

# Research



## ‘THE WEEK THAT WAS’

24<sup>th</sup> April 2023 – 30<sup>th</sup> April 2023

**The Pinnacle, Oval Village, London SE11. (Zone 1)**

## **Knight Frank Malaysia**

Prepared by:

### **Research & Consultancy**

Knight Frank Malaysia  
Level 10, Menara Southpoint  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur

T: +603 228 99 688

F: +603 228 99 788

## Table of Contents

<b>(A) RESIDENTIAL / TOWNSHIP</b> .....	<b>4</b>
Setia EcoHill 2 to launch first phase of Setia Commerce Square (The Star / Property, 28 <sup>th</sup> April 2023).....	4
<b>(B) MIXED DEVELOPMENT</b> .....	<b>5</b>
Penang chief minister says reclamation work for man-made island project to start in third quarter of 2023 (The Malay Mail, 26 <sup>th</sup> April 2023) .....	5
<b>(C) RETAIL</b> .....	<b>6</b>
KSL Esplanade Mall in Klang to open its doors on May 31 (theedgemarkets.com, 25 <sup>th</sup> April 2023) .....	6
EPF sells Giant Klang Sentral, bringing asset disposal to RM580 mil in 2023 (The Edge Malaysia, 24 <sup>th</sup> April 2023) .....	6
Hong Kong businessman breathes new life into the long-neglected Island Plaza (New Straits Times, 28 <sup>th</sup> April 2023) .....	7
<b>(D) INDUSTRIAL / LOGISTICS / PLANTATION</b> .....	<b>9</b>
Green Ocean sells land and palm kernel producing plant in Klang for RM23m (The Malaysian Reserve, 26 <sup>th</sup> April 2023) .....	9
Malaysia is second best-performing Asean country in World Bank's logistics index (The Star, 26 <sup>th</sup> April 2023) .....	9
MPOB sees palm oil and palm-based product exports to China rising this year (theedgemarkets.com, 25 <sup>th</sup> April 2023) .....	10
United Plantations 1Q net profit surges 87.7% boosted by turnaround at refinery segment (theedgemarkets.com, 27 <sup>th</sup> April 2023) .....	10
<b>(E) CORPORATE</b> .....	<b>12</b>
Aneka Jaringan clinchs RM30m bored piling contract (The Malaysian Reserve, 26 <sup>th</sup> April 2023) .....	12
Two IPOs and other corporate exercises in Chin Hin's pipeline (The Edge Malaysia, 25 <sup>th</sup> April 2023).....	12
Eco World International plans RM1.5 bil share capital reduction (theedgemarkets.com, 28 <sup>th</sup> April 2023) .....	12
Gadang in the red with a net loss of RM4.96mil in Q3 (New Straits Times, 27 <sup>th</sup> April 2023).....	13
Genting Malaysia expects to gain RM4.289b from Miami land sale (theedgemarkets.com, 27 <sup>th</sup> April 2023) .....	13
Guocoland to dispose of land in Melaka for RM19 mil (theedgemarkets.com, 27 <sup>th</sup> April 2023).....	14
Landmarks' auditor flags group's ability to operate as going concern (theedgemarkets.com, 28 <sup>th</sup> April 2023) .....	14
PGF Capital sees near six-fold rise in profit on higher revenue (theedgemarkets.com, 28 <sup>th</sup> April 2023) .....	15
PRG raises stake in Furniweb, diversifies into property investment (The Star, 28 <sup>th</sup> April 2023).....	16
Main Market-bound Radium prices IPO at 50 sen per share, to raise RM434m (theedgemarkets.com, 27 <sup>th</sup> April 2023) .....	16



