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Startup iProperty beating path to SGX

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SIEW YAW HOONG

Do your homework: knowing a property's fair value gives a prospective buyer more bargaining power, says Mr Cheng (right). With him is Mr Leong

Just months-old, iProperty plans to raise \$20m in second half and expects profits in 2 years

BT exclusive

By Toh Han Shih

[SINGAPORE] A local Internet property startup, iProperty, is in a hurry to beat a path to the Singapore Exchange (SGX).

Started only in August last year, the company is targeting to get listed in the second half of this year to raise \$20 million, its chief operating officer David Leong told *The Business Times*.

It expects to be profitable in two years' time but will take advantage of the new SGX rules that allow unprofitable companies to list under certain conditions.

iProperty has built up some good credentials. It has roped in major players to its property portal, www.iproperty.com.sg, including property firms like Century 21 and DTZ Debenham Tie Leung, as well as banks like Standard Chartered. It has also sealed a partnership with a UK property portal company called propertychain.com.

A hectic schedule lies ahead for the company. Mr Leong said that iProperty is in talks with prospective investors in both Singapore and overseas. By June, iProperty will have set up a property portal and subsidiary in Malaysia, said Mr Leong.

The company also plans to set up joint ventures in Hongkong and Japan by the end of this year. In addition, it is looking to acquire a

property portal company in Australia.

In the US, iProperty is in talks to set up a joint venture with a US property portal firm with a similar name iproperty.com, said Mr Leong. "We are trying to create an international online property community. With a single common data system, anybody from anywhere can search for properties and cross-brokering will be possible. With more expats working abroad, we need a global database of property."

Century 21, the world's largest property company based in the US, is also using the Internet to expand globally. iProperty will provide the Internet infrastructure for Century 21 to link Singapore electronically to its other Asian operations.

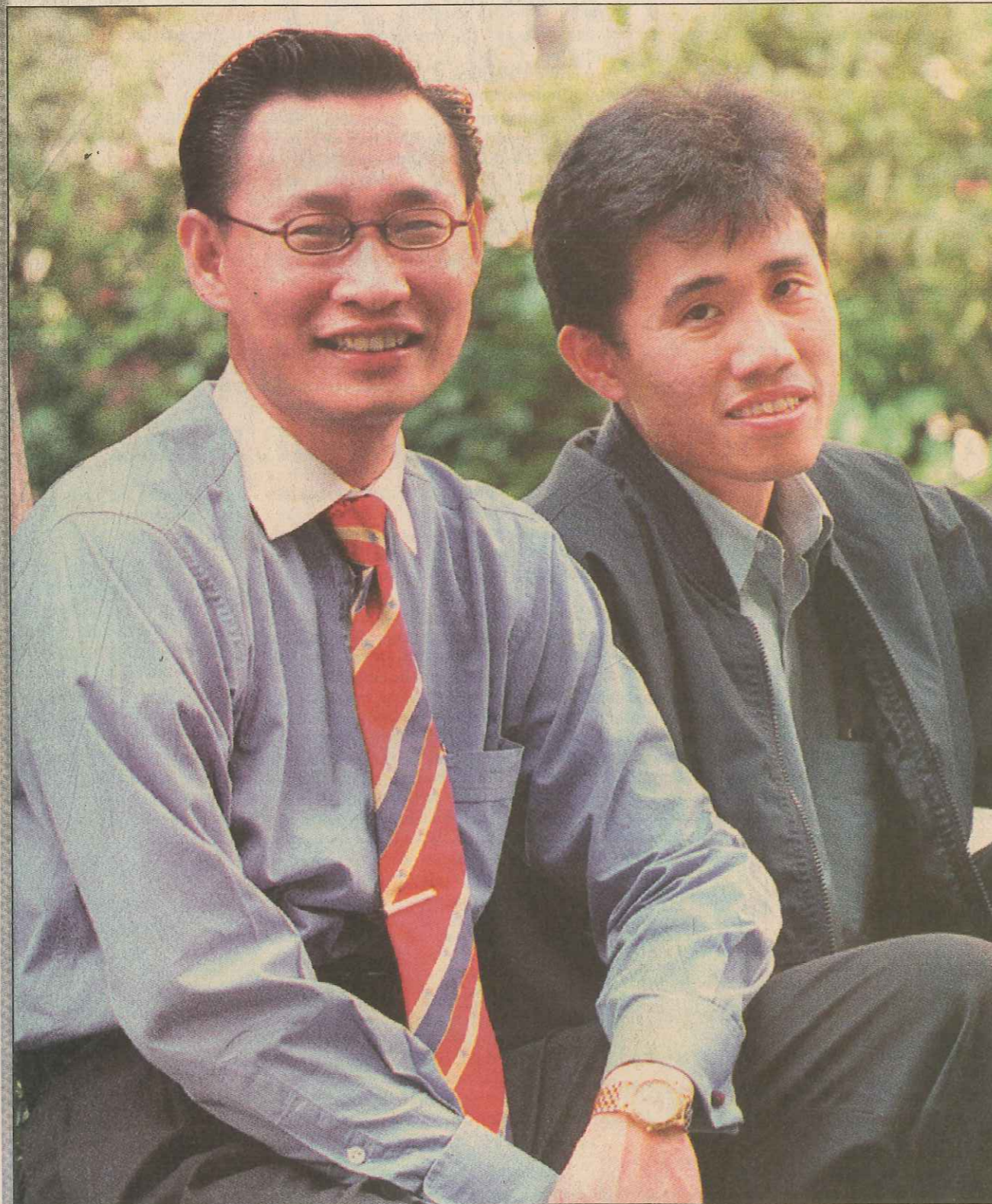
"We are going to make Singapore our hub for Asia-Pacific," said Century 21 regional consultant Bill Robertson. Century 21 is present in 11 Asia-Pacific nations but has been in Singapore only since July 1998.

