



IVORY PROPERTIES GROUP BERHAD (673211 M)

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Ivory wins tender to revive Plaza Rakyat

GEORGE TOWN: Ivory Place Sdn Bhd (IPSB), a subsidiary of Ivory Properties Group Berhad (IPGB), has won an open competitive tender to rehabilitate the long abandoned Plaza Rakyat project in Jalan Pudu, Kuala Lumpur.

Plaza Rakyat Sdn Bhd (PRSB), through its receiver and manager Adamprimus, elected IPSB as the successful party from the former's Request for Proposal (RFP) to rehabilitate, take-over, complete and/or acquire the development for the 15.23 acres (61,650 sq m) of prime land development in the city centre.

The RFP advertisement was earlier placed on several publications on May 20 and IPSB submitted the RFP, dated Aug 16, on Aug 19.

On Thursday, IPSB entered into a conditional Acquisition and Rehabilitation Agreement (ARA) with PRSB for the proposed acquisition and rehabilitation of the abandoned project on five parcels of adjoining leasehold land (project land), together with the lease by Datuk Bandar Kuala Lumpur (DBKL) over the project land, the incomplete and abandoned structures and the development rights there on as well as the rights, interests and benefits on the lease for a total cash consideration of RM400mil.

IPGB chief executive officer Datuk Low Eng Hock said the Group is confident of reviving the project given its proven successful track record as the white knight for abandoned projects in Penang.

Over the years, IPGB has creatively and successfully revived several projects including the long abandoned Mount Erskine Development, with its first phase development – The Peak Residences – completing and handing over to purchasers by end of this year.

On other completed projects like Tanjung Park, Plaza Ivory and The View Twin Towers, the Group has also helped to revise the old master plan, which led to the maximisation of land value and significant increase in project GDV.

Low said winning the RFP will be another milestone of IPGB to venture outside Penang. "This will also be another feather in IPGB's cap after winning the Bayan Mutiara development RFP in 2011," he said in a press statement.

Under the agreement, Low said PRSB would transfer the existing sub-lease and all development rights under the Joint Venture Agreement (JVA) with DBKL to IPSB, subject to agreement of terms and conditions between DBKL and IPSB.

“One of the conditions precedent is for the JVA to be revised and amended,” he said of the current estimated RM8bil GDV project.

The original plans comprised a 79-storey office tower, 45-storey serviced apartment, 21-storey hotel and seven-storey shopping mall.

However, Low said they would review the design once again to cater to the current market trend.

“Currently, we are looking at integrated transportation and business hub with serviced apartments to cater to the expats as well as providing substantial affordable housing components for young working class in the city.

“The entire development, which already has an LRT station as part of its existing infrastructure, is poised to be one of the massive projects in the heart of city centre. It is expected to cover a span of eight years upon commencement of work.

“We hope to turn Pudu into yet another happening sustainable commercial and business hub by then,” he said, adding that IPSB would be submitting the relevant proposed development plans to the relevant authorities for approval upon reaching an agreement with DBKL.

Plaza Rakyat was first mooted in 1995 by Wembley Industries Holdings Bhd in collaboration with DBKL.

The project, which was planned almost the same time as the iconic Suria KLCC project, was then envisioned as an RM1.4bil multi-modal transport terminus and commercial and residential project in the heart of the capital.

It was abandoned in the aftermath of the 1997/1998 Asian financial crisis.

Ends

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Background

PRSB had in 1992 entered into a joint venture arrangement with DBKL to realise an urban renewal project to transform the project land into a transportation hub which would include *inter alia*, an integrated terminal for bus, taxi and light rail together with hotels, office and business premises.

The project is known as the Plaza Rakyat Project (“Project”).

Construction of the Project, which was originally due for completion by December 1998 was delayed and the Project remains uncompleted.

With the consent of DBKL, PRSB had charged its undertaking, property, assets, revenues and rights (including but not limited to the lease over the Project Land) to the secured lenders, namely RHB Bank Berhad, Affin Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and Hong Leong Bank Berhad (“Secured Lenders”) to secure a syndicated term loan facility of RM200mil.

The Secured Lenders obtained a judgment against PRSB for repayment of the amount outstanding under the syndicated term loan.

On Feb 18, 2013, RHB Investment Bank Bhd (“Security Agent”) under powers contained in the debenture dated June 27, 1994 placed PRSB under receivership.

On May 20, 2013, PRSB (“Vendor”) acting through the Receiver and Manager issued a request for proposal in connection with the Project, inviting parties who are experienced, capable and financially strong to submit their proposal to rehabilitate, take-over, complete and/or acquire the Project Assets.

In response to the above, IPSB submitted their proposal dated Aug 16, 2013 to the Vendor on Aug 19, 2013 to rehabilitate, take-over, complete and/or acquire the Project Assets.

The Vendor has agreed to elect IPSB as the successful party and entered into the ARA.

About Ivory Properties Group Berhad

Ivory Properties Group was established in 1999 and has since grown into an established and reputable property developer in Penang and Northern Malaysia. Ivory's project portfolio includes medium to high-end apartments, luxury condominiums, semi-detached and bungalows, boutique gated communities, retail and commercial lots and more. Having won various awards in recognition of the Group's effort, Ivory has been continuing its winning streak until today. The latest awards, to name a few, are the INPenang Top Developers Awards 2012, Best Penang Developer in the 2nd NST Property - S C Cheah's Choice Awards, Highly Commended for the Best Leisure Development at the Asia Pacific Property Awards 2011, the International Standard Quality 2011 award for 'Quality Property Developer & Contractor'. In Ivory, we took the time and effort to nurture a vertically-integrated range of in-house expertise and capabilities including planning, architecture, engineering, construction, interior design, sales and marketing, graphics and multimedia, property management, etc. The vertical-integration enables us to effectively control the construction process, thus ensuring prompt and reliable delivery, cost control and efficient use of resources. Ivory establishes a powerful reputation and branding as a premium property developer that consistently delivers the best for our customers. For more information about Ivory, please visit www.ivory.com.my.