

RAWAK PROPERTY BULLE

"Work Together With You"

PPK 344/6/2008

S C \mathbf{O} R F

SCORE

(SARAWAK CORRIDOR OF RENEWABLE ENERGY)

- SCORE : Acronym for Sarawak Corridor of Renewable Energy developed under RECODA (Regional Corridor **Development Authority**)
- Objective : Strategy to develop Central region and transform Sarawak into a developed State by 2020
- Date launched : 11th February, 2008

Duration : 2008-2030

Location : The Central Region of Sarawak stretching for 320 km along the coast from Tg Manis to Similajau and extending into surrounding areas and hinterland.

Coverage: 70,709 sq km with population of 607,800 (57% of Sarawak's land mass)

Major urban centres affected : Sibu, Bintulu, Mukah, Sarikei and Kapit.

Core : Energy resources - Hydropower (28,000 MW), Coal (1.46 billion tonnes); and Natural gas (40.9 trillion sq cubic feet)

Investment Value : RM334 billion

(Govt & Govt linked - 42%; private - 58%)

Allocation : RM5 billion from Federal Govt under the 9MP

Expected jobs to be created : 1.5 million

Major growth nodes : Mukah, Tanjung Manis and Similajau

- Mukah Smart City (Nerve centre)
- · Tanjung Manis Industrial Port City
- Similajau Heavy Industrial Centre

Ten (10) Priority Industries :

- Oil-based industry
- Aluminium industry
- · Metal-based industry including steel, nickel and zinc
- · Glass industry
- · Tourism industry
- Palm oil industry
- · Timber-based industry including pulp and paper
- Livestock industry
- · Fishing and aquaculture industry
- Marine engineering industry
- Incentives : Pioneer status, investment tax allowance and reinvestment allowance by Malaysian Industrial Development Authority (MIDA)

Other similar regional developments in Malaysia :

- IDR (Iskandar Development Region) -Southern Peninsular Malavsia
- NCER (Northern Corridor Economic Region) Northern Peninsular Malaysia
- ECER (East Coast Economic Region) East Coast States of Peninsular Malaysia
- SDC (Sabah Development Corridor) Sabah in East Malaysia









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ECONOMY

A stronger than expected Q4 2007 economic performance increases growth prospects for 2008 but dampened by 1st quarter global slowdown

Malaysia's economy grew strongly by 7.3% in the 4th quarter of 2007, beating an average forecast growth of 6.5% set by most economists, mainly boosted by robust consumer spending and investment activities to set the average GDP growth at a very satisfactory 6.3% for the whole year of 2007. GDP expanded to RM641.5 billion in 2007 compared with RM572.55 billion in 2006.

Highlights of the fourth quarter are:

- PRIVATE consumption grew 11.1% due to high commodity prices, salary increment in the civil service and stable job market;
- OUTPUT from domestic-oriented industries grew 11.1%;
- EXPORTS from the manufacturing sector increased 2.9%;
- · SERVICES sector, which includes retail trade, hotels and finance, expanded 9.1%; and
- · AGRICULTURAL output increased 6.9% following expansions in CPO production in last quarter

The optimism felt following the announcement of the more than expected GDP growth for 2007, the high commodities prices and implementation of projects under the Ninth Malaysia Plan at the beginning of the year which saw economists initially projecting a GDP above 6% this year, has now been replaced with a more cautious economic growth expectation of 5% to 6% (Source : BNM 2007 Annual Report) as the global economy continues to be sluggish and volatile.

Any external negative impacts are expected to be countered by our strong commodity prices such as those of crude oil palm oil and rubber which would increase growth in the mining sector. However, rising fuel, commodities and food prices will see headline inflation for 2008 rise to 2.5%-3% from 2.0% for 2007. Of concern is the price of staple foods like rice and milk powder for which Malaysia is a net importer.

Source : Extracted and Adapted from The Star, February 28, 2008 and March 31, 2008.