Eunice Yap, chief executive officer of Century 21 Singapore, said: "Century 21 is the world's biggest property company; we are not the biggest in Singapore but we aim to be the biggest and best in Singapore." Through iProperty, Century 21 can attract prospective customers by introducing them to a range of related online services, said Mr Robertson.

One online service to be launched by iProperty on Feb 1 is a valuation service by DTZ Debenham Tie Leung, one of the top three property firms in Singapore. Users of this service will be e-mailed by DTZ Tie Leung a preliminary fair valuation of a property within the same day of inquiry. The charge is \$20 to \$65, payable by credit card online.

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Solidly anchored in property



Management team makes the difference: Mr Leong (left) and Mr Koo. iProperty links property valuation companies, banks, housing agencies, lawyers, insurance agencies, contractors and interior designers over the Net

Internet startup iProperty is a real business supplying IT solutions to companies in the property sector, says CEO

FAST track

By **Toh Han Shih**
[SINGAPORE]

FOR chief operating officer David Leong, iProperty is not another hyped-up Internet property company. The start-up, founded last August, is scheduled to list on the Singapore Exchange (SGX) this year, from which it hopes to raise several tens of millions of dollars.

iProperty is a real business, the 30-year-old entrepreneur tells BT. "We anchor ourselves in a fundamental industry — property."

iProperty does not make money from consumers, Mr Leong says. The company offers property information on its Web site, www.iProperty.com.sg and Wireless Application Protocol (WAP) handphones, which consumers can access for free. iProperty earns money by supplying IT solutions to companies in the property sector to enable them to do electronic commerce.

"We link property valuation companies, banks, housing agencies, lawyers, insurance agencies, contractors and interior designers over the Net," he says.

In fact, Mr Leong, who projects iProperty will hit profitability in two years, thinks the company will benefit from the mushrooming of Internet property firms in Singapore like PropertyBuyer.com and PropBuzz.com.

He explains: "This is a good sign because property developers are waking up to e-commerce and it gives us the opportunity to develop e-commerce solutions for them."

iProperty started when Mr Leong quit his job with Marplan, a Singapore company involved with road equipment and military vehicles. He recalls: "When I quit my job in August, it was like jumping off the cliff without a parachute, hoping something would happen."

Between August and November last year, iProperty had no external funding. "Those were the days of darkness. Fortunately, the dark days didn't last long for us," he said.

