

RBTR starts fund that focuses on properties

■ By Adeline Paul Raj
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RBTR Asset Management Bhd, a boutique fund manager, yesterday launched a new fund that invests mainly in local properties that it believes can offer investors returns of at least 24 per cent a year.

Known as the High Yield Capro Investment scheme, it will start off with an initial size of RM30 million and later be increased by another RM200 million, its directors said.

Some 70 per cent of the fund will be invested in properties, while 20 per cent will go toward high-yield instruments that trade in major currencies or commodities, futures, options and indices of regulated exchanges.

The balance 10 per cent will cover the cost of operations.

"Our strategy will be to invest in properties under development at bulk discount prices which will provide capital protection and also appreciation upon completion. Even in the event of an economic slowdown, the properties in prime locations will be able to hold their values," managing director Valentine Khoo told reporters yesterday.

He said RBTR is currently eyeing four developments under construction, most of which are very close to the Kuala



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Lumpur city centre.

These are all commercial properties that are coming on stream in the next six to seven months, and RBTR is targeting to get into en bloc arrangements with them.

"We're looking especially at commercial properties, whether it be retail, office or other types. We're not going to invest in residential properties," said Datuk Shamir Nandy, the company's founder and advisor.

Once the three-year tenure of the fund is over, these assets may be converted to real estate property trusts or other types of investment products, he added.

One of the assets RBTR will most likely be investing in is The Crest in Jalan Sultan Ismail, which are luxury serviced apartments and office suites, he said.

The minimum initial investment for the fund is RM30,000 for individuals and RM100,000 for institutions.

Investors get to enjoy capital protection and the target returns if they keep their funds invested for the full tenure of three years, Khoo said. They won't be charged any management or annual fees.

RBTR, which has some RM300 million of assets under management, plans to launch at least one more retail investment product this year targeted at the mass market.

SAAG goes to main board, sees record profit



ANAND: SAAG is unperturbed by rising fuel and raw material prices.

■ By Sharen Kaur
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SAAG Consolidated (M) Bhd, an oil support services firm which has been expanding via acquisitions, expects record net profit this year driven by new contracts secured.

The group, which had its listing status moved to the main board yesterday, posted a record breaking net profit of RM29.1 million and all-time high revenue of RM496 million for the 12 months to December 31 2007.

SAAG is unperturbed by rising fuel and raw material prices as it has cushioned in the cost in its long-term contracts to withstand some of the pressure, executive director and group chief executive officer Anand Subramaniam said.

"Cost will effect our profit if it runs up steeply. Our performance will depend on the magnitude of the increase in cost but so far we have not seen any effects. Barring any unforeseen circumstances, we will do better this year," Subramaniam said at a media briefing in Kuala Lumpur yesterday.

SAAG has contracts worth RM1.43 billion in hand to keep it busy till 2011. Some RM1 billion are unbilled jobs.

Its latest contract is worth RM220 million, secured through its Mumbai and Chennai-listed subsidiary, SAAG RR Infra Ltd, from India's Oil and Natural Gas Corp (ONGC) Ltd, Mumbai Region, on Thursday.

The contract is for hiring of operation and maintenance services for three of ONGC's rigs.

SAAG is in the process of bidding for new oil and gas-related jobs worth RM230 million, he added.

Going forward, SAAG will focus on global growth expansion and to build its local business, which now contributes 30 to 35 per cent to group revenue.

Mahathir: Malaysia is no longer a cheap labour country

■ By Azlan Abu Bakar
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MALAYSIA needs to have a fair-sized consumer market to meet the growing population which is expected to increase to 35 million people in another 12 years, Tun Dr Mahathir Mohamad said last night.

"A mass consumer market will make local manufacturing more viable, and there are many things that we can produce not only for our market but for exports as well," he said when addressing participants at the Perdana Leadership Foundation Forum in Kuala Lumpur.

The former prime minister was speaking on major trends that could impact Malaysian businesses as the country gets closer towards its ambition of becoming a developed nation by 2020.

He noted that the days of Malaysia being known as a low-cost labour country were over, and it is time for companies to pay higher wages to its employees.

"Malaysia can no longer offer itself as a cheap labour country, but the chances are our highly trained workers would still cost less than similarly-trained workers in developed countries. This may mean a shifting of some middle range hi-tech industries to the country," Dr Mahathir said.

He said the country also needs to change its approach in infrastructure development, especially roads.

"Rather than building more roads, it is better that we improve the mass public transportation, including increasing railway lines," Dr Mahathir added.

He said one of the dangers that Malaysia faces is keeping its foreign reserves in US dollar.

"If the US dollar and the US economy collapses, the repercussions will be felt by everyone including Malaysia, which carries 30 per cent of its foreign reserves in US dollar and sells 20 per cent of its products to the US," Dr Mahathir said.



MASS APPEAL: A worker arranging newly made chairs in a furniture factory in Klang. A mass consumer market will make local manufacturing more viable, and there are many things that we can produce not only for the local market but for export as well, says Dr Mahathir. — Reuters picture