

Unleashing Potential



A premier developer we are • Of quality townships and homes • Saujana Impian and Kota Seriemas
Renowned landmarks of quality living • Benchmarks in property development • Unleashing potential
from our strategic landbanks • Growing from strength to strength



Development design policies create innovative and stylish built environment.

Review of operations

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PROPERTY

Corporate

During the year under review, the principal property companies of the Group namely Golden Hope Development Sdn. Bhd. (Golden Hope Development) and Negara Properties (M) Berhad (Negara Properties) were reviewed. While **Golden Hope Development** focused on its role as a strategic owner of property landbank involved in the property value chain, **Negara Properties** consolidated its position as the specialized property developer of the Group, focusing further the property activities of the Group.

On 30 April 2003, Golden Hope Development entered into unincorporated joint ventures with Negara Properties for the development of Bangi Estate in Selangor, part of Kota Bayuemas in Klang, Old Lunderston Estate in Jenjarom, Selangor and part of Kota Seriemas in Nilai, Negeri Sembilan totalling about 2,600 acres of approved development land for immediate construction.

Results

The Property Division improved its performance for the year under review. **Negara Properties** recorded an improved profit of about RM11 million while **Golden Hope Development** registered and sustained its profit before tax of about RM63 million.

During the year, **Property** obtained further approvals for approximately 5,065 acres with MCP, 955 acres with MLP and 1,518 acres with sub-division approval for its landbank. This has further enhanced the value of its property assets thereby preparing the Group to deal or further develop these assets.

To date Property has obtained Building Plan Approval (BPA) for 1,383 units with marketable titles out of which 593 units were obtained during the year under review. At the same time, a total of 1,640 units are currently being processed by the various local authorities for approval.

The year under review saw the **commencement of two new developments, namely Morib Beach Resort and 'Kota Seri Langat'**. These developments are expected to improve the quality of the future earnings of the Division, while enhancing at the same time, its positioning.

Sales have been satisfactory. During the year, Property sold a total of approximately 220 acres of sub-divided approved development plots in various locations and 260 units of Bungalows, Grow Bungalows, Twin Villa Semi-Detached and Park Link homes located in Kota Seriemas and Nilai Impian.

Development Projects

Kota Seriemas, the 2,800-acre Garden Living and Child Friendly township was further developed during the year under review. Located within the vicinity of Cyberjaya and Putrajaya, this township is strategically located in the greater airport and IT Cities Corridor. During the year under review, Kota Seriemas continued to receive encouraging response for its products and successfully sold the popular Malaya Themed Bungalows and Park Link Homes.

One of the icons for Kota Seriemas is **Dataran Seriemas**, planned on a 120-acre site. It is positioned to be the 21st century new precinct and enclave themed on wellness lifestyle. It will consist of medical allied services, active adult lifestyle centre and waterfront residential and commercial properties targeting at specialised niche market. The local layout plan is being fine tuned for submission to the authorities.

The **Phase 1 of PNB Corporate Smartpark comprising the Imaging Centre has been completed with Certificate of Fitness for Occupation (CFO) issued** during the year, while Phase 2 comprising the Staff Quarters has started construction.



Laman Ilmu – A Recreational Educational Park based on the human 5 senses in Kota Seriemas.

The Development is owned by Golden Hope Development and developed by Negara Properties.

Kota Bayuemas, another 900 acre lifestyle township themed 'A riverine green lifestyle' has commenced. Construction of Phase I was further developed during the year under review, with the Sports, Recreational and Lifestyle Commercial Centres. This is part of the lifestyle corridor of the township that will act as a catalyst to this development.

Over 500 acres of the township is expected to be sub-developed by the I&P Group matching with the Master Layout Plan approved for the whole scheme.

Kota Seri Langat

This 2,600-acre 'Garden Living Administrative Township' commenced development during the year. With a planned population of about 65,000, it creates a lower density and social friendly living lifestyle that fits the State of Selangor's strategy.

The 150-acre new Kuala Langat District Administrative Complex (KLAC) will be housed here. **Phase 1 of the Complex commenced with the construction of the Principal District Office** which incorporates local history and heritage elements and highly unique design features.



The proposed new KLAC, uniquely designed to incorporate local history & heritage elements.