MARC assigns final ratings of AIS(cg)/MARC-1IS(cg) to SkyWorld’s RM300m IMTN, ICP programmes (theedgemarkets.com, 26 <sup>th</sup> April 2023) .....	17
Teladan Setia inks solar PV systems MOU for residential project in Melaka (theedgemarkets.com, 26 <sup>th</sup> April 2023) .....	17
Teladan Setia proposes transfer to main market (Bernama, 28 <sup>th</sup> April 2023).....	18
Tropicana plans RM180m capitalisation to repay founder (The Malaysian Reserve, 28 <sup>th</sup> April 2023) .....	18
Cover Story: Johor property market expected to ‘fly’ with RTS (The Edge Malaysia, 27 <sup>th</sup> April 2023).....	18
<b>(F) REIT / FUNDS.....</b>	<b>20</b>
CapitaLand Malaysia’s 1Q NPI up 9% on better revenue contribution; declares 0.87 sen DPU (theedgemarkets.com, 27 <sup>th</sup> April 2023).....	20
Hektar REIT cautious on sector outlook, adopting optimisation initiatives for business stability (Bernama, 27 <sup>th</sup> April 2023).....	20
IGB REIT’s 1Q property income up 10% as rental earnings climb; pays 2.80 sen DPU (theedgemarkets.com, 27 <sup>th</sup> April 2023) .....	21
Sunway REIT eyes overseas properties to grow portfolio (theedgemarkets.com, 27 <sup>th</sup> April 2023) .....	21
<b>(G) LEISURE / TOURISM .....</b>	<b>22</b>
Malaysia outperforms regional peers in 2022 tourism recovery, says StanChart (theedgemarkets.com, 25 <sup>th</sup> April 2023) .....	22
Alipay’s total transaction value made by Chinese tourists in Malaysia doubled in Q1 of this year (New Straits Times, 28 <sup>th</sup> April 2023) .....	22
<b>(H) INSTITUTION.....</b>	<b>24</b>
Cover Story: Sunway on healthy growth path (The Edge Malaysia, 27 <sup>th</sup> April 2023).....	24
SOUL aims to setup more centre next year (New Straits Times, 26 <sup>th</sup> April 2023) .....	25
<b>(I) INFRASTRUCTURE .....</b>	<b>26</b>
Advancecon bags RM11.54 mil ECRL subcontract (theedgemarkets.com, 25 <sup>th</sup> April 2023).....	26
Work to expand Penang airport to begin next year, says MP (The Star / Metro News, 26 <sup>th</sup> April 2023).....	26
Bintulu Port’s total cargo volume grew 7.6% to 50.73 million tons in 2022 (theedgemarkets.com, 27 <sup>th</sup> April 2023) .....	27
<b>(J) ISKANDAR MALAYSIA.....</b>	<b>28</b>
The Coronade Residences at Coronation Square 40% taken up (The Edge Malaysia, 24 <sup>th</sup> April 2023).....	28
Creating a retail destination with heart (theedgemarkets.com, 30 <sup>th</sup> April 2023) .....	29
Pekat bags RM29m solar contract in Johor (theedgemarkets.com, 26 <sup>th</sup> April 2023).....	29

Johor govt agrees to 80% discount for land premiums — Ahmad Zahid (Bernama, 29 <sup>th</sup> April 2023).....	29
<b>(K) OTHERS .....</b>	<b>31</b>
Penang developers to scale back new property launches as costs soar (The Malay Mail, 27 <sup>th</sup> April 2023).....	31
Stats Dept: Malaysia’s total trade at RM232.7b in March 2023 (Bernama, 28 <sup>th</sup> April 2023).....	31
China’s reopening, emerging technologies a boon for Malaysia’s semiconductor industry, say experts (Bernama, 27 <sup>th</sup> April 2023).....	32
Malaysia's producer price index 2.9% lower in March, manufacturing index up (Bernama, 27 <sup>th</sup> April 2023).....	33
Malaysia retains 2nd place in Asean for govt effectiveness in the Chandler Report (The Malaysian Reserve, 28 <sup>th</sup> April 2023) .....	34
<b>(L) OVERSEAS .....</b>	<b>35</b>
Singapore hikes property stamp duties to cool property market (Reuters, 27 <sup>th</sup> April 2023).....	35
Resilient demand for Sunway's and IOI Properties' projects in Singapore despite property cooling measures, says HLIB (theedgemarkets.com, 28 <sup>th</sup> April 2023).....	35
Distressed property listings jump in Q1 (The Straits Times/ANN, 26 <sup>th</sup> April 2023).....	36
Parkson Vietnam files for voluntary bankruptcy (Bernama, 27 <sup>th</sup> April 2023).....	37
Hundreds of Vietnam property firms have shut as crisis drags (Bloomberg, 25 <sup>th</sup> April 2023) .....	37
Samaiden Group inks MoU to develop RE activities in Cambodia (New Straits Times, 28 <sup>th</sup> April 2023) .....	38
New Zealand housing slump may be tempered by eased lending rules (Bloomberg, 26 <sup>th</sup> April 2023) .....	38
GIC buys Japan logistics assets from Blackstone for US\$800m (Bloomberg, 28 <sup>th</sup> April 2023) .....	39
Data shows unexpected cooling in China manufacturing for April (Reuters, 30 <sup>th</sup> April 2023).....	39
Taiwan’s economy falls into recession as global demand dries up (Bloomberg, 28 <sup>th</sup> April 2023).....	40