In November, iProperty got its first investment from Brilliant Manufacturing, a Singapore manufacturing company listed on SGX. Brilliant invested \$700,000 in a 51 per cent stake in iProperty, valuing the startup at S\$1.4 million.

Brilliant had been named a Promising Lo-

cal Enterprise (PLE) by the Economic Development Board (EDB), which was helpful to iProperty CEO Alex Koo. In his previous job, Mr Koo was working for EDB dealing with PLEs, through which he got to know Brilliant managing director Harry Koh.

Mr Leong recalls: "We presented Harry Koh with a 15-page business plan. How did he gain confidence in us? It boils down to vibes. It's something that is hard to describe. He invested in us because he thinks we can do it."

Mr Koo says: "If the same business plan was given by another team the investors don't trust, the investors may not invest. Most venture capital investors will tell you when they invest, they invest in people. Ultimately, it comes down to execution. How well you execute depends on the management team."

Subsequently, more investments came in. In March, iProperty obtained \$4 million from a group of investors that included an SGX-listed company, three individuals and a private Singapore manufacturing firm.

Mr Leong says: "We have turned down offers of investments from property developers because we want to be a neutral property platform. If we take a single cent from a property developer, our portal will be deemed biased."

With that \$4 million investment, iProperty expanded into Malaysia and China. Currently, iProperty has 30 employees in two Malaysian outfits, namely iP Technology (a fully owned subsidiary that develops software) and iP Net Sdn Bhd, a marketing company.

iP Net is 75 per cent owned by iProperty and 25 per cent owned by Kayangan Benua, a firm linked to some large Malaysian property companies.

In Guangzhou, China, iProperty formed a joint venture called Guangzhou Yangyi Property Technology Ltd. This joint venture is 60 per cent owned by iProperty and 40 per cent owned by Guangzhou San Shan Technology Ltd, a company linked to the Chinese government.

By now, Brilliant's stake in iProperty has been diluted to 20 per cent. Currently, iProperty is close to finalising another round of investments worth \$7 million from a mix of local and foreign investors, says Mr Leong. This \$7 million will fuel iProperty's expansion into Japan and Australia, says Mr Koo.

Mr Leong said a lot of startups are asking for the sky when seeking investors.

"This is generating a bubble now. But the Internet will stay though the bubble may burst soon. There will be some real Internet businesses that will survive."

No doubt, Mr Leong hopes iProperty is one of those.

F5 Networks sets up Asia-Pac HQ in S'pore

By **Joyce Koh**
[SINGAPORE] Nasdaq-listed F5 Networks, Inc, a provider of integrated Internet traffic and content management products, has chosen Singapore as its Asia-Pacific headquarters.

The company plans to invest US\$4 million (S\$6.8 million) on infrastructure and human resource in the region.

According to market analyst Forrester, e-commerce business in Asia is expected to reach US\$1.6 trillion by 2004.

Explaining the choice of its headquarters, F5 managing director (Asia Pacific) Leigh Wilson said that the stable business and technological environment here stood in its favour.

Also, attractive initiatives by the Economic Development Board (EDB) and National Computer Board (NCB) and the pool of skilled labour tipped the scales in Singapore's favour.

Currently, F5 has about 40 per cent of the market share in Internet traffic management in Asia. The company expects the Asia-Pacific to be its largest growth market.

The company, which has a market capitalisation of US\$1.2 billion, has experienced a spectacular six-fold rise in turnover over the past financial year.

Revenue this year is expected to hit US\$110 million.

F5 aims to bring "reliability to the Internet" by designing solutions which intelligently manage user traffic and content.

It has more than 1,300 customers worldwide and its partners in Asia include NTT of Japan and Singapore Technologies.

The entrepreneur as general

David Leong, who sold his property portal as the Internet bubble burst, tells **GRACE TAN** how ancient Chinese military strategies have inspired his business and management styles

WITH the bursting of the Internet bubble and the subsequent demise of property portals, one would have thought that we would have seen the last of David Leong. But the former chief operating officer of iPropertyNet — the dotcom that spectacularly raised \$12 million in four months and obtained approval to list on the Singapore Exchange's mainboard before falling victim to the crash of e-commerce stocks — is back.