Sited within this development will be a 100-acre green park links on distinctive Tropical Ecoscape. A Bio-Technology Centre, District Sports and Leisure Complex are expected to be developed next year. This township will feature the latest infrastructure and many other facets that promote new age living in an eco-friendly environment.

The development scheme is owned by Golden Hope Development, while **the 150-acre KLAC is built on turnkey basis by Golden Hope Builders and 200 acres were sold to Syarikat Perumahan Pegawai Kerajaan (SPPK)** during the year under review.

Morib Beach Resort

Spread on 840 acres of land, Morib Beach Resort has been designated to adopt distinctive retreat facilities amidst a living, working, entertainment and leisure environment to support the State of Selangor's strategy to make it the States' premier beach front resort town. It will be facilitated with comprehensive amenities that will support the scope of its product proposition.

Morib Beach Resort is owned and developed by Golden Morib Sdn. Bhd., a 70-30 joint-venture between Golden Hope Development and Permodalan Negeri Selangor Berhad.

Phase 1 comprising a 50-room 3-star hotel next to the 9 hole golf course has commenced and is expected to be operational by 2005. Complementing this hotel will be the Golden Resort Village, a stand alone resort and recreational complex that will support the beach area residents and tourists. It also provides support for the 3-star hotel.

Other phases will include canal-view houses, Corporate Enclave Villas and Golf-view residences.



Front view of the Morib Beach Resort 3 star Hotel model.



The new Alam Impian township is set to be a premium residential address in Shah Alam.

Alam Impian, Shah Alam, Selangor

This 1,400-acre township which was formerly known as Haron Estate is well positioned to be a successful development project for the Group in the near future. The new township name, Alam Impian or A.I. has been approved by Majlis Bandaraya Shah Alam.

The Master Layout Plan for the entire township has been approved and application for land use conversion was made during the year under review and is awaiting approval. The development is expected to be a premium residential address in the Shah Alam and Petaling Jaya region in the year future. The proposed township will house a population of approximately 70,000 upon completion in 10 to 12 years.

'Market positioning' and 'value engineering' for this township are rightly conceptualized and implemented as they are the paramount factors to ensure maximum realization of profit contribution. This predominantly residential township will be positioned primarily for the medium and high end market segments.

The property development policies include socio-economy, heritage and best values policies. Amongst the interesting product concepts, are the fashionable waterfront lifestyle

centre, individually distinctive gated neighbourhood and special office park emphasizing on the latest ICT features, minimisation of earth cutting and more innovative sustainable built environment.

Bangi Emas, Bangi Selangor

'Bangi Emas' is another well-planned development on about 900 acres of freehold land. It is a premium development with "homes in the rainforest" concept surrounded by educational institutions. This development is set to create precedent in the market place with its unique proposition of living amidst rich Malaysian tropical foliage. The concept affirms Golden Hope Group's commitment as a sustainable environment-friendly developer and corporate citizen.

In collaboration with Forest Research Institute Malaysia (FRIM), Golden Hope Agrotech Consultancy and local universities, **the planned re-forested area will be for land 60 metres above sea level.** This development will have a population of 11,000 and is expected to commence next year once all the necessary approvals are available.

This property is owned by Golden Hope Development. The dedicated developer is Negara Properties through an unincorporated joint venture.

Melawati Township, Ulu Kelang, Wilayah Persekutuan

Melawati Township, the 1,200-acre green and fashionable township comprising Taman Melawati, Desa Melawati and Wangsa Melawati is nearing full maturity with a premier established address fronting the Middle Ring Road II on the north-eastern quadrant of Kuala Lumpur. The development is undertaken by the Negara Properties Group.

During the year under review, **the commercial development at Phase TM6TC in Taman Melawati Town Centre was completed and issued with a CFO.** Meanwhile, the Development Order for commercial development at Phase TM12TC and TM12ATC would be sought with its launch targeted for the first half of the next financial year.

The balance of land to be developed within the Melawati Township is approximately 264 acres. Approvals are presently being sought for the development of a vibrant township.



A prelude to a new urban lifestyle for the township phase TM6TC, Taman Melawati Town Centre.

Saujana Impian Township, Kajang, Selangor

Saujana Impian, a 600-acre award winning resort township located just outside Kajang town, to date has a total of 1,890 units of houses completed and occupied.

