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JANUARY 24, 2022

Options

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Building Bridges

Eastern & Oriental Bhd
executive chairman
Datuk Tee Eng Ho
on carrying on
an illustrious legacy

OLD, NEW

+ everything in between

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“Whatever E&O does that is good, I will continue and, if possible, enhance it. I am just keen to make things more efficient.” — Tee

One of Malaysia's oldest property developers, Eastern & Oriental Bhd is synonymous with timeless elegance and discernment. Almost a year into his role as executive chairman after a takeover that had the property industry abuzz, Datuk Tee Eng Ho talks to Anandhi Gopinath about why he came on board, the project that has got him most excited and his plans for the company.

PHOTOGRAPHY BY SOOPHYE

Rumours of a hostile coup of some sort swirled when Datuk Tee Eng Ho took over the stewardship of Eastern & Oriental (E&O) Bhd last May from Datuk Terry Tham. It was all too easy to imagine the older, elegant Tham — who has been based in the UK for some years now — being “pushed aside” by the much younger Tee. Incidentally, Tee is the founder of Kerjaya Prospek Group Bhd, the contractor for many E&O projects. For industry watchers who saw the news unfold while stuck at home during the peak of the 2021 lockdowns, the story of a coup was terribly exciting — even if Tee has continually maintained that nothing of the sort took place.

“Where got lah?” he says in amusement at the mention of bad blood between him and Tham. “We are old friends. I have known him since 1996 — 25 years ago! Not many people can say they have been friends for that long. When I am in London, we always *makan* together, in fact. If we were not friends, this would not happen.” Sitting down with *Options* for the first time, Tee puts paid to the rumours and outlines his plans for the company as its new chairman.

The Edge has extensively covered the financial aspect of Tee's takeover since the announcement last May, so here is a quick recap. Tee and his brother, Eng Seng, had acquired Sime Darby Bhd's last block of a 10.89% stake in E&O for RM93.5 million through their personal vehicle, Amazing Parade Sdn Bhd. This move brought its combined shareholding to 42.71% from 31.82%, thus triggering

the 33% mandatory general offer threshold. Having emerged as a substantial shareholder with an 11.18% stake in September 2016, Tee became the controlling shareholder of E&O with a 49.74% stake on May 27, 2021.

We would have liked to imagine that things unfolded à la Hollywood with fighting lawyers and intense legal battles, but from what Tee says, the present arrangement with him in charge was a foregone conclusion. “I know this company in and out, I know the projects very well. Also, Terry had planned to retire in London a long time ago and there was no one else to take over. I made him an offer to go in together — in March 2020, I acquired one block of shares and asked him to come in together with me. But he said no, his kids are in London and aren't planning to leave, so he preferred to stay. With the pandemic, it was also hard for him to come back anyway. And I have invested so much in E&O already, I don't want to see the company having no leader.”

Especially now, considering the number of projects E&O has on its plate: among others, Avira Medini in Johor, The Conlay and The Peak in Kuala Lumpur, and in Penang, the second phase of its highly successful Seri Tanjung Pinang township. Its flagship project, however, is the 760-acre Andaman island, located across from STP. Connected to Penang via two bridges, Andaman will officially be launched in March and represents E&O's dedication to creating iconic addresses and thriving communities that stand the test of time.

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Most developers will never say they have a preferred product, much like a parent would never admit to a favourite child, but Tee has no such qualms. He is most passionate about Andaman and connects almost all of our conversation topics to it. In his defence, Andaman is E&O's largest project and certainly deserves the lion's share of his attention.

"Definitely, the main one is Andaman," Tee agrees. "The lifestyle angle for that whole project is so interesting! Conlay and The Peak are two big ones right now in the Klang Valley. If not for Omnicron, our London hotel would be doing very well — it's a great city and we are very excited about our projects there. Dua Annexe is a small piece of land *lah*, even though its location is amazing. It's not our priority to develop it just yet. So, I would say now E&O's focus is on three things: Andaman, The Conlay and The Peak."

