

City & Country

Country Heights to monetise assets worth RM300 mil, drive transformation plans

By Chai Yee Hoong / The Edge Malaysia

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Lim: Buyers can look forward to [purchasing] completed properties with showhouse designs (Photo by Patrick Goh/The Edge)

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As part of its transformation plans, Country Heights Holdings Bhd (CHHB) has identified RM300 million worth of existing assets that the company plans to monetise through a

property sales programme.

CHHB managing director Datuk Jared Lim tells *City & Country* in an exclusive interview that the company is in the midst of enhancing these properties. “We’re launching a sales programme at attractive prices in the current market to monetise our land bank, and our [profit] margins are very attractive.

“Buyers can look forward to [purchasing] completed properties with showhouse designs because we are collaborating with designers and contractors for this. There are no risks because the properties are completed. Basically, what you see is what you get.”

Lim says that the company is targeting to achieve the RM300 million from the sales programme within three years.

One of the properties featured in the sales programme is the company’s newly rebranded Cloud Life wellness-centric commercial development (formerly the Mines Wellness Suites launched in 2014) located next to the existing Mines Waterfront Business Park in Mines Wellness City (MWC). Part of the 1,300-acre Mines Resort City, MWC is an integrated health and wellness development spanning 800 acres and surrounding a 150-acre lake.



The first physical JDMines store will occupy 150,000 sq ft of retail space on the ground floor of MIECC

Cloud Life will be developed in two phases. Phase 1, which has a potential gross development value (GDV) of RM120 million, comprises two blocks (Block 4 and Block 5) that were completed in 2019. The two blocks are now undergoing a facelift, which is slated to be completed by the end of this year, under the rebranding exercise. Block 5 is currently held by the company whereas 54 of the 94 office suites in Block 4 had previously been sold. The remaining 40 units are part of the company’s sales programme, with selling prices from RM1,200 psf.

Lim says that Block 4 targets to mainly offer healthcare specialist suites, whereas for Block 5, CHHB has plans for a new 20,000 sq ft

traditional Chinese medicine (TCM) hospital along with a confinement centre, elderly day care and laboratories. “As it is, we already have our own GHHS Healthcare division, which will anchor the new TCM hospital and confinement centre. We already have an existing TCM centre [at Palace of the Golden Horses] so this is also part of the whole expansion plan.”

He adds that the company will also consider an en bloc sale for Block 5, including a sale and leaseback arrangement. The second phase of Cloud Life, which will comprise Block 6 and Block 7, will be built at a later stage.

According to Lim, MWC is facilitated by the Malaysian Investment Development Authority, or MIDA, and backed by tax incentives under the country’s Economic Transformation Programme. “MWC has been gazetted to enjoy tax incentives, including the 70% income tax exemption for income derived from qualified activities in healthcare services or complementary and traditional healthcare services carried out in MWC,” he explains.

“I feel we haven’t really pushed and marketed [this concept] with a properly branded wellness building, which I believe is something that can really take off.”

Lim says that Cloud Life will be fitted out with the necessary technology including WiFi 6 infrastructure, and a command centre that monitors footfall data. “We are also going to link up the entire MWC as a smart city through an app that is currently being developed and will be launched soon. Visitors will be able to access merchants, restaurants, hotel and wellness components via the app, which we are calling the Mines Smart City app.”

Other properties that are part of the sales programme include various plots of land and ready bungalow units at The Mines Residence in Mines Resort City and Country Heights Kajang; the Sawtelle Suites duplex condominium in Cyberjaya; and low-cost apartments in Selangor. Properties outside Klang Valley are also featured including linked houses in Belleza Garden Homes (Phase 3) in Kolej Heights Utara, Kedah; as well as bungalows and land at College Heights Estate in Pajam, Negeri Sembilan.

At The Mines Residence, CHHB is planning to release some 30 bungalow lots under the sales programme. “The bungalow plots are very sought after and in very limited supply. We’ve actually been holding back from selling all the plots over the last 15 years, and we



An artist's impression of Block 4 and Block 5 of Cloud Life

are planning to release them now. Their prices are between RM350 and RM500 psf, and the plots are around 8,000 to 15,000 sq ft on average,” he says.

At College Heights Estate, Lim says that the company has 90 bungalow lots (Phase 3) for sale ranging from 4,400 to 14,000 sq ft in size. “I love that development. It’s 1,111 acres and was first launched 17 years ago. It is very similar to

Country Heights Kajang, being a gated bungalow development situated within a green lung.

“We are planning to upgrade and add more integrated developments into the project, including upgrading the commercial shoplots and curating the [right businesses] for the properties such as F&B outlets, a gym, and bicycle and scooter rental. We are also allocating 12 acres for a park, where we are planning to offer barbeque areas, mini gazebos and botanical gardens,” he says.