## **(A) RESIDENTIAL / TOWNSHIP**

### **Setia EcoHill 2 to launch first phase of Setia Commerce Square (The Star / Property, 28<sup>th</sup> April 2023)**

- S P Setia Bhd's township development, Setia EcoHill 2 in Semenyih is launching the first phase of its commercial development, Nadi.
- Nadi is located within the commercial precinct of the township, Setia Commerce Square.
- The first shop office phase, contains three phases of shop offices and is estimated to have a gross development value (GDV) of RM500 million, occupying 34 acres out of the 1,010-acre Setia EcoHill 2 which is planned to be completed by 2026.
- It offers 86 shop office units, of which 80 are double- and triple-storey terraced units and 6 are double-storey semi-detached units.
- S P Setia said 80% of Nadi has already been booked following a preview on March 25.
- Nadi's terraced shop offices measure 26 ft by 75 ft for double-storey intermediate units and 42 ft by 75 ft and 46 ft by 75 ft for the triple-storey corner units. The built-up ranges from 3,494 sq ft to 8,642 sq ft, with starting price of RM1.55 million.
- The double-storey semi-detached shop offices have a land area of 70 ft by 148 ft and built-ups from 5,566 sq ft, priced from RM3.7 million.
- Apart from shop offices, Setia EcoHill 2's Setia Commerce Square is also actively looking for a strategic partner to develop its petrol station land.



## **(B) MIXED DEVELOPMENT**

### **Penang chief minister says reclamation work for man-made island project to start in third quarter of 2023 (The Malay Mail, 26<sup>th</sup> April 2023)**

- Reclamation work to create the first artificial island in the Penang South Reclamation (PSR) project is expected to start in the third quarter of this year.
- The Department of Environment (DoE) in Putrajaya has approved the Environmental Impact Assessment (EIA) for the three islands under the PSR.
- The approval is subject to compliance of 71 conditions, including the implementation of a social impact management plan and PSR ecology offset master plan.
- With the EIA approval, the Penang government, through the project delivery partner, is now in the process of applying for approval for the environmental management plan from DoE Penang.
- The environmental management plan (EMP) will outline the state's plans on how it will comply with the 71 conditions imposed for the approval of the EIA.
- Reclamation works are expected to start in the third quarter of this year after obtaining approval for the EMP.
- The approved EIA report will be uploaded on to the Penang Infrastructure Corporation website for public viewing.
- The EIA approval is for all three islands of the PSR, also known as Penang South Islands (PSI). Reclamation works will start for Island A first, which will feature a green tech park.
- The PSI project is a massive reclamation project to create three islands, measuring a total 4,500 acres (1,821 hectares), off the southern coast of Penang island.
- Island A will measure about 2,300 acres (930 hectares).



## (C) RETAIL

### **KSL Esplanade Mall in Klang to open its doors on May 31 (theedgemarkets.com, 25<sup>th</sup> April 2023)**

- KSL Esplanade Mall by KSL City Management Sdn Bhd, a wholly owned subsidiary of KSL Holdings Bhd, is having its soft opening on May 31. It expects to draw more than a million shoppers living within 30 to 45 minutes drivetime from the retail mall.
- Located within KSL Holdings' 448-acre (181.3-hectare) KSL Bandar Bestari, the shopping mall aims to offer "more than just a mall" experiences, and to become Klang's one-stop shopping destination.
- The 650,000 sq ft shopping mall will comprise four floors of retail space, a landscaped park, a 10,000 sq ft event space, an outdoor dining terrace, and a kids play area. Numerous events, both indoors and outdoors, including competitions, tournaments, light and music display, festivals, and arts and cultural events will be held in support of community living.
- KSL Esplanade Mall has achieved approximately 75% in terms of occupancy, and the tenants include Star Grocer, EnerG X Park, Xctive Kidz, XROLLER, Good2U Concept Store, Al-Ikhsan Sports, Skechers, Starbucks, ZUS Coffee, The Coffee Bean & Tea Leaf, The Chicken Rice Shop, Nihon Shoku, Uncle Don's, Loon Sing Restaurant, PUTIEN, KITA, Pets Wonderland, Houzone, One Living, MR DIY, Toy World, Toyworld Amusement Park, TGV Cinemas, and Happy Fish Swimming School. More tenants will be announced in the near future.
- The shopping mall is connected to major highways, such as the Shah Alam Expressway (Kesas), South Klang Valley Expressway (SKVE) and New Klang Valley Expressway (NKVE). As it will also be near the upcoming Light Rail Transit (LRT3), KSL Esplanade Mall will offer complimentary shuttle services as an added convenience for shoppers.
- KSL Holdings is a developer from Johor Bahru, with core businesses in property development, property management and property investment. It also owns and operates KSL City Mall, and KSL Hotel and Resort in the southern state.