"I never give up. Ever," Mr Leong says with a glint in his eye. His ability to take more than a few knocks dates back to his childhood when he was beaten up by an older boy. "The guy kept hitting me, again and again, in the stomach. But I kept getting up until he just walked away. I'm like a persistent idiot," he recalls.

Just a few months after OCBC Bank acquired a majority stake in iPropertyNet — a common Internet platform that facilitates one-stop property transactions — Mr Leong set up a head-hunting firm, ManpowerCorp International. "I believe in facing reality," he says. "It's important to move on, cut your losses so that you'll live to see another day."

He has few regrets about having been part of what he terms "the irrational exuberance of the dotcom era", because "I relish life as it comes, complete with success and failure".

He quickly reminds us too that iPropertyNet still had money to distribute to its shareholders, unlike many other dotcoms that were bled dry. "We knew that the industry was dead and we didn't want to spend all the money before admitting that it had no future," he says. "That would have been sinful, to let down all those people who invested and believed in us."

Mr Leong recalls with a sigh the frenetic pace at which he laboured, with the single-minded aim of getting iPropertyNet listed on the stock exchange. He hardly slept and was under so much stress that the hair on the sides of his head turned white. Work was so much a part of his life that his wife had to visit him in his office to see him. When she wanted to rest, "she had to pull two chairs together, facing each other, to form a makeshift bed".

The initial success came with problems too, "along with success comes deceit, betrayal and backstabbing," Mr Leong says cryptically. "You learn to see people in a different light. There's greed in everybody. That is something that you must accept."

Asked how he deals with the ugly side of human nature, he whips out a thick collection of Chinese military strategies. "I see myself as a general, commanding all my troops," he says. "I learn how to control them and also how to motivate them from here."

He points to a thick paragraph in Sun Tzu's *Art of War* that he has highlighted with yellow marker. "In order to inspire your staff to stick with you



"I see myself as a general, commanding all my troops. I learn how to control them and also how to motivate them."

— Mr Leong, elaborating on his *Art of War*-inspired strategy

and give you their best, you must provide them with two things: compensation and inspiration." He elaborates that people must be well remunerated so they will find it worth their while to work for a company. But at the same time, "you don't want them to simply be workers doing it for the money. It's necessary to convince them that what you are doing has a transcendental value."

Mr Leong believes that he can change the world. He saw his property

portal as a catalyst that would spur the phasing out of the old economy to revolutionise the real estate industry. And through his present company, he feels that he is in a position to change the way manpower is recruited.

Unlike many dotcoms which capitalised on "some frivolous Internet gimmickry", Mr Leong believes in sustainability. His initial focus on property arose from his observations of Singaporeans' obsession with housing. "The buying and selling of property

will always be part of our economy," he reasons.

His current business centres on the deployment of human resources. It is a drastic change from property. But Mr Leong believes that it is the way of the future, because it is people that determine success. "This is especially true for Singapore where people are our only resource," he says. "Just the other day, (A*Star's) Phillip Yeo said that Singapore will pay top dollar for top talent. That is another reminder of

how critical talent deployment is."

Other than extracting age-old wisdom from the *Art of War*, Mr Leong likes to read books on psychology because they help him understand people better.

"A lot of business is about marketing," he says. "To be persuasive, you must comprehend the mindset of the person that you are trying to convince."

But he believes good business practice is not all about clever marketing, and that a company must always be prudent in its spending. He explains that being careful with costs paid off for iPropertyNet. "A lot of dotcoms focused on getting bigger and bigger and had hardly any cap on their expenditure," he says. "But thanks to our strong fundamentals, our company is still surviving today."

Yet when it comes to furnishing his office, Mr Leong spares no expense. However, he feels that the cost is justified. "I spend most of my time in the office and I like to work in comfort," he points out. He whips out of sight for a moment and the lights suddenly go off. The room glows with soft lighting, and he exclaims in the darkness: "I think best when my office is like this." The lover of jazz also has Frank Sinatra songs playing in his office the whole day. "Ah, the music is free! From Spinner.com," he says, beaming.