World Bank Statistics-GDP Growth Rate (% per year)

Country Group/ Country	2004	2005	2006	2007	2008 f	2009 p
East Asia	8.0	7.7	8.4	8.7	7.3	7.4
Developing East Asia	9.1	9.2	9.8	10.2	8.6	8.5
South East Asia	6.0	5.1	5.5	6.1	5.6	6.0
Indonesia	5.0	5.7	5.5	6.3	6.0	6.4
Malaysia	6.8	5	5.9	6.3	5.5	5.9
Philippines	6.4	4.9	5.4	7.3	5.9	6.1
Thailand	6.3	4.5	5.1	4.8	5.0	5.4
China	10.1	10.4	11.1	11.4	9.4	9.2
Vietnam	7.8	8.4	8.2	8.5	8.0	8.5
East Asia NIEs	6.1	4.9	5.6	5.6	4.6	5.0
Hong Kong	8.5	7.1	7.0	6.3	4.8	5.1
Korea	4.7	4.2	5.0	5.0	4.6	5.0
Singapore	9.0	7.3	8.2	7.7	5.2	5.9
Taiwan	6.2	4.2	4.9	5.7	4.3	4.6

Source : World Bank, East Asia Updates, 1/4/2008

Developing East Asia which recorded its highest growth rate in over a decade last year, since the financial crisis in1998, is once again faced with a "testing time", with soaring fuel and food prices and an unfolding sub-prime crisis emanating in the United States and spreading to other countries and asset classes. Although East Asia is expected to be reasonably resilient, the challenges ahead cannot be underestimated.

Thus, East Asia should be guardedly optimistic keeping in mind the following :

- · Strong growth momentum under clouded skies
- · Financial linkages U.S. turmoil affects East Asian securities markets, not so much banks.
- Trade linkages Weakening U.S. demand offset by other markets --so far.
- Volatile commodity prices not at the forefront of policy makers' attention Since 2003, oil and non oil commodity prices have
 respectively more than tripled and doubled. However, of greater immediate concern for policy makers is the surge in commodity
 prices over the last 6–9 months—especially for food—that has pushed headline inflation higher and sparked concerns about the
 adverse effect on the poor.

Outlook

East Asian economies will face testing times in 2008. Most analysts now expect the US economy to see either near zero or negative growth in the 1st half of 2008, followed by a mild recovery in the second half of the year, accompanied by slower growth in Japan and Europe. Substantially higher world oil and food prices will further erode incomes in the bulk of the East Asian region, the latter particularly hurting the poor.

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SARAWAK PROPERTY BULLETIN

Developing East Asian economic growth in this global slowdown scenario is expected to fall to 8.6% in 2008, the lowest since 2002, down from 10.2% in 2007. China's growth is expected to finally dip below 10 percent, after five years at more than 10%, mainly due to lower export growth. Elsewhere, growth is expected to ease more modestly to the 5% to 6% range for middle income economies like Indonesia, Malaysia and Philippines

The Ringgit Malaysia performance

The ringgit which reached its 10-year high of 3.15 to 1 US dollar on March 14, 2008 and which is hovering at 3.19 currently, is not going to be internationalised anytime soon, according to Bank Negara. The ringgit is currently tagged to a basket of currencies which had been in place since July, 2005.

Source : Adapted from The Eastern Times, 27/3/2008

CAR PRODUCTION & SALES FIGURES

		PRODU	JCTION		SALES			
	February		YTD February		February		YTD February	
	2008	2007	2008	2007	2008	2007	2008	2007
PV (Passenger Vehicles)	38,056	23,172	81,216	48,859	35,474	28,429	77,741	60,481
CV (Commercial Vehicles)	3,752	2,514	7,059	6,009	3,113	2,855	6,674	5,850
Total	41,808	25,686	88,275	54,868	38,587	31,284	84,415	66,331
% change	62.77%		60.89%		23.34%		27.26%	

Car Sales in February 2008 was 7,241 units or 15.18% lower compared to the previous month due to a shorter working month

- However, cumulative figures for both sales and production for the 1st 2 months of 2008 show a marked improvement
- · Sales for March is expected to be better as compared to February 2008 due to
 - a full working month
 - new model introduction

COMMODITIES

The palm oil futures

The palm oil futures is still on an upward trend and the next target is expected to be RM4,200 per tonne, says the executive director of Oriental Pacific Futures.