### **EPF sells Giant Klang Sentral, bringing asset disposal to RM580 mil in 2023 (The Edge Malaysia, 24<sup>th</sup> April 2023)**

- The Employees Provident Fund (EPF) is in the process of selling yet another retail asset in the Klang Valley previously occupied by hypermarket chain Giant, this time to grocery retailer NSK Trading Sdn Bhd for an estimated RM60 million. The pending sale of the outlet in Klang Sentral, Selangor marks the seventh Giant store sold over the past two months.
- The sale of an eighth store — the Giant Hypermarket Kelana Jaya — is imminent, although details are sketchy at the moment.
- Last month, the EPF sold a portfolio of six retail assets located in the Klang Valley and Johor, worth a combined RM520 million, to Sunway Real Estate Investment Trust.



- NSK commenced operations at the new location on March 25, 2023. The store had operated as a Giant outlet until August last year. It is learnt that NSK is currently leasing the premises, pending approvals from the relevant authorities and the completion of the deal.
- Industry sources anticipate that the EPF is likely to dispose of a “couple of other assets” by year end but add that the provident fund is also on the lookout for assets to purchase.
- In 2021, The Edge reported that the EPF had identified at least seven assets located in Perlis, Kedah, Selangor, Kuala Lumpur and Negeri Sembilan that were up for sale. These assets included Bangunan KWSP in Jalan Raja Laut and Bangunan KWSP in Changkat Raja Chulan in Kuala Lumpur, and Bangunan KWSP Damansara Fairway in Petaling Jaya, Selangor.
- In 2019, when Dairy Farm Retail Group — the operator of Giant — started to rapidly shut down stores, the EPF, which owned “about a dozen” buildings and shoplots that were occupied by the retailer, began to weigh the option of selling these assets.
- Last year, the EPF made its first significant domestic real estate investment in nearly a decade. It invested in the development of a 100% pre-leased logistics hub on 27 acres of freehold land that will be ready in 2Q2024. The property, which will be equipped with the Automated Storage and Retrieval Systems technology, is being developed in a 70:30 joint venture with Taiwan’s Ally Logistic Property Co Ltd, and is expected to have an estimated value of RM600 million to RM700 million based on a gross floor area of 1.8 million sq ft.

### **Hong Kong businessman breathes new life into the long-neglected Island Plaza (New Straits Times, 28<sup>th</sup> April 2023)**

- Paul Law, a Hong Kong businessman, will breathe new life into Tanjong Tokong, Penang's long-neglected Island Plaza, which was once a lively hub of commerce, entertainment, and social interaction.
- Despite being in the prime Tanjong Tokong location, the historic monument has fallen into disuse over the years due to the emergence of new shopping malls in the state presenting fierce competition.
- Island Plaza, which opened in December 1995 and encouraged premium concept stores such as Versace, Fila, Oshkosh B'gosh, Polo Santa Barbara, and Mizuno to establish for the first time in Penang, was one of the biggest shopping complexes in Penang after Komtar.
- The mall's anchor tenant was Metrojaya, which operated the department store, while Cold Storage (Malaysia) operated the supermarket until the shopping mall was closed for an extended time due to renovations.
- The 500,000-square-foot local mall had been transacted a few times.
- Asian Retail Mall Fund II (ARMF II) purchased Island Plaza from Belleview Group in 2007 for RM120 million and invested RM40 million in its renovation.



- ARMF is a Pan-Asian real estate fund managed by Pramerica Real Estate Investors Ltd, the US-based Prudential Financial Inc's real estate investment management and advisory division.
- The purchase of Island Plaza was part of Pramerica's RM1.1 billion investment in four shopping malls. The other three were new construction projects: SStwo Mall in Petaling Jaya, Selangor, Ampang Mall in Penang, and 1st Avenue in George Town, Penang.
- Pramerica's funds have been attempting to offload assets such as Island Plaza.
- It was reported in 2015 that Singapore-listed healthcare giant International Healthway Corp (IHC) was in talks with ARMF II to acquire Island Plaza for roughly RM115 million to expand its operations in Malaysia.
- Law, who has been looking for excellent Penang land and structures, is thought to have purchased Island Plaza for an undisclosed sum soon before the movement control order was enforced on March 18, 2020.
- Island Plaza is not Law's first investment in Penang. He owns multiple Penang properties, including The Boutique Residence Hotel Penang and Museum Hotel Penang.
- To become a popular attraction, the mall will undergo reconstruction, remodelling, and extensive renovations, and be renamed 'Island 88.'
- The work on the new Island 88 is planned to be completed later this year.
- The renovated Island 88 will be a modern, cutting-edge complex with world-class retail, dining, and entertainment opportunities.

