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An uncanny pioneer

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IT IS DUBBED the First Golfer Ferry in the world - a luxury Boeing 737-300 generously splashed with white paint with prominent green stripes running fore to aft and bearing the registration 9M-CHG.

Coming in from the northern approach over the Straits of Malacca, the pilot makes a 180 degree turn to port, taking it over the roofs of working class homes of Puchong, USJ and Subang Jaya before making the smoothest of touchdowns at the Sultan Abdul Aziz Shah Airport in Subang. The disembarking passengers emerge none the worse for wear as they clear customs and immigration formalities before being immediately whisked away to the Mines Golf Resort some 30km away.

The jetliner and the club are the visible symbols of the vision and corporate ascendancy of one man - property developer Datuk Lee Kim Yew. The chubby 42-year-old Country Heights Holdings Bhd managing director's forays into upmarket property have all scored big. Blessed with uncanny foresight, his ventures into property are characterised by a brave pioneering spirit. By becoming first, Lee has walked away with the choice booty while others scramble for what's left. Lee the early bird? He simply searches for fresh feeding grounds to look for new spoils!

He is currently preoccupied with transforming what was once the world's largest open cast tin mine into an integrated commercial, leisure and residential development worth RM2 billion, grandly called the Mines Resort City. Sceptics deride his extraordinary recklessness when he, in a joint venture with some partners, acquired almost 1,000 acres of what was then wasteland in 1988 for about RM50 million.

The purchase came with a huge lake, the result of rainwater that had collected over the years in the excavated pit of the disused mine. The huge amount of crystal clear water threatened to be his biggest liability at one point. Having filled to capacity, there was nowhere for all that accumulated rainwater to go but flood the adjacent Sungai Besi road. This threat has been nullified by the construction of an efficient system of drainage channels which divert excess water into Sungai Kuyoh and on to Sungai Klang.

Prime Minister Datuk Seri Dr Mahathir Mohamad has visited the project site twice within a space of two years, the latest being early this year. Brimming with ideas himself, the prime minister, according to Lee, was also responsible for suggesting that the resort's two neighbouring lakes be connected by way of a canal. He suggested that with a canal, a major transport link could be established between the various resort attractions without having to rely totally on road transportation. It would also become an attractive feature in itself.

Lee undertook the task with gusto. Now the canal is complete, exactly a year from when the suggestion was made in 1995. At the time of writing, preparations were in full swing for the prime minister to visit the project again to open the sluice gates which would release water and flood the channel.

The seeds to Lee's corporate endeavours were sown early on. Growing up in Batu Pahat, Lee, who was the youngest in a family of six, had to mature rather quickly as his father passed away when he was 13. Despite life being rather hard, Lee persevered in his studies, and upon completion of his Senior Middle Three in 1973, left for the bright lights of Kuala Lumpur.

He took on various jobs in the publishing and books trade. Within four years he grew tired of working for others so he started his own business. He dabbled in everything, from printing to cakes and confectionery. 'If there was anything that could be sold, I sold it,' Lee remembers. One of his more successful early forays was in the automatic gates business. For Lee, no business could have been a more profitable proposition. 'Say a gate costs RM5,000 to manufacture. You set your margin. Sell the whole contraption with installation for a suitable markup and you end up with a profit for every unit.'

His thriving automatic gates business could not have given Lee a better insight into how the other half lived. He was literally beating up the path that led to the front doors of the monied classes and the privileged few. 'I felt one day I could live in such nice homes and become successful myself,' he says.

Blessed with a willingness to work hard and the ability to bounce back from setbacks (a few of his business forays lost money and sank like lead balloons), Lee made his first million soon enough, at 23 years old. He enjoyed the fruits of his labour for a while but became restless when he turned 30. It was then that Country Heights was born. 'It was 1985 and I was looking for a new business venture. I did not want to go into some plain run-of-the-mill property development project. To succeed, I thought, one had to be original.'

Lee's outstanding achievement was the exclusive Country Heights residential project dubbed the 'Beverly Hills of Malaysia'. The luxury country-style residential project got underway in 1986 when the nation was in the throes of deep recession.

Lee, on the other hand, was not particularly hard hit by the economic downturn as his businesses were chugging along nicely. 'I was optimistic that the economy would recover. Malaysians were bound to become more affluent. There was also a hankering for a return to a sedate rural lifestyle, but one with all the comforts and advantages of being close to the city,' he says.

