

RH Selangau Mill was declared open on September 1, 2006. Located 5 km from Selangau Bazaar, it is built on a 10-acre land. It is the 2nd of the Group's mills with the 1st built in Lundu. The oil palm mill adopts the latest technology in palm oil processing and has a processing capacity of 60 tonnes of Fresh Fruit Bunch (FFB) per hour.

Source : The Eastern Times, 2/9/2006

Out of the 32,709 hectares of the NCL that have been planted with oil palm, 21,589 hectares are in production with 573,398 hectares to be planted with oil palm by end of this year. In the 1st half of this year, Sarawak produced 647,649 metric tonnes of CPO. Based on this figure, the State was projected to produce about RM1.3 million metric tonnes of CPO by end of 2006. CPO average price had increased in the 1st 3 months of this year to RM1,428-50 per metric tonne which is expected to maintain till the end of this year, and projected to increase to between RM1,600 and RM1,700 per metric tonne in 2007.

Source : The Borneo Post, 2/8/2006

Rubber Prices Up

Malaysia's natural rubber (NR) prices is currently at a 20-year high and looks set to stay firm in the long term as global demand far outpaces supply. This is attributed

to the shrinking of total world output, high prices of oil which is the raw material for synthetic rubber, expansion of the world's car industry and growth in the medical area. NR prices have risen more than 300% since 2001, surging over RM8 per kg.

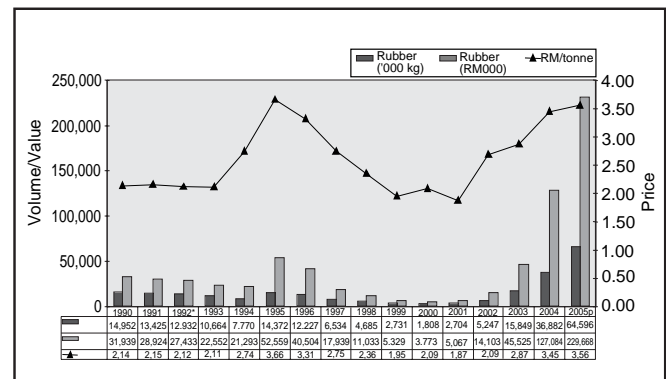
For NR, the International Rubber Study Group forecast NR prices to stay well over RM7 per kg and demand to reach 15 million tonnes compared to today's level of 8 million tonnes. Malaysia, on average, produces about 100,000 tonnes of rubber per month with just over 1 million tonnes for 2005. Malaysia, together with Thailand and Indonesia, continue to account for 80% of global output. New emerging economies like China and India take up a huge share of the output with the former consuming up to 33% of the total output, up from 21% a year ago due mainly to its fast expanding automotive sector.

However, the long-term effects of high natural rubber (NR) prices would take a toll on small players especially with the rise in cost of raw materials which might lead to a consolidation within the industry.

Year-on-year up to July 2006, production of natural rubber showed a 10.7% increase with a total production of 721,976 tonnes since January 2006.

Source : Various newspaper sources in August and September, 2006.

Sarawak Rubber Exports - Volume, Value & Price



Source : WTWY Research, 2006

NEWS

Parkson Grand Department Store has signed on to become The Spring Shopping Centre's anchor tenant. Parkson Grand would occupy 102,800 sq ft of trading space on three floors of the 400,000 sq ft shopping centre.

The department store is expected to house a wide range of products currently unavailable in Sarawak and positioned on a higher level.

Source : Borneo Post, 19/9/2006

A new passenger terminal will be built in Bintulu to replace the existing express pontoon at the river front in Taman Sri Dagang. The construction and completion of the 3-storey passenger terminal costing about RM3.98 million had been awarded to Techrich Sdn Bhd and is scheduled for completion in 15 months. The terminal will be handed over to the Sarawak River Board which will occupy the 1st and 2nd floor of the building as its administrative office while ticketing counters and cafeteria will take up the ground floor.

Source : Eastern Times, 18/8/2006

DEVELOPMENT CONTRACTS

The Sarawak Timber Industry Development Corporation (STIDC) and Hock Seng Lee Berhad (HSL) signed a Memorandum of Understanding (MOU) on 8/9/2006, to develop the infrastructure for shipbuilding, repair, maintenance and related downstream activities in Tanjung Manis which would provide employment opportunities to about 3,000 skilled and unskilled workers.

The project will cost about RM50 million and is built to cater for ocean liners and cargo vessels with capacity of above 200,000 metric tonnes. With such facilities, Tanjung Manis is ready to support the deep sea fishing industry and the Rajang Port Authority, which will be fully operational by 2009.

Source : The Borneo Post, 7/9/2006

A letter of Intent was signed between ASSAR Senari Group (ASG) and Sarawak Timber Industry Development Corporation (STIDC) and other strategic partners on 6/9/2006 to jointly develop a RM320-million Oil and Gas and Palm Oil Integrated Down Stream project between ASG and STIDC in Tanjung Manis. The 1st part is for the development of the integrated project on a 113-acre land in Tanjung Manis and the 2nd part is for the development of an integrated palm oil downstream project with 4 major oil palm plantation players in the Central Region.

The development of the integrated project was in view of the Sibu-Tanjung Manis Road Project, which is due for completion by end of 2009 and will comprise a palm oil refinery, kernel crusher plant, a petroleum storage terminal, an oil and gas jetty and a petrochemical and oleo chemical park and at a later stage, other facilities such as bio diesel and oleo chemical plants.

Source : Eastern Times, 7/9/2006

CMSB to build Sarawak Convention and Exhibition Centre in Kuching Isthmus

Cahaya Mata Sarawak Bhd's (CMSB) subsidiary, PPES Works (S) Sdn Bhd has won the turnkey contract worth RM195 million to build the proposed Sarawak Convention and Exhibition Centre in Kuching Isthmus.

The project, which is funded by the Sarawak Government, is expected to take 36 months and due for completion by the 1st quarter of 2009. The convention centre will be built on a 6 hectare site covering a total floor area of 36,500 sq metres. The centre's pillar-free hall would be able to cater to 5,000 people and can be used as a theatre, banquet hall with 200 tables or exhibition centre with 200 booths. This facility will be supported by an additional 14 meeting rooms of 30 to 1,600 in one setting. The facility will be supported by 800 car parking lots. The architecture of the building will be modeled after the local 'irig' leaf and addresses environmental concerns on the efficient use of energy.

Source : biz.thestar.com.my/KLSE Announcement Ref.: CM-060915-076E1 dated 18/9/2006



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Aerial view of some landmarks in Kuching City North

The prices of shophouses in this area are also fast catching up with that in the main city center. Generally, the range of shophouse prices launched in recent years are as follows.

	2003	2004	2005	2006
SH3T		550,000-1,080,000	590,000-820,000	From 780,000
SH4T	650,000-1,450,000	1,185,000-1,355,000	1,000,000-1,838,888	

The recent progress of re-classification of large scale development schemes into Mixed Zone Land such as that occurring in Bandar Baru Samariang and Kuching Family Park has opened up this area to a wider market with the possibility of an increasing percentage of non-Malay residents. This would increase Kuching North's share of the housing pie as well as encourage a change in the ethnic composition for this area.



New Shophouses at Bandar Baru Samariang

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