The importance that he places on the conduciveness of his work environment reflects the passion he has for whatever he does. "It's a thrill every morning to wake up," he says. "I jump out of bed and think about the things that I want to accomplish. I think of many different things at the same time. There's so much I want to do."

Trying to explain his overwhelm-



CHRIS LOH

Office luxuries: Mr Leong did not stint on his work space, which has soft mood lighting and Frank Sinatra crooning in the background

ing devotion to his work and to his projects, he says with savage ambition: "I want to be the best, to show people how things can be changed for the better."

At the same time he emphasises that the journey matters more than the results. "I love the experience. I may live my life and at the end find that I arrive at the same point from which I started, but I would have known life's ups and downs and enjoyed the roller coaster."

Money and the good life is but one of the motivations that drive Mr Leong. "When the Internet was booming I could very well have cashed in," he notes. "But doing so would have taken away the very meaning of my life."

Despite riding the wave of dotcom euphoria that eventually came crashing down, Mr Leong has survived with his ideals and his dreams intact. A fighter with more than a few battle scars that boast of past glories — and defeats — he has lived to tell his tale.

Risk taker studied just enough to pass his exams

ASK David Leong how he came to be an entrepreneur and he will tell you that entrepreneurship is in his blood.

As president of the Business Administration Club at the National University of Singapore (NUS), he recalls how he raised money by selling anything he could lay his hands on.

"We printed on umbrellas, pens, T-shirts, lots of things and sold them. We made so much money we had funds left over to renovate the union house," he says, beaming.

His entrepreneurship came to the fore when he was in his third year: he started his own consulting firm.

But Mr Leong says that his appetite for risks was cultivated much earlier on. "Take my attitude towards examinations. I studied just enough to pass. When you consider how important pa-

per qualifications are, not studying is in itself a risk."

Instead, he spent his time actively participating in student activities. Looking back, he feels that he had made the right decision. He picked up vital skills like how to motivate people and get them to listen to him. It was as president of the Students' Union that he honed his persuasive skills and developed a heightened business sense.

The ability to seek out opportunities and seize them is a prerequisite for success, he says. He remembers that during the Internet boom people were throwing money around. "It would have been stupid for me not to come up with an idea."

He elevates the ability to sniff out a goldmine almost to an art. "You must feel the sharpness in you, when to take

the plunge. It's like feeling the wind. Nobody can tell you the colour of the wind. It's an instinct," he says. "When something is recognised as the next big thing, it's too late. The herd has got wind of it and the chance is gone."

While taking risks, an entrepreneur must have a sense of duty, he says. "It's not gambling, mind you," he warns. "It's calculated risks. You must always keep in mind the people that have invested in you, especially the poor folk that give you their life savings. Don't cheat them."

He notes that many who want to start their own businesses lament the lack of funds. He pooh-poohs their worries and feels that they should not be frightened into paralysis. "How much seed money is enough? It will never be enough!" he declares. "You

will only treasure the money when you have started earning it for yourself."

He thinks a risk-averse attitude is very typical of Singaporeans. "Their idea of a promising future is to join the civil service or an MNC."

After graduating from university, he did not even bother to look for a job, but set up his own company instead. He admits that given his personality, he found it hard to work under a superior. "I'm argumentative and sometimes even quarrelsome. I always speak my mind."

Fortunately for him, striking out on his own worked out rather well. Shortly after graduating, he was involved in managing a US\$20 million project in collaboration with the Singapore Trade Development Board (re-

cently renamed IE Singapore) and four listed companies. Being involved in such a large-scale project at the age of 24 is no small feat. Mr Leong credits it to the tremendous faith and confidence that he has always had in himself.

He is also strongly critical when evaluating himself. "I think that a successful entrepreneur, like a strong leader, must be charismatic. That is something that I'm working on." He reveals that he borrows videos and intensely scrutinises the speeches of powerful orators.

"When I hear Lee Kuan Yew speak, my hair stands. I feel the fury and the passion of the man, I really do. To have the power and charisma to rouse an entire nation, now that's achievement," he says.

