

Jiankun partners NTL International for Semenyih serviced apartment project worth RM215m, triple its market value

By Justin Lim / theedgemarkets.com

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KUALA LUMPUR (Oct 26): Real estate developer Jiankun International Bhd has entered into a joint development agreement (JDA) with NTL International Holdings (M) Sdn Bhd, a freehold land owner in Semenyih, to develop a serviced apartment with a gross development value of RM215.1 million — more than three times Jiankun's current market value.

Jiankun said the JDA was entered into by its wholly-owned subsidiary Nagamas Bizworks Sdn Bhd.

Under the JDA, Jiankun will undertake the cost and expense for the development and completion of the project.

The RM215.1 million project consists of one block of a 37-storey serviced apartment, including serviced apartment units, commercial units, affordable homes, facilities, and a seven-storey car park.

In a statement, Jiankun executive director and chief executive officer Edwin Silvester Das said the joint development is in line with the group's initiatives to collaborate with landowners to expand its property development business.

"This joint development provides a win-win situation for both NTL International and Jiankun. It is also a testimony to the group's capability and track record in the construction and property development industry," said Edwin.

"We believe that the proposal for the serviced apartment with affordable housing units will provide the right mix to meet rising demand for affordable housing.

"As the land is approximately 7.2km from the Kajang MRT Station, we believe that this will also be attractive to middle-income households in and around Kajang, Cyberjaya and Putrajaya areas," he said.

He added that the shortage of affordable housing units in Malaysia is another reason why Jiankun has stepped up to provide for the demand.

According to him, the development of affordable housing could be costly, given the rising cost of landownership. However, joint development collaborations such as this will help lower the development cost.

He said Jiankun will benefit from the joint development agreement, without the need to build up its land bank. This will escalate the group's growth prospects, as the property development industry recovers in the post-Covid-19 era.

Jiankun was traded unchanged at 22 sen at the time of writing on Wednesday (Oct 26), giving it a market capitalisation of RM70 million.

Edited By Lam Jian Wyn