The 24 commercial units of Resort Business Park in Phase SI3C have been successfully launched and are currently under construction.

The balance of land to be developed within the Saujana Impian Township is approximately 31 acres, and would be developed by the Negara Properties Group.



Management inspections are regularly carried out to ensure quality compliance.

Nilai Utama Enterprise Park (NUEP), Nilai, Negeri Sembilan

Another award winning township, the 685-acre Nilai Utama Enterprise Park is a modern and integrated mixed development comprising industrial, commercial and residential properties. A balance of about 450 acres are to be further developed by Negara Properties. Presently, 17 industrial lots have been sold and during the year under review, three more factories were completed and are now in operation.

Meanwhile, **360 units of workers Housing Complex in Phase 5A have been completed and issued with CFO**, while 440 units in Phase NU5B are under construction. A total of 1,160 units will eventually be built at Phase 5A, 5B and 5C. These apartments will offer comfortable accommodation to the workers working the surrounding areas.

Nilai Impian, Nilai, Negeri Sembilan

Adjacent to NUEP is Nilai Impian, a 680-acre Lake Garden Township which is also being developed by Negara Properties.

During the year under review, the **launch of 62 units double storey semi detached house of 'Lavenda Twin Villa' at Phase NI4 and 43 units of single and 47 units of double storey courtyard bungalow of 'Jasmine' Grow Homes in Phase NI2B, Nilai Impian, received encouraging response.**

Building works for the first residential development of 'Ixora' Grow Homes in phase NI2A and 'Lili' Grow Homes in Phase NI2C2 consisting of 147 units of single and double storey Grow Homes were completed during the year under review.

The Authorities also **approved building plans for 139 units of Grow Homes in Phase NI2D, and 218 units of link houses in Phase NI3A and NI3B** which are targeted for launch in the next financial year.

Construction Management

Construction Management is not a major activity of Property. It is more of a strategy to support the opportunities in creating and speeding up development potential and value of its landbank.

During the year under review, **three major projects were successfully concluded.** Each one supports the progress of the property development schemes.

The total contract value of the three new projects amount to about RM100 million. There are other projects being considered and are expected to be secured in the future years.

The principal company is Golden Hope Builders Sdn. Bhd., a wholly-owned subsidiary of Golden Hope.

Facilities Management

Golden Hope Properties (Johor) Sdn. Bhd. is the principal property investment company of this sub-sector. This is yet to become a major unit.

Currently, it has 50 acres of land with property investment projects at various stages of development and the key customers and tenants are at advanced stages of concluding their respective agreements.

Strengthening Sustainable Development with Environmental Concerns

Application of GH Property Development Green Checklists are applied to the layouts of Alam Impian and Bangi Emas, the two new projects of the Group. The Group Property Development Design Policies create innovative and stylish built environment in our developments, in line with current and future demands of our customers. These have been applied to our recent projects such as the Kuala Langat Administrative Centre, the 3-star hotel in Morib Beach Resort and the Malaya Themed Bungalows in Kota Seriemas.

To ensure greater compliance to the Group's 4Ps (Principles, Policies, Procedures and Practices) the Development Advisory Department conducted audits during the year under review, and reports were submitted to the respective Board's and management.

Human Resource & Organisation

The manpower and human resources capabilities were enhanced during the year, in line with the ongoing and new developments undertaken by the Property Division. Recognizing the importance of having a competent and committed workforce, the Division continued to focus on the continual development of staff with special emphasis on technical, management and relationship management competencies. Management teams were set up on a Projects Task concept.

To manage business performances, the business Balanced Score Card (BSC) driven Group Performance Model was applied. Employees were given special training to enhance their understanding of this tool to ensure continual success of its implementation.

Recognizing the importance of good teamwork and positive morale, Property strengthened its employee relations programmes. Programmes such as the Golden Hope Annual Inter-Team Competition, Ceramah Bulanan, 5S's Housekeeping and "Champion of the Quarter" continued to be organised to enhance employees' morale and teamwork.

A mini seminar on Business Process Quality Management (BPQM) projects was also organized by Property as part of the Division's and Group's Learning and Growth programmes. The seminar was held to share knowledge on BPQM methodology introduced via the two BPQM projects, and to enable staff to have better understanding of the improved system for its effective implementation.