PALM oil prices pierced through the RM4,000 per tonne level on 29/2/2008 to close at an all time high of RM4,005 fuelled by a feverish rise in soya oil prices in the commodity exchanges in the US and China.

Palm oil analysts expect palm oil futures to be still on an upward trend. At the recent Palm & Lauric Oils Conference 2008 held in Kuala Lumpur, industry experts say palm oil prices could hit a new high of RM4,500 a tonne this year. It is also unlikely to fall below RM3,000 because of strong global demand and limited supply in the world's other 16 vegetable oils.

Source : Business Times Online, 1/3/2008



NEW PROJECTS LAUNCHED

KUCHING



Woodlands Height built by Procon Sdn Bhd offers 24 double-storey terraced houses at starting prices of RM318,888 for its intermediate units and RM388,888 for its corner units. Located off Jalan Stutong, it boasts a big built-up area of 1780 sf and 1862 sf for its intermediate and corner units respectively.

MJC City Development Sdn Bhd recently launched **Sky Villa** at their township, MJC Development at Batu Kawa, offering 688 units of condominiums in a resort-styled setting. Facilities include a recreational zone, rooftop garden, joggers' trail, 2-storey clubhouse, swimming pool, children's pool, outdoor Jacuzzi, BBQ pits, tennis court, reading room, gym, nursery/kindergarten and convenience store. The condominiums come in 2 sizes of 3-bedroom (1004 sf) and 4-bedroom (1328 sf) with prices ranging from RM190,000 to RM300,000.

River Edge Commercial Development (RECD) by Kumpulan Properties Sdn Bhd with Parade Pavilion Sdn Bhd as its main contractor will cover 10 acres of land and offers a mix of commercial and residential properties featuring 79 units of 3-storey shophouses and future developments of 3 apartment blocks, 3-star hotel, restaurant, food court and 2 artificial lakes surrounded by a park. The 1st phase comprising 11 blocks of shophouses is currently underway and expected to be completed by 2009. The shophouse units range from 340.2 sq metres for the intermediate unit to 838.2 sq metres for the super-intermediate and are priced from RM908,000 onwards.



Demak Indah housing project, developed by Usaha Gaya Cemerlang Sdn Bhd, was launched on 25/1/2008 offering a discount of RM5,000 per unit off their current selling price of RM379,000 to RM444,000 for their 30 units of double-storey semi-detached houses with land size ranging from 8 to 14 points, with a built-in area from 1,680 sq ft to almost 2,200 sq ft. The project is located along Jalan Demak within the vicinity oSMK Tun Abg Hj Openg and Kompleks Persatuan PTBS and a high-end residential area. The project is almost 70 per cent completed, and a few units have already been sold. The contractor for the project is Hong Seng Construction (EM) Sdn Bhd.

SAMARAHAN

Twenty-nine (29) units of 3 and 4 storey shophouses of the 1st phase of **Riveria Square** were launched recently by M/s Naim Cendera with prices starting from RM758,888. Riveria Square is a commercial centre located beside the Sg Kuap next to the Riveria residential estate offering 3,600 sf for the intermediate units and 7,200 sf for the corner units.