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Vodafone offers A\$18b for Australia's Optus: report. **Pg 9**



Early 2001 could see return of some IPO excitement

Companies may rush to market to beat accounts revalidation requirement, say market watchers

BT exclusive

By David Boey and Ling Su Ann

[SINGAPORE] The current lull in initial public offerings could soon be broken — and investors see the return of some excitement — if the backlog of new listings delayed because of the poor market starts flooding back early in the new year.

Many market watchers are optimistic about such an outcome. They said that companies planning to avoid the high costs of having to revalidate their financial accounts are likely to go for their IPOs to stay within the deadline — even in a soft market.

Under Singapore Exchange rules, the accounts of stockmarket aspirants are considered current nine months after auditors have validated the numbers. Once that nine-month window lapses, the firm will have to engage auditors to go through their books again.

A veteran in the new listings market, who declined to be named, said

Coming to market

Delayed listings

Mainboard

- Bosswin Creative Solutions
- ECS
- Frontline Technologies
- HN International
- iPropertyNet
- Novasprint
- Thong Siek

Sesdaq

- Cheung Woh Metal
- Wittis Investment

Compiled by BT

this process usually takes about a month and could see the company forking out anything between \$60,000 and \$100,000, though some audits are known to cost around \$35,000.

The amount billed depends on the complexity of the IPO candidate's revenue streams, with the cost audit pushed up if it has operations overseas.

Describing what's in store for

firms that miss the nine-month deadline, he said: "You need the auditors to go in, do the audit, update the prospectus, get the new numbers in, then redo some of the analysis. After that, you have to submit the revised prospectus to SGX and the Registry of Companies to update them and get them to revalidate the accounts."

He added: "If you bear in mind that the first quarter is typically the busiest period for auditing firms, auditors will be very stretched if they need to do a special interim audit for some of these companies who need to update their accounts."

However, industry sources said the Chinese New Year break in late January, and the shortened trading period in February could hamstring companies that want to list.

They explained that while SGX has not set any constraints on the number of companies that launch their IPO on any given day, the exchange will allow only one IPO to close on any given day as it does not want to choke the system at the central share depository.

A check with major IPO players showed that many do indeed have IPO candidates waiting in the wings for a launch.

Soon Boon Siong, OUB's senior vice-president, corporate finance, told BT: "We expect to launch four IPOs in

January. In all, we would not be surprised to see up to 10 issues for the first month of next year."

Asked if OUB has a backlog of IPOs, Mr Soon said: "To date, we have about 15 issues for which we have already received approvals in-principle or have submitted applications to the SGX."

Alan Lee, president of public relations firm Scotchbrook BSMG Worldwide, said he has a backlog of 22 IPOs poised for launch.

"About five have actually got AIP (approval in-principle) but they're just holding back. Going into next year, if market conditions look okay, they will launch. Some may go anyway whatever the market conditions."

It was a similar story for PR consultants Citigate Dewe Rogerson i.Mage. Its managing director, Elaine Lim, said: "Going forward, we have another eight IPOs that are ready for launch but postponed because of a host of reasons, including the bearish market sentiment in the past few months."

"We expect many of these to launch within the first couple of months next year."

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More reports, Pg 4

Panel seeks to indict Thaksin, say sources

A guilty verdict would mean 5-year ban from politics

From Harish Mehta in Bangkok

THAI telecoms tycoon Thaksin Shinawatra should be indicted for concealing his wealth, an anti-graft committee says, throwing into turmoil his bid to become the country's next prime minister.

If found guilty, he will be slapped with a five-year ban from politics, and would have to relinquish his prime minister-ship should he win in the polls.

Sources in the National Counter Corruption Commission (NCCC) said a three-person NCCC sub-committee voted unanimously on Thursday to recommend that Mr Thaksin be indicted.

He was found to have transferred

committing stockmarket violations, the *Nation* newspaper said.

Mr Thaksin said yesterday: "The process of investigation is abnormal. It has moved too fast. I have known my fate since last month. The NCCC was under pressure to complete its investigation before the election."

The NCCC needs a majority vote of six of its nine members to indict Mr Thaksin and send his case to the Constitu-

The process of investigation is abnormal. It has moved too fast.

- Mr Thaksin