Corporate Governance and Corporate Conduct

As part of Property's continuous efforts to strengthen corporate governance, **the Division has adopted the Group's standard compliance reporting system to the Board of each property company at its every sitting.**

Corporate governance in Property extends beyond compliance with the legal and regulatory requirements to include the Group's policies and operating procedures and risk adverse measures. Project visits are conducted in order to give directors first-hand knowledge of the business. Their visits and observations are documented and recorded for use as a base in future planning improvements.

Disclosures

During the year under review, Property took all necessary steps to ensure transactions that were deemed to be related party transactions were in compliance to the Kuala Lumpur Stock Exchange Listing Requirements, Policies and Guidelines of Securities Commission, the Companies Act, 1965 and other legal and regulatory requirements. All wholly owned subsidiaries under Property were closely monitored by the respective Boards through progressive compliance report at every Board sitting especially the level of compliance to the Companies Act, 1965 and the Housing Development (Control and Licensing) Act, 1966.

Dialogue with Investors and Stakeholders

During the year under review, **Property conducted two separate pre-EGM briefings and dialogue sessions with institutional shareholders** to explain the rationale and strategies for the unincorporated joint venture agreements between the Negara Properties Group and Golden Hope Development. Briefings were also given by Management at



Members of the Board visiting the development in Kota Seriemas.

both EGMs of Negara Properties and Golden Hope which were held on 7 August 2003 and 11 August 2003 respectively.

Internal Control and Risk Management

During the year, **the two ISO certified centres of Property were successfully upgraded** from their former ISO 9002 system to the latest ISO 9001:2000 system. This was in line with the Group's TQEM programme of ensuring continual improvements in our processes, products and services. The second BPQM project for Property entitled "Market, Marketing Development and Sales" completed its "Transfer Phase" during the year and is ready to be implemented in the next financial year.

Property also developed Corporate Governance Manual Volume 2 (Property Division) during the year. The Manual is expected to be finalised at Group level in the next financial year in order to satisfy the Group's Corporate Governance Manual Action Plan. This Manual contains Property's internal policies, procedures, applicable rules and regulations with the objective of streamlining and standardising the implementation of identified processes and decisions made Division-wide.

During the year under review, **the Development Advisory Department** (whose function is similar to the Plantations Advisory Department in the Agribusiness Division) **conducted 9 visits to various projects in Property.** These visits covered various aspects of property development process such as product design development, project implementation and maintenance. The visits are essentially assessments of operational risks to support Property's risk management system and also form part of the Group's efforts to strengthen corporate governance by ensuring policy and procedure compliance.

This is further supported by our Management Inspection System (MIS) where project inspections by the Management team are planned on a regular basis throughout the construction stage. During the year under review, **11 MIS inspections were conducted within Property.**



YBhg. Tan Sri Dato' Seri (Dr.) Ahmad Sarji bin Abdul Hamid and YBhg. Dato' Abd. Wahab bin Maskan showing Y.B Dato' Seri Dr. Mohd Khir bin Toyo the scale model of KLAC.



Members of the Board being briefed on the Laman Ilmu Project in their visit to Kota Seriemas.



In close and detailed scrutiny. The Board members during the progress inspection of the Kota Bayuemas Cricket Club.