BINTULU

	Beverly Hill Phase 4, Jln Tun Hussein Onn	Iris Garden, Jln Sultan Iskandar
Developer	Chieng Chuang Construction Sdn Bhd	BBC Construction Sdn Bhd
Type of Property	DH2T	4 - storey Walk-Up Apartment
No. of Units	12 and 8 units	192
Price (RM)	RM281,000 and RM288,000	RM79,999 – RM121,999
Land Area	4.4 - 8.26 points and 8 - 10 points	NA
Building Size	23' x 43' and 24' x 48'	26.24' x 29.52'

SARAWAK PROPERTY BULLETIN

SIBU

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	Jalan Quarry	Jalan Ulu Sungai Merah	Jalan Lada
Developer	Kuok Nguong Chai & Sons Enterprise	Yemas Development SB	GP Development SB
Type of Property	DH2T, DH2SD	DH2T, DH2SD	DH2T, DH2SD
No. of Units	DH2T – 62	DH2T – 64	DH2T – 50
	DH2SD – 12	DH2SD – 28	DH2SD - 20
Price (RM)	DH2T – From RM190,000.00	DH2T – From RM288,000.00	DH2T – From RM283,000.00
	DH2SD – From RM290,000.00	DH2SD – From RM398,000.00	DH2SD – From RM433,000.00
Land Area	-	DH2T – From 196 sm	DH2T – From 204.3 sm
		DH2SD – From 364 sm	DH2SD – From 419.8 sm
Wall Up Area	DH2T – 7m x 11m	DH2T – 23' x 43'	DH2T – 24' x 48'
	DH2SD – 7.5 m x 14 m	DH2SD – 28' x 43'	DH2SD – 26'3' x 51'

MIRI

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	Ametrine Dechle Story Terres	
	Ametrine (Desa Senadin)	Citrine (Desa Senadin)
	by Miri Housing D	evelopment Realty
Type of Property	DH2T	DH2SD
No. of Units	30	10
Price (RM)	From RM198,888.00	RM328,000.00 - RM418,000.00
Land Area	-	-
Wall Up Area	126.0 sm	202.5 sm

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. **NEW PROJECTS SUMMARY Q1 2008**

New Residential Projects launched for 1st Quarter 2008

Туре	Kuching	Sibu	Bintulu	Miri	Samarahan	
DH1T	51 (42)	25 (44)	0 (0)	0 (22)	56	
DH1.5T	0 (0)	0 (0)	0 (0)	0 (0)	-	
DH2T	106 (255)	398 (259)	12 (24)	60 (48)	-	
DH2.5T	0 (0)	0 (0)	0 (0)	0 (0)	-	
DH1SD	35 (0)	0 (2)	8 (0)	12 (113)	14	
DH2SD	28 (65)	100 (80)	0 (0)	128 (44)	-	
DH1D	0 (0)	0 (0)	0 (0)	0 (8)	-	
DH2D	0 (0)	0 (4)	0 (0)	0 (2)	-	
Total	220 (362)	523 (389)	20 (24)	200 (237)	70	
	Source : WTWY Q1 2008 Survey Figures in bracket denotes Q1 2007 figures					

Selling Prices of residential units launched for 1st Quarter 2008

Туре	Kuching	Sibu	Bintulu	Miri	Samarahan
DH1T	149,000-	173,000-			130,000-
DHII	229,000	215,000	-	-	224,000
DH2T	238,000-	190,000-		198,800-	
DHZI	438,000	390,000	NA	210,000	-
DH1SD	219,000-	-	NIA	240,000-	226,000-
DHISD	359,000		NA	270,000	338,000
DH2SD	359,000-	290,000-		320,000	
	588,000	520,000	-	320,000	-
Source : WTWY 1Q 2008 Survey					

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PROPERTY NEWS

Concern over escalating building costs

SHEDA is concerned over the escalating prices of building raw materials, namely steel and cement, which constitutes 40% of the building materials for an average house cost. For eg. the cost of steel per metric tonne is about RM3,000, an increase of almost 100% from early last year when prices were between RM1,600 and RM1,700 per metric tonne. This could be due to increased demand especially from China. The price of cement has also increased from RM231 to RM252 per metric tonne, which is 20% higher than Peninsular Malaysia. Electricity connection cost between RM10,000 and RM12,000 compared to RM1,700 in Peninsular Malaysia. The soaring prices will inevitable push house prices up. This coupled with the state requirement for developers to allocate 30% of their project to affordable housing, is a drain on the developers, which might lead some to cut corners to reduce cost and ultimately affect the quality of houses.