Phase 3, Lim adds, will be adjacent to the park. “Instead of just selling bungalow lots (like in Phases 1 and 2), we will offer units with ready designs. What I gather from buyers is that it can be a hassle to buy land and build on your own. If we can get our own contractors to help them do that, I think there will be a lot more traction. We’re really excited about that.

“Also, I think since the Covid-19 pandemic, more people are looking for places like these, either to live in or as a weekend home,” he notes.

As for Sawtelle Suites, which comprises 128 units, the developer will include the remaining 30 units under the sales programme. The units will come with built-ups ranging from 710 to 753 sq ft and prices starting from RM350 psf. “Sawtelle Suites is a nice, completed development with facilities, and enjoys good rental demand from expatriates working in Cyberjaya. We’re in the midst of enhancing its facilities and have designers doing up a few of these units to showcase the properties’ potential. Purchasers can also work directly with our designers,” Lim says. Sawtelle Suites was completed in July 2017.

The company will also be featuring under its sales programme 25 bungalow lots at Country Heights Kajang ranging from 16,000 to 23,000 sq ft; and 57 units of 2-storey linked houses at Belleza Garden Homes (Phase 3) in Kolej Heights Utara.

Meanwhile, CHHB is targeting to reopen its Palace of the Golden Horses hotel in 4Q2022, following its closure in March last year due to the Covid-19 pandemic and now undergoing refurbishment works. “However, we are likely to open the function rooms first. We’ve had a lot of new booking enquiries from local corporations as well as individuals for events,” Lim says, noting that the hotel has garnered potential bookings worth RM3 million.



Bungalows with a lake view at The Mines Residence in Mines Resort City



The existing Mines Waterfront Business Park at MWC

A new direction

CHHB was founded by Tan Sri Lee Kim Yew in 1984 as a private limited company and subsequently listed on the Main Board of the local bourse in 1994. Today, it has a diversified portfolio with core businesses in property development and investment, hospitality, health and wellness, and tourism and lifestyle.

From its first township Country Heights Kajang, which it transformed from an abandoned rubber estate in 1984, and Mines Resort City, which was carved out from the world’s largest open cast tin mine, to notable developments including ExCel London, CHHB’s property development business was at its peak in the late 1990s before beginning to dwindle.

Since the appointment of Lim, who is Lee’s son-in-law, as managing director in September 2020, talk of CHHB’s transformation potential has made headlines.

“In the past, there wasn’t a clear direction for the company and there was contemplation of taking the group private just because it was so undervalued. That’s one of the reasons



College Heights Estate in Pajam, Negeri Sembilan
(Photo by CHHB)

why the company had been fairly dormant in terms of operations and launches,” Lim says.

“A year ago, I was brought in to really work with the family and transform Country Heights, and we agreed on this direction — to transform it and monetise its assets — because frankly, the margins are very healthy. We want to really use technology to grow the traditional business.”

With regard to CHHB’s new direction of becoming a digital landlord, Lim says: “What that means to us really is about utilising our property assets, property expertise and experience to facilitate the growth of technology. We decided that since it’s been listed for around 30 years, we should leverage on its branding, embrace technology and really add value to that.”

To complement its transformation, CHHB is leveraging its assets to enter the e-commerce space via a collaboration with Beijing-based international e-commerce giant JD.com on an omnichannel business model known as JDMines. An official signing ceremony for the licensing and collaboration agreement for JDMines was held on April 26.

CHHB is planning to invest RM250 million in capital expenditure for the next five years to develop JDMines, with the first physical store occupying 150,000 sq ft of retail space on the ground floor of the company’s Mines International Exhibition and Convention Centre (MIECC).

JDMines, which was soft-launched in April this year, is targeted to be officially launched in 4Q2022 and the first store at MIECC is slated to be completed in 2H2023. The company is also planning to roll out another five mega stores nationwide within five years, says Lim. “JDMines is a huge initiative and the one in MIECC is going to be the first physical store. We will continue to look for the right locales in the north and south [for the other stores].”

Meanwhile, the company is planning to explore opportunities in the logistics space as well as data centres and crypto mining.



“We’re very serious about warehousing logistics, which is kind of a low-hanging fruit because we have the assets. We will also launch industrial estates, which will fit in quite nicely,” says Lim.



An artist's impression of Belleza Garden Homes (Phase 3) in Kolej Heights Utara in Kedah

CHHB is planning to launch a 60-unit industrial estate in Pajam, Negeri Sembilan, in 2H2022. Each unit, he says, is about 2,600 sq ft in built-up. “There is quite a lot of demand for such properties for storage and logistics support.”



An artist's impression of a unit at Sawtelle Suites in Cyberjaya

According to him, the company is also thinking about renewable energy. “We already have the perfect foundation for floating solar panels because we own the 150-acre lake at MWC.

We’re exploring technologies and energy storage. When I say it’s in the works, this is our direction and we’re very seriously exploring it.”

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