

Lure of the birds and nest

Located in a new commercial precinct in the heart of Petaling Jaya is a company that invites people to invest in the bird's nest business by asking them to cough up RM24,800 to purchase a "lot" but one has the option to buy more lots.

The company known as Golden Nest Properties International (M) Bhd has been operating for 10 months from the second floor of a new office development.

A call to the Registrar of Companies showed that it was registered under registration number 838068-V.

Starprobe started an investigation following a complaint via e-mail from a member of the public who claimed that the returns promised were "pretty high".

He also claimed that he did not receive his refund of RM100 made as a deposit against the lot as the company said it was made "too long ago".

A reporter went undercover as a potential investor to the Golden Nest office.

There, he found half-dozen scantily dressed young girls "persuading" potential investors or "assisting" them in filling up the application forms.

According to a company official, the investment has a guaranteed return of RM200 per month per lot for the first two years. In subsequent years, there is a minimum guaranteed return of RM700 per month per lot coupled with an annual dividend of RM3,000.

She claimed there were only 600 lots left to be subscribed and that they were going fast.

Once the lots were fully subscribed the company planned to list, she said, adding that the lots would be worth much more post-listing.

At the office, there was also a funkily dressed man addressed by the rest as "Datuk".

He was there to answer any difficult questions posed by potential investors.

Another reporter, who made a follow-up call to the company with the allegations from the complainant, spoke to another company official who said that there was a 10-day cooling-off period for refunds of deposits.

“If it’s more than 10 days, a depositor will not get the refund,” he said.

The official also said the company was not offering the public shares but selling properties in which bird’s nests were being cultivated.

He said the company had properties or “farms” located in Klang and Sungai Petani and others in Johor and Malacca and was thinking of listing five years down the road.

“We spoke to the Securities Commission earlier in the year on our plans for listing and they said we need to come out with a prospectus. We cannot do that as the company is less than a year old,” he added.

He said if the company was approved for a listing, the lot owners would get share subscription forms.

Starprobe checked with the Securities Commission where a spokesman said there was no formal application or approval given to Golden Nest in its records.

The Golden Nest official said the properties owned by the company were existing properties that were under renovation.

“The RM200 returns promised in the first two years before the properties are operational will come from the proceeds of bird’s nest sales,” he said.

He said in subsequent years, the projected minimum income of RM560 per month per lot would come from harvesting the bird’s nests from the lots owned by the owners.

He said each farm had 1,260 lots of which only 48% or 600 lots were being sold to the public. The remainder would be owned by Golden Nest.

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Comments by Dr Christopher Lim:

The projected income reflect a raw nest production of 3 kilogram per year in the beginning years and this projection is only reasonable if it is per bird farm and not per lot as advertised, and the farms need to be managed and constructed by qualified farmers who know what they are doing.

Investor need to be awared of the defintion of ‘one lot’ . With the price of around Rm25k, one is probably only owning less than 10 percent of a farm as nowadays most farm cost Rm250k and above.