In the meeting room we are seated in at Dua Annexe, a screen showcases a still image of Andaman and on the table beneath it, brochures of the three projects. They are beautifully put together — a reflection of E&O's exacting approach to its property projects.

The group's two Klang Valley projects are like night and day. While one exemplifies the bustle and excitement of city living, the other caters for the needs of an established, suburban neighbourhood. The Conlay is on a mission to raise the bar for high-rise serviced apartments in the country by bringing together sophistication with an incredible location just steps from the Petronas Twin Towers. Featuring the creative input of Kerry Hill Architects — whose handprint can also be seen at The Datai Langkawi — The Conlay combines top-tier amenities, spacious homes and convenient city living in one single project. The Covid-19 pandemic had slowed things down a little, but Tee says they are now picking up again.

Located outside of the city area, The Peak in Damansara Heights comprises 54 low-rise private residences spread across 3.94 acres of land. Celebrating the luxury of space, each private apartment is designed to occupy one full level of the individual three-storey buildings that make up the development. Designed to resemble the grandeur of high-end bungalows, The Peak is further elevated by lush landscaping, spectacular panoramas of the city skyline and attentive service by the concierge, security and management teams. E&O has seen many repeat customers for The Peak, since experienced buyers are well aware of the company's excellent track record.

These projects aren't new, of course, and in highlighting the kinds of property projects he tends to favour, Tee provides a hint of what E&O might be behind in the future. "Outside of The Peak and The Conlay, E&O doesn't have any new projects in the Klang Valley," he says thoughtfully. "Buyers do want more landed properties, especially after the pandemic, and many developers have done very well with landed projects. But I like high-rise properties and integrated developments. It's good *lah*, when you come down from your house there is a shopping mall, commercial space for your office, and if family members visit, there is a hotel nearby. It's very convenient and practical."

His affection for Andaman, with its self-contained nature and integrated approach to community building, suddenly makes a lot of sense.

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In fact, there are few people as qualified as Tee to take over the helm of E&O — not only does he know the brand exceptionally well, he is also personally and professionally invested in its success. A native of Kampung Tehel, Melaka — perhaps old boys from SMJK Yok Bin and Malacca High might recognise him — Tee acquired many life lessons from his frugal upbringing. While the careful apportioning of the allowance he received from his rubber tapper parents taught him about cash flow, he learnt to save and have adequate funds in hand from the part-time jobs he held throughout his teenage years.

Those jobs included being a darkroom factory worker and photographer for China Press, but it was building that secured his interest. Tee cut his teeth at a small construction company in the years after he graduated from Tunku Abdul Rahman College with a diploma in building technology. "For me, construction work is not just about going there and monitoring the workers. I like to observe, record and think about efficiency," he said

in an interview with *The Edge's Wealth* pullout last year. "When people take two hours to finish a job, I would think about how we could do it in one hour. And I like to see the results when the building is completed."

Tee founded the incredibly successful Kerjaya Prospek with his Sabah-born wife Datin Toh Siew Chuon in 1995, which debuted on the Kuala Lumpur Stock Exchange in 1996 and was named a Forbes Asia's 200 Best Under A Billion 2017 company, with over 300 employees and a market cap of US\$408 million (RM1.75 billion). From construction, Kerjaya ventured into the property development segment in 2010.

Efficiency above all else is Tee's mantra, and he has brought this principle to his new role at E&O. "Whatever E&O does that is good, I will continue and if possible, enhance it. I am just keen to make things more efficient. E&O has been in the red for the last two years. This year, I hope things will turn to black — let's see how *lah* at the end of the financial year in March ... we have a few weeks to go," he laughs. "I am decisive, I like to decide and move quickly. I have a great relationship with financial institutions and I think that's very helpful."

