


TERASECHO

NEWSLETTER



THE SYNERGISTIC ERA

TESTIMONIAL

Senibong 88

THE IDEAL INDUSTRIAL PARK IN
JOHOR'S PRIME DISTRICT

HARUM ECO

Foreign Workers's Dormitory

WHOLESOME WELFARE
ACCOMMODATIONS

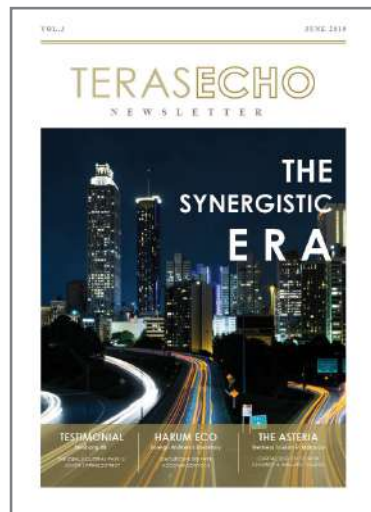
THE ASTERIA

Wellness Tourism in Malacca

CAPITALISING ON TOURISM
PROPERTY & WELLNESS TOURISM

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A Quality
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VOUCH Alliance

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TEnergy

5 New Company Philosophies

• Technology Innovation

In today's world, technological advancements increase with time as the society looks for easier and more convenient ways of living. We utilize these ever-evolving developments to build sustainable projects and businesses.

• Knowledge

In the innovation complexity index, knowledge is the key to economic growth. In fact, the concept of technology is based on a human's know-how, research and development and innovation to build integrated solutions.

• The Internet

The internet provides great benefits for business communications. When a traditional business model is taken online, it creates a whole new synergy that most people in today's world cannot live without.

• Service Quality

In an industry where product amenities are the selling point for a business, we aim to improve service quality to provide added value to a business.

• Strategic Alliances

Joint ventures and collaboration with industry experts where technological transfer, knowledge and resource sharing are done is the ideal direction to reach greater heights.



ACOUSTECH

THE REAL ESTATE
SYNERGY DRIVER

ACOUSTECH 新动能

First of all, I want to take moment to express my heartfelt thanks to the Executive Chairman, Mr Raymond Leong and Board of Directors for the opportunities given and for the many ways that each of you contribute to the Group. As I reflect on the chances and challenges of the past year, I am grateful for the foundation that you have built for Acoustech Berhad in order for us to grow rapidly, especially in the property industry.

Although local political uncertainty and stagnant growth of the Malaysian economy in the past financial year has been a challenging one, our Group remains optimistic towards the overall economy and prospects for the real estate industry in 2019. Through our strategic partnerships and unique product offerings, we have managed to contribute to the Group revenue in 2018, and will continue to do so in 2019.

As the number of property offerings on the market start to rise, the trend is slowly but surely moving towards a buyers' market as consumers' behavior changes, meaning that it is now more vital than ever for developers to offer amenities with added business value in order to stand out. With this in mind, it is why Acoustech is moving towards a new era of being a **real estate synergy driver**. Who is to say that the term "property developer" cannot be coined differently in a world that is now more connected than ever?



Park Hotel Group

As we move away from traditional property development and towards our new philosophies, it is more apparent than ever that **technological innovation** can boost a business. With the recent trend of **Internet of Things (IoT)**, it is now easier than ever to integrate sustainability into buildings and large-scale projects. The core of economic growth is **knowledge**, which is why Teras Eco will be offering the first ever wellness training center that not only educates and produce commendable **service quality**, but also help to create job opportunities. Lastly, we believe that cooperation or collaboration which can achieve a common synergy is key to achieving greater results. With that said, the Group has had the opportunity to **form strategic alliances** with local and international industry professionals from Singapore (Park Hotel Group) and China (China Gezhouba Group Co. Ltd., CSIC International Engineering Co. Ltd and Global Connections Network Pte. Ltd.). As we delve deeper into the newsletter, you will find the application of these philosophies in each of our projects that have helped us to reach this level of success thus far.

