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Fajarbaru, partners get RM300m facility from Maybank for Aussie project

Malaysian company keeping an eye out for opportunities to venture further abroad in the future

by NG MIN SHEN

FAJARBARU Builder Group Bhd, Beulah International and KHK Group Ltd have secured funding of close to A\$100 million (about RM300 million) from Malayan Banking Bhd (Maybank) for a joint luxury apartment project in Australia.

In conjunction with the financing initiative, a facility agreement was signed between Maybank and SPV 320 Queen Street Pte Ltd in Kuala Lumpur yesterday.

The three parties are the developers behind Paragon, a project situated in Melbourne with a gross development value (GDV) of A\$200 million.

It is led by Melbourne-based developer Beulah Interna-



(From left) Kuan, Chong Jin and Chan at the signing ceremony in Kuala Lumpur. The Paragon project has already secured sales of close to 90%, of which about 30% are Malaysian purchasers

tional, which has the largest stake at 42.78%, followed by KHK Group with a 35% stake and Fajarbaru with the remaining 22.22%.

"We believe that the Austra-

lian property development market will continue to provide a healthy income for Fajarbaru in the coming years, driven by growing demand for Australian properties from the

influx of new arrivals and the local market for high quality Australian properties," Fajarbaru group ED Datuk Seri Eric Kuan Khian Leng said at the signing ceremony yesterday.

He said the group, which is mainly involved in construction, timber and property development, will continue to look to Australia in the short to medium term for its property segment, while keeping an eye out for opportunities to venture further abroad in the future.

The project is the second development undertaken in partnership between Fajarbaru and Beulah International, following the completion of their first jointly-developed project, Gardenhill in Melbourne, with a GDV of A\$77 million.

Maybank corporate banking MD Michael Oh-Lau Chong Jin said the success of Gardenhill, which was also funded by the bank, was the main driver in the lender's backing of the new Paragon project.

According to Beulah International MD Chan Jiaheng, the project, which will be home to Australia's first elevated indoor forest and 227 luxury apartments across 48 levels, has

already secured sales of close to 90%, of which about 30% are Malaysian purchasers.

"Our target is to achieve 100% sales by the end of the construction period. Currently, our strategy is to continue to sell with minimum marketing costs because we have two years to achieve 100%.

"There's no business benefit to achieve 100% right now," Chan said.

Construction has commenced, with project completion expected by the end of the third quarter of 2020 (3Q20) or early 4Q20, Chan added.

As at 3.41pm yesterday, shares of Fajarbaru were up four sen, or 8.64%, at 44 sen, giving it a market capitalisation of RM164.02 million. The stock saw 4.32 million shares changing hands.

Maybank rose 27 sen or 2.81%, to RM9.87, giving the country's largest bank by assets a market capitalisation of RM107.56 billion, with 10.16 million shares traded.