Moving over from Kerjaya wasn't an altogether complicated process either, as Tee says he has kept the business between E&O and Kerjaya — of which he is still non-executive chairman — clear and separate. "Kerjaya is quite strong in construction and it complements E&O. But

many parking bays, what the lifts are like, and so on. Our buyers are also getting younger, and we see a lot of parents helping out with the initial down payment. This is a good sign because they want the children to be independent. As developers, we are happy with this development, and we work with the banks to make sure financing is friendly for all parties."

Another trend Tee brings up is a growing category of buyers who prefer fully furnished units, as opposed to empty houses they need to then renovate and fill with furniture. This is something he noticed at Kerjaya, when new homeowners responded well to the prospect of collecting the keys to their new home and being able to move in almost straightaway. Naturally, this is dependent on the profile of the buyer and the project in question. It might be something applicable for The Meg, the Andaman's serviced apartment targeting millennial buyers, but probably not for established homeowners who would buy into The Peak, who have their own sense of style and accumulated furniture that need a new home.

Tee shares an anecdote that proves his point. "I was talking to some of my younger staff who own a high-rise condo. For a three-bedroom unit of less than 1,000 sq ft, they had to spend RM100,000 for ID (interior design) and renovation. I saw the house, I think our ID is better than that! When you need to renovate after moving



The Meg, Andaman's first project, features two blocks of 35-storey serviced apartments comprising 1,020 residential units with innovative layouts designed to suit young executives and new families

all tenders are done above board and I am not involved, so everything is done very fairly. The assessment is done independently — we make sure all corporate governance is followed very strictly.

"In terms of projects, whatever is in the works already at E&O — Conlay, The Peak — we have proceeded with. It's all been planned, so when I came on board, I sat down with the team and discussed how to improve things a bit. But I work together with a team, not alone. I know E&O's DNA very well, and I know many of the senior people in the company. The transition for me was very easy *lah*, I am working with people I know already."

While Tee is firm about keeping things the way they have been at E&O, his vision for the future does include a strong focus on technology and sustainability — "Youngster thinking *lah*," he quips — that is gradually becoming an industry standard these days. According to projects and property investments director Emily Teh, Tee is very hands-on when it comes to landscaping, planet-friendly initiatives such as rainwater harvesting and most importantly, safety and security.

Our conversation soon meanders to industry talk, including his take on how the property scene will fare post-pandemic. With vaccination rates so high in Malaysia, Tee is confident market sentiment will remain positive and buoyant. But the success of any developer or any new project hinges on a keen awareness of what buyers want in the future, which is very different from the expectations of older generations.

"The property business is not like last time, when you just sell people an empty house," Tee states. "You need to do a lot of integrating, and you must understand what people need when they buy a property. They don't just buy a space anymore, they are buying a house they can make into a home, which includes things like how

in, it means the lift is always messy and you will be disturbing your neighbours. Ideally, when you move in, just bring your clothes and it's done — that's what it should be like. It's quite a new trend and it's good, because it means the building is also quickly occupied. Some developments are empty for two years after buyers get the keys because they cannot afford to furnish it yet."

Tee is a firm believer in long-term planning to ensure success, and property is nothing if not a long-haul game. The focus now is on the company's existing projects, but he has plenty of ideas for the future. "More launches, more things happening," he muses. "It's not just residential projects but also commercial, as well as townships. Community building is important. Outside of Penang, which will be our focus for the next three to five years, nothing major yet. Kerjaya keeps buying land everywhere. Last year, it spent almost RM200 million buying land, so let's see."

For long-standing customers of E&O who are familiar with its high standards, Tee promises nothing will change in this regard. "No matter what, we will continue our pursuit of quality. We cannot just build new projects; we need to pay attention to the finishing also — even details like the windows. When you close the window, is there a sound or not? That is the detail of E&O quality and we want to be even better than what has been done before. I have experience from working with other developers, so I am bringing all the good tips to E&O," he laughs.

He may have meant that last statement in jest, but we have no doubt Tee has many tricks up his sleeve that will make the high-end property industry take notice once he puts them in place. And much like the way he became chairman, his game plan will be quietly achieved, drama-free. ■