In conclusion, we are confident that with the synergistic alliances, acquisition of land banks through joint ventures and the incorporation of our new philosophies, Acoustech Berhad can continue to propel forward and be one of the top real estate synergy drivers in Malaysia.



Guoyan Culture and Media Inc. & DRTT - Development Research Think Tank

*We revolutionise
the property
industry by becoming
A real estate
synergy driver!*

Richard Ong



Richard Ong Li Tak
Managing Director
Acoustech Berhad

TERAS ECO

– EVOLUTION INTO A NEW ERA

Greetings and welcome to the 3rd issue of Terasecho newsletter. It has been a fulfilling 2 years since our last issue and we are thrilled to share some new and exciting updates.

This inaugural issue will mainly highlight the significant progress on existing projects since the acquisition by Acoustech Bhd and the upcoming projects that will propel the company to the next level. Since the disposal of the Acoustech speaker business in 2017, our corporate vision has shifted towards being a real estate synergism proprietor which is now spearheaded by Managing Director, Mr Richard Ong Li Tak.

While sustainability in terms of environment and facilities have been a key concept that every developer is showcasing in their projects, Teras Eco dominates by offering more innovative solutions that Redefine, Re-innovate and Reinvent a development. By choosing to target a niche market and collaborating with various international strategic alliances to enhance the sustainability of a project, Teras Eco is able to stand out among the rest in terms of design, concept and services.

The Industrial Expert

Entering the industrial market in Iskandar with a sustainability concept at its peak was our core competitive edge. With Teras Eco already establishing a foothold in the industrial market, it is no surprise that both our maiden projects, Senibong 88 and Desa 88 (Phase 1), proved to be effective as both projects were fully taken up within a short period of time with a combined Gross Development Value (GDV) of **RM155 million**. As such, we can also expect Desa 88 (Phase 2) to be as well-received and generate an approximate GDV of RM100 million when we launch in the third quarter of 2019 due to overwhelming pre-registration collected to date.

Riding on synergistic collaboration and first-mover advantage, we have since ventured into new niche markets and high growth opportunity namely, the Foreign Workers Dormitory Sector and Tourism Property Sector.



Untapped Opportunities with Foreign Workers' Dormitories

Within a short period of 15 months, Harum Eco Dormitory Sdn Bhd successfully designed, constructed, completed and handover 5 blocks of 3,000 beds dormitory in Permas Jaya which has since generated an annual rental income of **RM3.6 million** for the Group. More than a hostel, Harum Eco Dormitory provides complementary business opportunities to tap on such as food service, laundry, telecommunications and remittance services. The entry into the dormitory industry was made possible by our strategic partnership with Harum Megah Resources (HMR) Sdn Bhd an established one-stop foreign workers operator that is one of the few operators recognised by the Malaysia federal government. Harum Megah Resources' modus operandi also includes supplementary services such as sourcing of foreign labour, transportation and payroll. This strategic alliance is set to continuously reach new heights as we aim to reach 15,000 beds within the next 3 to 5 years and project approximately RM20 million annual rental income.

The Venture into Tourism Property

The high number of tourist arrivals in Malaysia has driven Teras Eco to venture into the tourism property industry through our first project in Malacca, known as The Asteria (previously known as The Green). What was perceived as a traditional residential and commercial development will be brought to life with lifestyle and sustainable elements to become the first and only mixed development with visual lighting concept in Malacca. To further ensure the sustainability of this project, we have also formed strategic alliances with a reputable 5-star hotel operator and renowned wellness and F&B brands to greatly enhance the project value. This project will definitely be something to look forward to!

Overall, I would like to thank the business partners who have stood by us through thick and thin and to our cherished team that worked so diligently for our achievements today. I am also sincerely thankful to our customers. We would not have achieved such success without your firm support and strong confidences in our products and brand promise. We hope you enjoy reading this issue of our newsletter as we venture into this new era together!



Projection Mapping by ventuz.com

*Redefine,
Re-innovate
& Reinvent*

Tee Kuan Hong

K.H.TEE

Teras Eco Group General Manager
Editor of Terasecho Newsletter





Senibong 88
The Entrepreneur Park @ Permas Jaya

THE ENTREPRENEUR'S CHOICE

THE IDEAL INDUSTRIAL PARK IN JOHOR'S PRIME DISTRICT



"Having a space at Senibong 88 has helped to build clients' trust towards our business!"

