

## Datuk Ng Thian Hock, 68

Chairman Of A&M Realty Bhd

**A**&M Realty Bhd was founded by Datuk Ng Thian Hock in 1978 and its first project was on a nine-acre plot in the outskirts of Klang. The about-100 affordable houses along with several shoplots were sold within a week of the launch.

Before going into property development, Klangite Ng was a water works engineer. In the late 1970s, he noticed that there was a shortage of affordable housing in his hometown. With the support and encouragement of friends and associates, he formed A&M Realty.

Listed in 1995, the company's core businesses are property development and property management. The company is currently involved in property development and construction, hotels and golf resorts, plantations, distribution of automotive parts and accessories, and food and beverage investments.

It has completed and delivered properties worth over RM1 billion. It is currently focusing on making Carey Island a tourist destination. Located in the Kuala Langat district of Selangor, the island is located about 14km off Port Klang, separated from the mainland by the Langat River. It is known for its indigenous Mah Meri community and seafood. A&M Realty's upcoming launches include Amverton Hills and Amverton Park in Shah Alam.

### City & Country: What lessons did you learn from developing your first project in Klang in 1978?

**Datuk Ng Thian Hock:** In all three recessions, the main challenges were having to deal with challenging bank financing and interest rates, the difficulty in getting bridging finance for projects as well as getting new homebuyers to commit in such uncertain times.

Fortunately for us, our financial footing was relatively strong. Also, the attractive pricing of our affordable homes segment in good locations, as well as the support of business associates such as our bankers, enabled us to pull through without much problem. But, of course, [it was] not without some anxious moments.

Also, as demand was so great in the late 1970s, any launches by a developer with a proven track record for good quality [homes] and reliable delivery would be easily snapped up. Therefore, up till today, we still strive to ensure that we always deliver good-quality houses on time.

### After your first project, what else did you do?

While our primary focus is on residential property, we do look at any opportunity that comes our way. If it makes financial sense and there is a great demand for such products required in a particular area, we will definitely do it. Commercial and retail elements are always integral in any mixed-use development and these elements are needed in any township of considerable size.

### What has changed since you started your first project in terms of planning, strategy and people employed?

We maintain some basic rules and principles in property development such as to choose strategically located property, to build products that cater for the demographic of the population in that area, to build good quality products that give our purchasers the maximum value for their money.

As our economy and country have progressed, homebuyers have become much more discerning and with the introduction of many small to medium developers, home buyers have become a little spoilt for choice. As progressive developers, we have to stay very much in touch with the wants and expectations of our customers and adapt to them.

Technology has also played an important role. With the introduction of more advanced CAD [computer-aided design] and modelling software, advanced building methods and value engineering are great tools that we employ to enhance our products. The people, consultants and our business partners also need to be in touch with the latest developments and enhancements and the availability of new materials. In that sense, they need to be technologically savvy and progressive-minded.

The introduction of social media, particularly Facebook, has also played an important role and affected the way we market our products to the general public. On the other hand, negative feedback on product quality can be amplified much more and reach a greater audience. Hence, it is important that we maintain and ensure our product quality is of the highest level.

### You have gone through several economic slowdowns and recessions of the 1980s, 1990s and 2000s. How were they different, and what were your approaches to overcome the impact on your business?

The main lesson that I learnt was that one must not over-gear. As mentioned earlier, before the launching of any project, detailed study on the timing, pricing and the product to be launched must be done. As long as you are not over-gear, it is better to wait and not launch rather than force the project through and end up not being able to complete it. For us, we employ a good mix of project financing and internally generated cash flow from our operations. Having seen, during those difficult times, many developers abandoning their projects and leaving the purchasers in the lurch without any recourse and their life savings down the drain, this really affected me and made me even more resolute in my goal of ensuring that A&M Realty will never go down that path. We cannot afford to have any project fail or be abandoned as this will affect our reputation as a reputable and premier developer who is in it for the long term.



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As we were involved in the affordable homes segment, we were lucky to be spared from any major damage to our financial status. In fact, we are proud to say that throughout our history, we have always been profitable and we have never had to lay off any worker due to economic hard times.

### What do you think is your company's recipe for success to withstand challenging times?

We have amassed a relatively large landbank at a very reasonable cost. Currently, we have over 2,000 acres of land. This has assisted us as it ensures that we can hold on to the land and launch [projects] when we feel the time is right.

At the same time, we remain steadfast in our principles of having good location, good quality and on-time delivery through all our launches.

Last but not least, one cannot achieve success without hard work.

### If you could do it all over again, what would you do differently?

I believe that no matter what we do, whatever decisions we have taken, we cannot regret them. For example, if we look back at our houses that were sold at RM150,000, and if we were to launch them now, they could fetch a much higher price that is in excess of RM500,000. But again, if we had not launched them then, sold them off and moved on to greater things, A&M Realty would perhaps not be where it is today. We are still a strong company with a sizeable landbank, no debts and great staff. I couldn't ask for more.

### How do you see the property market in 2015?

Properties in good locations are still



A&M Realty's upcoming condominium development Amverton Kiara at Mont' Kiara has a GDV of approximately RM300 million

expected to sell well, especially landed homes in the Klang Valley due to the limited availability of such properties. It is hard to generalise and speculate on the rest of the market, as you can see different property projects doing differently in different locations. I still think it depends on the location, the product that is being offered there and the pricing of the properties.

### Given the competitive times ahead, do you see property prices dropping?

I believe in applying the same basic principles for the success of any property development, particularly, to have good location, good-quality products and design, the right type of property for the demographic of the location and, of course, the right pricing. Our properties are located in strategically high-value and high-demand areas. As such, I believe the prices of our properties will not drop.

### Do you see the implementation of the Goods and Services Tax (GST) impacting demand for properties?

At the moment, we are still working with our consultants and advisers on the impact of GST. Whatever the outcome, we will be prepared and will take the necessary measures to ensure that our properties continue to do well in the market and that our homebuyers are happy.

### What are your plans for the company in the days ahead?

We will continue to do what we do best — that is to build quality housing targeted for a particular area's demographic at the right price and the right time.

In the meantime, we are focusing on building up our jewel, Carey Island, as a tourist destination and creating awareness and value to the area until the time is right for a wholesome mixed-use development.

We have also embarked on a branding exercise with all our high-end projects being marketed under our brand Amverton. We have achieved widespread acclamation for our latest golf resort, Amverton Cove Golf and Island Resort, which was voted Best New Golf Course in Malaysia 2013 by *ParGolf* magazine, and have also received great reviews for our premier bungalow lots in Amverton Park. There will be launches there soon.

There will be upcoming launches of our homesteads at Amverton Cove, which feature distinct and unique American and Asian architecture products. At Amverton Hills in Sungai Buloh, we will be featuring our premier bungalows and semi-detached homes.

All this will bring exciting times to our group and I am confident that A&M Realty will continue to prosper for a long time. ■