## (D) INDUSTRIAL / LOGISTICS / PLANTATION

### **Green Ocean sells land and palm kernel producing plant in Klang for RM23m (The Malaysian Reserve, 26<sup>th</sup> April 2023)**

- Green Ocean Corporation Bhd's wholly-owned subsidiary, Ace Edible Oil Industries Sdn Bhd is planning to sell a freehold land spread over 19,549 sq m which includes plant and machinery in Kapar, Klang for RM23.4 million.
- Ace Edible had today entered into two sale and purchase agreements with Wilee Vegetable Oils Sdn Bhd for the disposal of a piece of freehold land, and plant and machinery.
- AEOI is principally to carry out palm kernel crushing, refining of palm oil and palm kernel oil and trading of refined palm oil.
- The proposed disposal provides an opportunity for Ace Edible to unlock and realise its investment at a favourable price due to its location, potential, easy accessibility, ready amenities and infrastructure.
- Green Ocean expects to realise an estimated gain on disposal of approximately RM3.45 million.

**Note:** The freehold land is held under HSM 43704, PT 71256, Tempat Batu 3 ½, Jalan Kapar, Mukim Kapar, Daerah Klang, Negeri Selangor and measures approximately 19,549 sq m. Erected upon the land are the following buildings (a) a double storey office annexed with single storey factory; (b) a single storey factory PCK plant; (c) a single storey warehouse; (d) a TNB substation; and (e) all other outbuildings which includes zinc warehouse, zinc shed, single storey laboratory, open sided shed, car park shed and a guardhouse. The property bears postal address Lot 742, Batu 4, Jalan Kapar, 41200 Klang, Selangor.

### **Malaysia is second best-performing Asean country in World Bank's logistics index (The Star, 26<sup>th</sup> April 2023)**

- Malaysia was ranked the second best-performing Asean country in the World Bank Logistics Performance Index (LPI) 2023, behind Singapore.
- According to The World Bank's website, the LPI serves as a benchmarking tool to help countries identify the challenges and opportunities in their performance on trade logistics and what they can do to improve their performance.
- The index is based on a worldwide survey of international logistics operators on the ground across 139 countries, as well as information on maritime shipping and container tracking, postal and air freight activities that was collected and made available to LPI by several data partners.
- Malaysia jumped 15 spots to No.26 on the index, a significant improvement from No.41 when the LPI report was last published in 2018, and No.32 in 2016.
- The best showing by Malaysia in the index was No.25 in 2014.
- The LPI measures the ease of establishing reliable and timely supply chain connections and the structural factors that make it possible, such as the quality of logistics services, trade and transport-related infrastructure, and border controls.



- Malaysia has comprehensive infrastructure for the logistics industry to thrive while having good connectivity via land, sea, and air.
- However, issues such as institutional and regulatory mismatch, bottlenecks at borders, low-value chain activities, and insufficient and unskilled manpower still need to be addressed.

**MPOB sees palm oil and palm-based product exports to China rising this year (theedgemarkets.com, 25<sup>th</sup> April 2023)**

- The Malaysian Palm Oil Board (MPOB) expects Malaysia's exports of palm oil and palm-based products to China to increase this year.
- Its memorandum of understanding with the China Chamber of Commerce for Import and Export of Foodstuffs, Native Produce, and Animal By-Products further broadened cooperation between the two countries in the trade of palm oil, apart from strengthening Malaysia's position and market share in the Chinese market.
- The MPOB has broadened the use of palm oil in value-added food industries through its research and development initiatives, helping to secure the market for Malaysian palm oil.
- The cooperation also allows China to participate in the technological exploration in oil palm mechanisation in Malaysia, which will help to increase productivity and reduce reliance on human labour in the plantations.
- China was Malaysia's second largest palm oil export market in 2022, and accounted for 11.2% of total Malaysian palm oil exports. In 2022, Malaysia's total export value of palm oil and other palm-based products to China rose 12.9% to RM14.86 billion, from RM13.16 billion in 2021.
- The total export volume of palm oil and palm-based products increased by 0.3% to 3.14 million tonnes in 2022, from 3.13 million tonnes in 2021.

**United Plantations 1Q net profit surges 87.7% boosted by turnaround at refinery segment (theedgemarkets.com, 27<sup>th</sup> April 2023)**

- United Plantations Bhd said its first quarter net profit surged 87.78% to RM112.1 million from RM59.69 million a year earlier, helped by a turnaround in its refinery segment's earnings.
- Quarterly revenue, however, slipped 28.45% to RM459.1 million from RM642.91 million, due to lower revenues from both its plantation and refinery segments.
- The lower revenue from the plantation segment was due to lower crude palm oil (CPO) and palm kernel (PK) production, and lower average prices.
- The average CPO price was RM3,668 per tonne, down by 3.4% year-on-year (y-o-y), while the average PK price was RM1,998 per tonne, down by 33.2% y-o-y. The production of CPO and PK also decreased by 6.9% and 9.3% y-o-y, respectively.
- The above-mentioned factors, together with higher costs of production in the current quarter as a result of higher fertiliser inputs, higher minimum wages and the new collective agreement which was concluded in the second half of 2022,



resulted in the decrease of the profit before tax of this segment by 36.8% in the current quarter when compared to the corresponding quarter.