Around that time, he made the acquaintance of Arab-Malaysian chieftain Tan Sri Azman Hashim whose family happened to own a large chunk of rubber estate land near Kajang next to the newly-built Kuala Lumpur-Seremban highway. Lee came to know that Azman was anxious to dispose of the land and so made his approach. 'For so long I had the idea. Now here was someone with the location. The place was perfect as it was next to the highway, and on a good day, Kuala Lumpur is less than 30 minutes away by road,' he says.

The rest, as they say, is history. Quite a few people took a bit of convincing before they committed themselves to forking out a little under RM10 psf for the land. Since then, Country Heights has become such desirable property that the same square foot of turf is now worth many times more.

That it was such a success cannot be put down to mere luck. Lee cleverly pitched his project at the top income bracket. The originality of luxurious country-style homes and being the first to introduce a new lifestyle (where each home and expansive grounds are not walled up by physical barriers such as fencing) did not receive much interest initially. There have been well-documented cases of individuals, including one cabinet minister, who did not take up the offer of buying one of the bungalow lots at the then prevailing rate, only to regret it later as the property value skyrocketed.

The success of Country Heights persuaded Lee to take his flagship property company public. For those who missed the boat, chew on this. Country Heights was offered to the public at RM1.50 a share in February

1994 and debuted at RM4.20, a premium of RM2.70. At the time of writing, it was trading at RM8.75 on a historical PE multiple of around 33 times. Analysts are bullish about its prospects and tag a prospective price earnings multiple (PE) of between 14 and 16 times within the next 24 months. Lee holds 52.95 per cent of Country Heights shares through his family company Country Ventures Sdn Bhd. The company's listing and subsequent hike in value has increased Lee's personal wealth to such an extent that he could afford to lead an idle life in retirement if he wanted to. He chose instead to work on the Mines Resort City and set himself the task of transforming the derelict portion of Sungai Besi into a premier tourist attraction.

Lee unabashedly describes it as Malaysia's Seven Wonders - for the seven components that make up the RM2 billion development. These consist of the super exclusive Mines Resort and Golf Club (where membership at RM500,000 is by invitation only), The Mines Wonderland (leisure theme park), The Mines Shopping Fair (shopping and retail centre), The Mines Beach Resort, The Mines Waterfront Business Park, Palace of the Golden Horses (the country's first resort hotel with an equine theme) and the nation's largest exhibition centre - Malaysia International Exhibition and Showroom.

Country Heights is not entirely shielded from the impact of recent restrictive measures on the property market however. Its Country Villas development was designed as an exclusive and friendly neighbourhood built on the shores of one of the numerous lakes on its Sungai Besi parcel. It has only managed to sell 26 units of its 252 WTC Country Villa units in Phase 2 launched in early 1995. Under Phase One, a total of 154 units were snapped up. Unfazed, Country Heights plans to utilise the unsold units as investment properties for rental income generation. This is in the face of prevailing rental rates of between RM2,500 to RM4,000 per month for similar properties.

Having struck gold in the residential sector, Lee looked to industrial development next. The group's Subang Hi-Tech Industrial Park development enjoyed a good demand due to its location close to the Federal Highway and near the city, Port Klang and the airport in Subang. Phase 1 of the project comprising 255 acres of detached vacant lots are completely sold. Country Heights has further expanded into other segments of the property market in its aim to become a well diversified property developer. However, its core business remains bungalow land development. When reeled off one by one, the project names include the trademark 'Heights' as if it were proprietary. So there is no danger of not being able to identify projects belonging to the group.

That Country Height's exploits have come to the attention of the prime minister himself is a source of great pride to Lee. It has pumped zeal into Lee's endeavours. 'I work harder knowing that in the prime minister, there is someone with so much vision, drive and energy that others half his age would be hardpressed to emulate,' says Lee.

One award that gives him a lot of satisfaction was being conferred the Property Man of the Year in 1996 by the Malaysian Chapter of the International Real Estate Federation (FIABCI) and the Malaysian Building Society Bhd. It's the ultimate accolade for the Batu Pahat-born property magnate as the recognition comes from his peers. 'Most satisfying,' he beams.

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