MR GAN HONG LIAN
MANAGING DIRECTOR
YELICO ENGINEERING SDN BHD

Founded in 2008, Speed Cool Air Cond Trading / Engineering Sdn. Bhd. started off as an air conditioner servicing and cleaning business. Ever since venturing into wholesale and retail, it was high time to get our own factory in order to accommodate our stocks and inventory.

The location, trendy design and affordability of Senibong 88 Entrepreneur Park were the core determining factors to relocate in 2018. A new retail outlet and office will be opened here, so having a safe and secure environment for our customers and employees are vital. We are able to utilize the double volume space for a mezzanine floor and hoist lift for additional storage. Lastly, there are plans to curate a space for technician training in the coming future, which is why having a large space works for us!

Yelico Engineering Sdn. Bhd. (YES) is an engineering and construction specialist with 26 years of experience in instrument calibration, valve maintenance and construction services for businesses in different industries. The company was awarded the ISO 9001 accreditation in 2010 and the ISO/IEC 17025:2005 in 2015.

The design and location of Senibong 88 factories have certainly helped us to improve our overall company image and branding. From a professional perspective, the 40-ft high ceiling is ideal for our labour-intensive business that requires the installation of an overhead crane to lift heavy mechanism. Long-term and potential clients feel more driven to work with us after visiting our fully-equipped factory. Furthermore, productivity levels have increased as our employees enjoy working in this comfortable environment more.



"The design and spaciousness of Senibong 88 factories allow us to have a retail, office, warehouse and training facility, all in one place!"

MR C.H. TEH
DIRECTOR
SPEED COOL AIR COND TRADING / ENGINEERING SDN BHD



DESA 88
— INDUSTRIAL PARK —

**MAKING
SIGNIFICANT
PROGRESS**

**“Desa 88
Updates”**

GMAX Industrial Trading Sdn. Bhd stands out as the reliable supplier and provider of heavy machineries, namely mobile crane and skylift to industrial and commercial clients in the last 13 years.

We decided to relocate our administrative office and storage facility to Senibong 88 Entrepreneur Park in 2006. From a professional perspective, Senibong 88 factories are innovatively designed with minimal defect, a fact that we appreciate immensely. The spacious outdoor space allows us to park our cranes and lorries without much hassle. Since we carry many priceless machineries, the fact that the Entrepreneur Park has a gated and guarded amenity gives us a peace of mind.

Ultimately, the best aspect of working with the Teras Eco is their drive to provide wholesome service to the customers. The team is warm and friendly, and are very cooperative from sales to after-sales service which has made our relocation smoother.



"Senibong 88's gated & guarded feature provides a secure environment, which is essential to us as a storage facility."

MR WONG KIAK HONG
DIRECTOR
GMAX INDUSTRIAL TRADING SDN BHD



Desa 88 is located within the Eastern Gate Development Zone of Iskandar Malaysia and was rolled out towards the end of 2018 specifically to tap on the demand for industrial units that will further develop the Iskandar Malaysia region. Located in Taman Perindustrian Cemerlang, one of the largest industrial areas in Johor catering to light and medium scale businesses, it is no surprise that Desa 88 received resounding success upon its launch. Phase 1 factories were **fully sold out within a month** of launching and has a projected gross development value (GDV) of around **RM 47 million**. Aside from its unrivalled accessibility and convenient location near major highways and sea ports, it is the first gated and guarded terrace factory development at Desa Cemerlang with an affordable pricing. Breaking away from the stereotype of what industrial factories is all about, Teras Eco challenged the status quo to create a space revolution by creating a flexible one and a half-storey terrace factory, with an integrated foreign manpower dormitory within the industrial park.