- As a result of lower production and significantly lower Malaysian Palm Oil Board (MPOB) CPO prices in the current quarter, the windfall tax incurred at RM6.1 million was 70.1% lower than the corresponding quarter.
- Its refinery segment posted a pre-tax profit of RM42.8 million in 1QFY23, from a pre-tax loss of RM91.5 million a year earlier, on the back of hedging gains realised through buyback of earlier sold futures.

## (E) CORPORATE

### **Aneka Jaringan clinchs RM30m bored piling contract (The Malaysian Reserve, 26<sup>th</sup> April 2023)**

- Aneka Jaringan Holdings Bhd has clinched a RM30.3 million contract to undertake the bored piling works for a proposed development in Melaka.
- Its wholly-owned unit, Aneka Jaringan Sdn Bhd, had received the letter of award from Reliacon Sdn Bhd for and on behalf of Parkland Avenue Sdn Bhd.

### **Two IPOs and other corporate exercises in Chin Hin's pipeline (The Edge Malaysia, 25<sup>th</sup> April 2023)**

- Chin Hin Group Bhd made its debut on Bursa Malaysia seven years ago and has been busy with corporate exercises, including the injection of its property development business into Boon Koon Group, which is now known as Chin Hin Group Property Bhd, as well as purchases of stakes in a few listed companies.
- Two latest deals in the pipeline are initial public offering (IPO) exercises that are expected to take place in the fourth quarter of 2024 (4Q2024) or 1Q2025.
- There are plans to list its construction arms, Kayangan Kemas Sdn Bhd and Makna Setia Sdn Bhd, both of which are housed under Chin Hin Group Property.
- Both Kayangan Kemas and Makna Setia will be listed together under a new SPV [special purpose vehicle] called Chin Hin Construction Engineering.
- The construction business currently has an order book of about RM1.3 billion, with budgeted revenue of RM656 million and RM69.6 million in net profit this year.
- The company is also going to float its interior fit out business that is currently owned by Signature International Bhd, in which Chin Hin acquired a 32% stake in 2021.

### **Eco World International plans RM1.5 bil share capital reduction (theedgemarkets.com, 28<sup>th</sup> April 2023)**

- Eco World International Bhd (EWI) is proposing to reduce its share capital by RM1.5 billion to eliminate the group's accumulated losses, which stood at RM144.45 million as of Oct 31, 2022 (FY2022), with the balance RM900 million to be credited to the group's retained earnings for distribution to shareholders.
- The proposed exercise is based on the group's intention to distribute its estimated excess cash of up to RM900 million in 2023 to shareholders — after setting aside funds for working capital and funding necessary to meet its sales targets — and to provide additional headroom for further declaration of dividends by the group in the future from the sales of its remaining properties in the UK.
- EWI posted a net loss of RM234.42 million for FY2022 compared with RM13.57 million net profit in the previous year, as revenue dropped to RM156.96 million from RM572.71 million in FY2021. Its total borrowings stood at RM482.82 million with gearing at 0.20 times.



- Of its accumulated losses, they were mainly due to prolonged construction in Kew Bridge and Millbrook Park in the UK due to the Covid-19 pandemic lockdown, which resulted in higher costs and impacted EWI's profit margin.
- Also contributing to the losses was an impairment of its investment in Eco World Ballymore Holding Company Ltd and the latter's subsidiaries, following an increase in discount rates applied in determining the recoverable amount of EWI's investments in them, and the higher yield for valuation of commercial properties.

#### **Gadang in the red with a net loss of RM4.96mil in Q3 (New Straits Times, 27<sup>th</sup> April 2023)**

- Gadang Holdings Bhd registered a net loss of RM4.96 million for the third quarter (Q3) ended on February 28, 2023, from a net profit of RM5.45 million a year ago.
- The net loss in earnings was primarily due to a one-off impairment loss on goodwill of RM5.90 million in the current quarter and a lower profit margin for certain ongoing projects. The company's revenue rose by 3.68 per cent to RM123,983 million from RM119,515 previously.
- For the cumulative period, Gadang Holdings recorded a net loss of RM1.62 million against a net profit of RM45.68 million from the previous year.
- Meanwhile, the company recorded RM382.12 million in revenue compared to RM513.82 million a year ago.
- The revenue and profit before tax in the preceding year were higher mainly due to a non-recurring transaction and disposal of development land.
- On the construction division, the division's outstanding order book at RM1.17 billion, and the replenishment of its order book would depend on the roll-out of infrastructure projects by the Malaysian government.
- For the property division, the company successfully launched in February 2023, Akasia Phase 2A @ Semenyih, with a positive take-up rate in the first month of launch.
- With the recent launch and current unbilled sales of RM193.68 million, the division is expected to perform resiliently against prevailing market conditions.
- With the completion of the 9MW mini-hydropower project at Lintau Sumatera Barat, Indonesia, in the current financial year, the revenue from the power concession will further strengthen the recurring revenue stream from the concession water treatment assets.
- The construction of the 5.9 MWac solar photovoltaic energy generating facility located in Tawau, Sabah, is in progress, and this is expected to contribute revenue to the company in the second half of 2024.