Property



Kedah



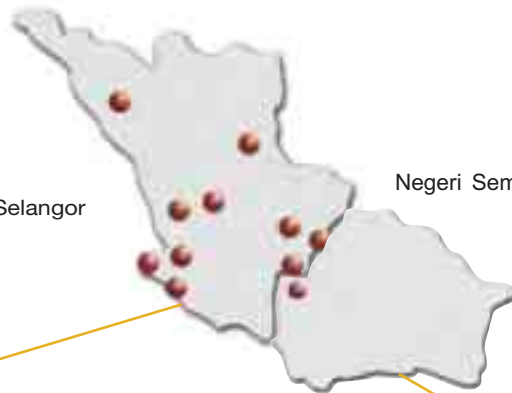
Perak



Melaka



Johor



Selangor

Negeri Sembilan



Wilayah Persekutuan



Location of Property	Total Titled Area	Description	Tenure	Year of Expiry	Size Hectares (Plantation)	Age of Building (Years)	Net Book Value As At 30 June 2003 RM'000
Kedah							
Victoria Estate, Kulim	1,125.14	Land held for future development*	Freehold	—	28.70	—	5,082
Perak							
Jin Seng Estate, Bagan Serai	1,091.18	Land held for future development*	Freehold	—	176.48	—	4,043
Elphil Estate, Sungai Siput	926.31	Land held for future development*	Freehold	—	367.22	—	5,587
Strathisla Estate, Ipoh	312.26	Land held for future development*	Freehold	—	304.28	—	10,827
Sungei Wangi Estate, Sitiawan	2,720.00	Land held for future development*	Freehold	—	379.02	—	5,876
Selaba Estate, Teluk Intan	1,266.08	Land held for future development*	Freehold	—	200.02	—	4,458
Selangor							
Melawati Townships – Taman Melawati, – Wangsa Melawati – Desa Melawati Ulu Klang, Selangor	103.66	Mixed residential and commercial development	Freehold	—	103.66	—	80,965
Gasing Indah, Petaling Jaya, Selangor	0.09	Residential development and commercial development	Freehold	—	0.09	—	1,634
Saujana Impian, Part of Phases 2, 3 & 7, Saujana Impian Golf & Country Club, Kajang, Selangor	70.59	Mixed residential, commercial and resort development Golf Club & Golf Course	Freehold	—	70.59	—	73,616
Saujana Impian Resort Condominium Kajang, Selangor		10 units of resort condominiums	Freehold	—	10,980 sq. ft.	5	2,697
Bukit Belimbing/Bukit Badong, Kuala Selangor Estates, Kuala Selangor	1,409.22	Land held for future development*	Freehold	—	1,409.22	—	28,295
Sungei Sedu Estate, Banting	2,048.14	Land held for future development*	Freehold	—	1,146.05	—	30,032
Dusun Durian Estate, Morib	2,344.09	Land held for future development*	Freehold	—	685.06	—	
Semenyih Estate, Semenyih	234.18	Land held for future development*	Freehold	—	234.18	—	10,890
Bangi Estate, Bangi	312.71	Land held for future development*	Freehold	—	312.64	—	3,867
Glengowrie Estate, Semenyih	395.87	Land held for future development*	Freehold	—	395.87	—	5,766
Saujana Impian Phase 3 and 7B, Kajang	5.27	Commercial development	Freehold	—	2.28	—	8,735
Haron Estate, Shah Alam	552.81	Mixed residential and commercial development	Freehold	—	562.52	—	576,939
Wilayah Persekutuan							
Wangsa Melawati Phase WM 8a – d, Wilayah Persekutuan	3.54	Residential development	Freehold	—	3.53	—	13,953
Taman Melawati Phase MCC 8, 11 & 19,Z Wilayah Persekutuan	2.12	Commercial development	Freehold	—	2.15	—	13,683
Negeri Sembilan							
Nilai Townships – Nilai Utama Enterprise Park, – Nilai Impian	379.76	Mixed residential, integrated industrial and commercial development	Freehold	—	379.76	—	134,828
Linsum & Paroi Estates, Ampangan, Negeri Sembilan	1,148.09	Land held for future development*	Freehold	—	575.96	—	15,269
KLIA Workers Housing Commercial Complex, Nilai, Negeri Sembilan	2.84	Commercial Complex	Freehold	—	2.84	3	12,431
Kota Seriemas, Nilai, Negeri Sembilan	780.02	Mixed residential and commercial development	Freehold	—	626.80	—	179,601
Nilai Utama Workers Housing Complex – Phase NU 5A, Nilai	2.53	Housing complex	Freehold	—	2.53	—	12,538
Nilai Utama Enterprise Park (N16D, E, F)					9.93		24,042
Melaka							
Sungei Bahru Estate, Masjid Tanah	1,429.13	Land held for future development*	Freehold	—	437.41	—	6,676
Diamond Jubilee Estate, Jasin	2,847.77	Land held for future development*	Freehold	—	884.53	—	13,305
Johor							
Muar River Estate, Segamat	1,597.32	Land held for future development*	Freehold Leasehold	—	8.88 66.57	—	1,099
Tangkah Estate, Tangkak	1,842.48	Land held for future development*	Freehold	—	450.07	—	8,364
Kelan Estate, Kulai	1,667.72	Land held for future development*	Freehold	—	655.69	—	12,790

* Estate operations are managed by Agribusiness Division