Source : Various Sarawak newspaper source, 1/2008

Improving response to MM2H programme

Britons top the list of applicants for Malaysia My Second Home (MM2H) programme in the State last year. A total of 105 applications for the MM2H were approved in 2007, out of which 60 were brought forward from previous years. Britons made up about 23% followed by Taiwanese (11%) and Indonesians (3%).

Source : The Borneo Post, 8/1/2008

PLC ANNOUNCEMENTS

Naim Cendera Holdings - schools and housing

Naim Cendera Holdings have entered into a JV Agreement with Sebiro Holdings Sdn Bhd on 19/3/2008 to enter into a contract with the Ministry of Education to undertake the building, upgrading and restoration of all schools and hostels in Sarawak.

Source : Bursa Malaysia Announcement No. NC-080319-59453 dated 19/3/2008

Naim Cendera Holdings has entered into a Memorandum of Understanding with Sarawak Timber Industry Development Corporation (STIDC) to develop a housing project on the parcels of land described as Lot 20 & 22 Buan Land District.

Source : Bursa Malaysia Announcement No. NC-080218-32230 dated 18/2/2008

Ibraco Berhad land sale

Ibraco Berhad has entered into conditional sale and purchase agreements for the disposal of the following lands located at Muara Tebas Land District, Kuching :

- 1) A mixed zone land having an aggregate land area of approximately 46.3 acres for a total cash consideration of RM40.3 million; and
- 2) A mixed zone land having an aggregate land area of approximately 12.8 acres for a total cash consideration of RM11.2 million.

Source : KLSE General Announcement Ref. No. : CS-080205-461A9 dated 5/2/2008

WTK Holdings Berhad, has entered into a Joint Venture Agreement with YS to develop the parcel of land situated between Sungai Beseri, Miri, Sarawak containing an aggregate area of 2,770 hectares, more or less described as Lot 203, Teraya Land District, into an oil palm plantation.

Source : KLSE General Announcement Ref. No. : WH-080117-43940 dated 18/1/2008

Zecon Berhad announced the disposal of a parcel of land containing an area of 1.6004 hectares and described as Lot 9003 Block 64 KTLD for RM10.25 million to Hong Seng Sdn Bhd vide Sale & Purchase Agreement dated 31/12/2007.

Source : KLSE General Announcement Ref. No. : NE-080102-88C37 dated 2/1/2008

Hock Seng Lee Berhad has on 16/2/2008 accepted to purchase a 48.43 acre plot of leasehold industrial land at Lot 1434, Block 12, Buan Land District, Bandar Baru Tanjung Manis for a total cash consideration of RM9,493,248-60.

Source : KLSE General Announcement Ref. No. : HS-080218-28729 dated 18/2/2008

IOI increases its stakes in Sarawak plantation firms

IOI Corp Bhd has on March 17, 2008 entered into an agreement to acquire major stakes in several plantation companies in Sarawak that own a combined 44,350ha and a 60-tonne-an-hour palm oil mill in the state for RM439.85mil., of which 13,500 ha are planted. The balance stake is held by the Sarawak Land Custody and Development Authority and local natives, where the acquiree companies own native customary land.

The acquisitions, slated for completion by 2nd quarter 2008, will see IOI group increasing its plantation land holding to 213,800ha in Malaysia. IOI currently has about 9,000ha of oil palm plantations in Sarawak.

The analyst said the scarcity of plantation land in Malaysia had resulted in increased interest in the native customary right (NCR) land development scheme in Sarawak which was initiated by the Sarawak government to develop under-utilised land owned by natives for large-scale development, notably for joint-venture plantation development. Sarawak is said to have about 1.5 million hectares of NCR land suitable for oil palm cultivation.