#### **Genting Malaysia expects to gain RM4.289b from Miami land sale (theedgemarkets.com, 27<sup>th</sup> April 2023)**

- Genting Malaysia Bhd (GenM) expects to realise an estimated gain on disposal of US\$967 million (RM4.289 billion) from the disposal of four parcels of land in Miami measuring 15.47 acres (Miami Herald land) for US\$1.225 billion.



- Its unit Resorts World Miami LLC had entered into a conditional sale and purchase agreement (SPA) with Smart Miami City LLC.
- The disposal of the Miami Herald land to the purchaser on an “as is where is” basis and with possession subject to the terms and conditions of the SPA.
- The Miami Herald land is close to the commercial, residential and shopping areas in Miami, Florida, and is located directly across the street from the Adrienne Arsht Center for the Performing Arts of Miami-Dade County, one of the largest performing arts centres in the US.
- The cash proceeds to be generated from the proposed disposal are intended to be utilised for general corporate and investment purposes, including the funding of future investments as and when they arise. This provides GenM with financial flexibility for its operations and future investments as and when they arise.
- Based on the disposal consideration of US\$1.225 billion (equivalent to approximately RM5.433 billion), GenM expects to realise an estimated gain on disposal of US\$967 million (equivalent to approximately RM4.289 billion).

**Guocoland to dispose of land in Melaka for RM19 mil (theedgemarkets.com, 27<sup>th</sup> April 2023)**

- Guocoland (Malaysia) Bhd has proposed to dispose of a parcel of land in Jasin, Melaka for RM19.02 million and use the proceeds for its general working capital.
- The disposal of the freehold land, measuring 32.14 hectares, will enable the group to realise its investment in the property and to focus on the core business of property development.
- Upon completion of the disposal, the property arm of Hong Leong Group expects to realise an estimated net gain on disposal of RM6.5 million.
- Guocoland said its 68%-owned indirect subsidiary, GLM Emerald Industrial Park (Jasin) Sdn Bhd (GLM EIPJ), is the beneficial owner of the land, while the registered owner is IOI Corporation Bhd.
- GLM EIPJ had acquired the land from IOI in 1986, and IOI then granted a power of attorney in favour of GLM EIPJ.
- GLM EIPJ has now proposed to sell the land to Subrayan Sellapan, Lila @ Linda Sinasamy and Sreetharan Muthusam.
- The group expects the disposal to be completed in the first half of 2023.

**Note:** The parcel of freehold land is held under Title GRN 53455, Lot 7001 in Mukim and District of Jasin, State of Melaka and measures approximately 32.14 hectares in total area.

**Landmarks' auditor flags group's ability to operate as going concern (theedgemarkets.com, 28<sup>th</sup> April 2023)**

- Landmarks Bhd said its external auditor has raised concerns about the group's ability to operate as a going concern in its audited financial statements for the year ended December 31, 2022 (FY2022).



- The auditor, KPMG PLT, noted that financial statements indicated that the group incurred net losses of RM43.3 million while the company incurred net losses of RM3.2 million for FY2022.
- As of that date, the group's and the company's current liabilities exceeded their current assets by RM48.6 million and RM80.5 million respectively.
- This, along with other events and conditions, indicate that material uncertainties exist that may cast significant doubt on the ability of the group and the company to continue as going concerns.
- The auditor said Landmarks, in preparing its financial statements, assumed that the disposal or liquidation of all the assets in its wholly-owned subsidiary, Andaman Resort Sdn Bhd (ARSB), will be sufficient to cover the term loan and interest amount demanded by the lender and also other liabilities of ARSB. However, it is uncertain that the bank will grant further extension for ARSB to realise its assets to settle its obligation.
- Landmarks had also assumed that the group's inventories, which comprise mainly land held for development in Treasure Bay Bintan, Indonesia which are free of encumbrances can be subject to disposal to third parties or be used as collateral to secure financing for the purposes of funding its operations and any further financial obligations. However, there is no assurance the group is able to realise the above properties within the next 12 months.
- Landmarks, a 21.7% associate of Genting Bhd, highlighted several steps taken or proposed to be taken to address key audit matters that relate to the material uncertainty to going concern as mentioned in the auditor's report.
- The group is in advanced negotiations with potential investors to participate for an equity stake in ARSB - the amount will be sufficient to repay Andaman Resort Sdn Bhd's existing banking facilities demanded by the bank.
- The group is also in the midst of revising The Andaman's rebuilding and development concept and will approach financial institutions for development funding purposes, if necessary.
- Landmarks also said that its inventories, comprising mainly land held for development in Treasure Bay Bintan, which are free of encumbrances, can be disposed to third parties or be used as collateral for fundraising purposes.

