

Exsim geared up to launch projects outside of Klang Valley this year



By **Kathy B.** - February 28, 2020 @ 10:56am

EXSIM Development Sdn Bhd (EXSIM Group) is expanding outside of Klang Valley and has inked multiple agreements with landowners in Penang, Johor, and Perak.

The head of marketing and corporate communications, Michelle Siew told NST Property that the agreements were signed in the last few months and are part of the group's strategy to venture out of Klang Valley for expansion.

"We have secured the land, some via outright purchase and the rest we intend to develop jointly with the landowners. The signing stage is over. We are now planning the development and target to launch the projects starting this year," said Siew.

Siew said the projects will have a combination of residential and commercial properties and the ratio will depend on demand in the respective markets.

She said Exsim is all set to perform much better this year over previous years, despite the current property market slowdown.

The group expects its property sales to increase by at least 30 per cent this year, and it could surpass RM2 billion on the back of new launches in Klang Valley, and also in mainland Penang, Johor Bahru and Ipoh, she said.

Last year Exsim registered about RM1.5 billion in sales from its projects in Klang Valley.

"We aim to launch around RM2 billion worth of new projects this year. When we launch we always target 100 per cent sales through various initiatives and promotions. So we are bullish Exsim will meet its RM2 billion sales target.

"For us, we are confident about our product and our workmanship. A product in the right location, with an innovative design, and at the right pricing will always sell," said Siew.

Timber-turned property developer

Exsim was established as a timber company back in 2002. The group ventured into property development in 2009, focusing on residential, commercial and industrial projects in the Klang Valley. Its completed developments include Nouvelle Industrial Park @ Kota Damansara, Nouvelle Kemuning Industrial Park @ Kota Kemuning, Nouvelle Industrial Park @ Meru, The Treez @ Bukit Jalil, The Leafz @ Sungai Besi, Twin Arkz @ Bukit Jalil, Expressionz Professional Suites @ Tun Razak, Petalz Residences @ Old Klang Road,

To date, the group has launched a total of 21 projects with a gross development value of RM8 billion and there's another RM18 billion in the pipeline.

Among its ongoing developments is The Arcuz @ Kelana Jaya, Millerz Square @ Old Klang Road, D'Nuri Residences @ Desa Petaling, Ceylonz Suites @ Bukit Ceylon, and Nouvelle Industrial Park @ Kota Puteri.

Its latest project is Scarletz Suites, which is Exsim's second commercial property development in Kuala Lumpur City Centre. It is a serviced residence of 604 units housed within a single 49-storey tower, located on Jalan Yap Kwan Seng.

The launch price of this project started from RM750,000, for units sized between 450 square ft and 575 sq ft.

Siew said Scarletz Suites is fully taken up and is expected to be delivered to owners in the third quarter of 2021.

Sukuk issuance for projects

Exsim is raising RM3 billion from two Sukuk issuances to refinance loans as well as buy more land and fund its working capital needs.

The issuances include a RM2 billion Islamic medium-term note programme (IMTN programme) which carries a credit rating of AA3/stable assigned by Ram Ratings Services Bhd, and RM1 billion Islamic commercial papers (ICP).

The Sukuk was structured by NewParadigm Capital Markets Sdn Bhd and guaranteed by Danajamin Nasional Bhd.

The IMTN programme is the first Sukuk structure in Malaysia to monetise the future sales earnings of a commercial real estate development project, whereby each tranche will be secured against a specific project.

Exsim group managing director Lim Aik Hoe said during the signing ceremony recently that the first tranche is backed by the executed sales and purchase agreements of Scarletz Suites.

He said the programmes will help Exsim achieve its next level of growth and provide them with liquidity for future projects.

The first Sukuk programme by Exsim was in January 2019 to monetise its residential real estate earnings.