Source : The Star, March 19, 2008

DEVELOPMENT PROJECTS

Kuching – a focal point for travelers

Kuching Sentral, a fully-integrated regional transportation terminal, sited at the Mile 6¹/₂ junction of Penrissen Road and Airport Road, which started last December 2008, is expected to be in operation in 24 months' time. Built at RM60 million, it is aimed at alleviating traffic congestion and providing convenience to an expected capacity of 12,000 commuters in and around Kuching daily.

Integrating different modes of transportation such as stage buses, taxis, hired vans as well as sea and river crafts, it will be served by 11 bays for car rentals, 42 for regional buses, and an additional 67 for city buses and more than 380 open and basement parking bays equipped with high security systems.

Daily express buses to and from regional centres like Sri Aman, Betong, Sarikei, Sibu, Mukah, Bintulu and Miri as well as those from Pontianak, Indonesia and Sungai Tujuh, Brunei, will be operating from the terminal.

The transport terminal will also house a 25,000 sq ft supermarket, and a 21,000 sq ft departmental store together with a total of 152 retail units and over 30 specialty kiosks equipped with additional facilities like luggage storage, premium rest rooms, Wi Fi, ATM machines and prayer rooms.

The new interchange is spearheaded by Permodalan Amanah Saham Sarawak (Assar) Sdn Bhd and will replace the existing bus station.

Source : The Sunday Post, 17/2/2008



Official ground breaking ceremony for the new Chung Hua Primary School No. 2

An official ground breaking ceremony for the new Chung Hua Primary School No. 2 Kuching was carried out on 28/2/2008 at Lot 11702, Block 11, MTLD, Muara Tebas Land District. The design and built contractor, M/s Global Upline is expected to complete the project in 4 months' time, by end of June 2008.

Parkson opens second outlet in Kuching

Parkson Corporation opened its 2nd outlet at the latest shopping mall, The Spring, in Kuching, on 13/1/2008 which boasts a floor space of 102,500 square feet over three floors and is the anchor tenant of The Spring. Total investment for the outlet amounted to RM12-15mil, with more than 50% supported by suppliers. It is projecting a turnover of RM50mil to 60mil for its first year of operation. The new Parkson outlet have directly/indirectly created over 400 new jobs.

Source : The Star Online, January 14, 2008



HSL gets Samarahan industrial estate deal

Hock Seng Lee Bhd (HSL), in consortium with a local partner, will undertake a RM125.5 million land reclamation and infrastructure works contract for the Sarawak Ministry of Industrial Development for the design, construction and completion of Samarahan Industrial Estate (Extension) Phase 1. The scope of works includes engineering survey and design, site cleaning and earthworks. The project is due for completion by August 2010.

Once fully developed, the industrial estate will enable the setting up of up to 400 light-medium industrial lots.

Source : The Eastern Times, 30/12/2007

The Puchong Flyover in Miri

The Puchong Flyover in Miri which was completed at RM45 million was opened to traffic on 31/12/2007. It hopes to alleviate the traffic congestion in the city and boost the existing Trans-Borneo Highway Road system which links the city to the neighbouring Sultanate of Brunei, the Limbang-Lawas region and the State of Sabah.

Source : Eastern Times, 28/2/2008

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WTW CEO Opinion Survey **Property Sector 2008**

According to the opinion of CEOs involved in the property industry, the things that will impact the property sector in the following aspects in 2008 are :

- Overall Industry Exemption of RPGT, Flexible monthly EPF withdrawals, Robust stock market performance
- Price Movement Robust Stock Market Performance, FIC Guidelines, Exemption of RPGT
- Volume of Transactions Exemption of RPGT, Robust stock market performance, Flexible monthly EPF withdrawals

80% of respondents opine that the transaction volume will increase in 2008 due to the robust stock market performance, the introduction of EPF flexibility and discount on stamp duty transfers. It is also felt that house prices will also continue to rise.

According to the property cycle charted, most of the property sub-sectors are moving cautiously towards the peak with room for improvement in the industrial and healthcare sectors.

READY BUILT FACTORIES AT DEMAK LAUT INDUSTRIAL PARK

PHASE 3, KUCHING developed by Ministry of Industrial Development Sarawak



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