The development of 40 units of terrace factories for Phase 1 is already 50% completed with foundation, reinforced concrete framework and walls already completed, while internal and external plastering are ongoing with the mock up unit is expected to be completed by the third quarter of 2019. Phase 1 of Desa 88 is expected to be fully completed well ahead of schedule by the **fourth quarter of 2019**. Due to popular demand and overwhelming sign-ups during pre-registration period, Phase 2 is expected to launch by the second half of 2019, with an estimated GDV of RM 100 million.



THE RISE OF FOREIGN WORKERS' DORMITORIES

Wholesome Welfare Accommodations

Foreign workers in Malaysia are heavily employed in the construction and manufacturing sectors. It is estimated that there are currently about 3 million registered foreign workers in the country. Due to new regulations made by the Malaysian government for Employment Act 1955 (Act 265) that calls for employers to provide adequate housing for foreign workers in all sectors, this niche market is slowly but surely becoming a golden opportunity to venture in. Neighbouring countries such as Singapore have created ecosystems that value welfare and accommodation of the foreign workers. Such housing of foreign workers are legal and also allow them to live in a secure locale that values their welfare and human rights.

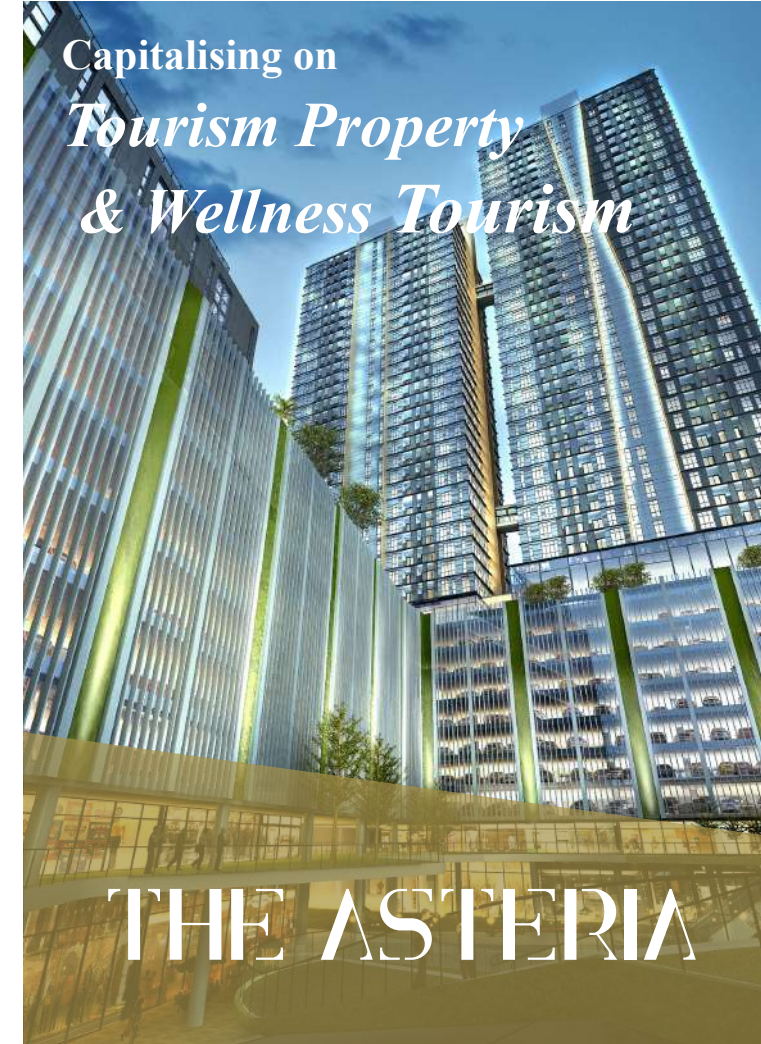
In 2017, Teras Eco formed a joint venture with Harum Megah Resources Sdn Bhd to create Harum Eco Dormitory in Permas Jaya, Johor. Harum Megah Resources (HMR) is a reputable and experienced one-stop foreign workers operator and provider amongst multinational companies (MNCs). This joint venture has resulted in the successful completion of the first and only integrated 5-block, 3,000 pax dormitory in the Iskandar Malaysia region within 15 months that provides a continuous stream of rental income up to **RM 3.6 million** annually. It is documented that each documented foreign worker has a monthly spending of about RM500, which

contributes to a significant amount in the economy. This additional income generation of up to **RM 3 million** yearly is proof why welfare management of foreign workers is vital. Based on these opportunities, the vision within the next 3 to 5 years will be to complete **15,000 beds**, with a projected annual income of **RM 20 million** to the group.



Tapping on the sustainability concept, the dorms are fitted with facial recognition entry and 43 CCTVs to ensure the workers' safety. This also provides peace of mind to the MNCs as their employees are accounted for. With a human resources and payroll system, the workers are paid on time and can remit money back to their hometowns through the remittance service amenity. Facilities such as food court, minimart, telecommunications store and laundry are available so that the foreign workers do not need to venture too far out after a long day at work. The dormitory community is kept happy and active with an outdoor exercise area, a multi-purpose hall, hair salon and even a clothes boutique. This business model proves that all parties from the government, to businesses, and foreign workers can benefit from a well-planned facility that ultimately bring more efficiency and productivity, leading to the country's economic growth.

Capitalising on Tourism Property & Wellness Tourism



THE ASTERIA

MALAYSIA TOURIST ARRIVALS 2018

25.83 MILLION

TOP 3 TOURIST ARRIVALS COUNTRIES



MALACCA TOURIST ARRIVALS 2018

16.70 MILLION

MALACCA MEDICAL TOURISM

- Best Medical Travel Award for 3 consecutive years.
- Malacca General Hospital, Mahkota Medical Centre, Putra Specialist Hospital.
- Medical tourists spend RM 1,000 on average per visit, not including other expenditures like accommodation.
- Wellness tourists spend average of 59% more per trip than normal tourists.

As reported by the Tourism, Arts and Culture Ministry, Malaysia recorded **25.83 million tourist arrivals in 2018**, with a revenue of RM 84.1 billion. One of the popular tourist destinations is the historical town of Malacca, a state listed by UNESCO heritage site in 2008. The state of Malacca alone has recorded **16.7 million** tourist arrivals, a large portion of which was contributed by medical tourism. Malaysia has been awarded the Best Medical Travel Award for 3 consecutive years and in recent years, Malacca has become one of the top three states in Malaysia where medical tourists seek quality treatment at affordable cost.

Teras Eco has taken the leap to venture into tourism property through a 4.38 acres mixed development property in Malacca, with a targeted completion date in 2021. This project, known as "The Asteria", will consist of residential, international hotel, condotel, retail and a multi-purpose courtyard that is set to become the next tourist attraction and investment hub in Malacca.

Aimed at promoting the concept of "wellness resort living in the skies", The Asteria is the ultimate luxury destination for all kinds of travelers – from leisure, business, families and even medi-travelers. Aside from 306 uniquely configured rooms with wellness components installed, The Asteria will also feature the first and tallest Presidential Suite in Malacca. As the number of medical and wellness tourists continue to increase, there is a growing demand for more accommodation that provide quality care to complement the treatment undertaken by these tourists. Certain floors will be dedicated to medi-wellness amenities operated by trustworthy name brands, all under the supervision of a licensed healthcare professional who will tailor-fit programs according to the individual's dietary preference and lifestyle. There are also suites for medi-travelers who require special care or are in the recuperation phase, with thoughtful facilities such as bigger bathroom space and direct helpline to the in-house doctor with a push of a button. In general, the medi-wellness aspect will help the project stand out amongst healthcare travelers and bring value to the condotel investors.

The Asteria will also be taking a very bold innovative step to champion property tourism by being the first and only development to have a visual lighting concept in Malacca. **Exclusively designed intriguing light shows** and **3D projection mapping** are targeted to be shown in the courtyard in the evenings to boost nightlife activities in Malacca, while an array of family-friendly activities will be organised in the daytime within the space.

With this focus on wellness tourism and creative concept, Teras Eco would bring back excitement to the local real estate industry while boosting the country's economic growth in tourism and property sectors at the same time.





TERAS ECO
恒廷集团

THE ASTERIA

The New Shining Landmark in

M a l a c c a

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