**PGF Capital sees near six-fold rise in profit on higher revenue (theedgemarkets.com, 28<sup>th</sup> April 2023)**

- Glass mineral wool insulation maker PGF Capital Bhd's net profit for the fourth quarter ended February 28, 2023 (4QFY2023) jumped nearly six-fold to RM5.28 million, from RM901,000 a year ago, on higher revenue.
- Quarterly revenue rose 48.67% to RM24.98 million from RM16.8 million, mainly attributable to higher production and sales of insulation products.



- For the full year, net profit expanded 8.6 times to RM16.44 million from RM1.95 million in FY2022, while revenue grew 58.3% to RM91.11 million from RM57.56 million.
- The group is also in property development, where it registered a profit before tax of RM10.94 million for 4QFY2023, mainly due to the reversal of impairment loss of RM10.74 million on development properties, which was previously provided by its wholly owned subsidiary, Golden Approach Sdn Bhd.
- Its assets included the ownership of 1,311.15 acres of leasehold land named Diamond Creeks Country Retreat located in Tanjong Malim, Perak, which is adjacent to Proton City.
- The group is exploring several development opportunities for the land, whilst nurturing its agriculture, aquaculture and agrotourism activities to maximise the value of the land.

#### **PRG raises stake in Furniweb, diversifies into property investment (The Star, 28<sup>th</sup> April 2023)**

- PRG Holdings Bhd has diversified into the property business following an internal reorganisation that will see its ownership in Hong Kong-listed Furniweb Holdings Ltd bumped up to 67.97%.
- The group has transferred its 50 units of Picasso Residence condominium's entitlement to its 50.45%-owned Hong Kong subsidiary for RM61.98 million via a combination of cash and Furniweb shares.
- Furniweb is an investment holding company, which has subsidiaries principally engaged in the manufacturing and sale of elastic textile, webbing, rubber tape and polyvinyl chloride-related products and energy efficiency business.
- PRG said the transfer of the condominium units to Furniweb is part of its corporate strategy to increase its stake in Furniweb. It will also diversify its business to include property investment and this will bring in new income streams to Furniweb and the PRG Group as a whole.
- Presently, PRG is primarily engaged in the property development, construction, manufacturing, and agriculture businesses.
- The company also expanded into the energy efficiency business by acquiring Singapore-based Energy Solution Global Ltd, a new energy savings company, in 2021 through Furniweb.

#### **Main Market-bound Radium prices IPO at 50 sen per share, to raise RM434m (theedgemarkets.com, 27<sup>th</sup> April 2023)**

- Property developer Radium Development Bhd, en route to a Main Market listing on May 31, has set a price of 50 sen per share for its initial public offering (IPO) exercise that will raise RM434 million.
- Radium Development is a property developer of mostly high-rise residential projects in Kuala Lumpur. The group is currently developing the Visa Sentul Residences and R Suite Chancery Residences.



- The company holds a 10% share of the high-rise residential property market in Kuala Lumpur based on its FY2021 revenue, and 7% of the same market based on the number of units.
- From the total proceeds of RM434 million, RM171 million is earmarked for land bank expansion and/or development expenditure, and RM109.30 million for hotel construction. Meanwhile, RM93.87 million is allocated for repayment of bank borrowings, RM39.83 million for working capital, and RM20 million for listing expenses.

**MARC assigns final ratings of AIS(cg)/MARC-1IS(cg) to SkyWorld's RM300m IMTN, ICP programmes (theedgemarkets.com, 26<sup>th</sup> April 2023)**

- MARC Ratings has assigned the final ratings of AIS(cg)/MARC-1IS(cg) to SkyWorld Capital Bhd's RM300 million Islamic Medium-Term Notes (IMTN) and Islamic Commercial Papers (ICP) programmes with a stable outlook.
- SkyWorld Capital, a funding vehicle of parent SkyWorld Development Bhd, undertook the sukuk issuance, and has extended an irrevocable and unconditional guarantee on the programme.
- Earlier on January 31, MARC assigned the preliminary ratings to SkyWorld involving its strong project take-up rates and healthy operating margins due to a focused strategy of embarking on projects within populous urban areas that mitigates demand risk.
- For financial year 2022 (FY2022), SkyWorld's profit after tax jumped to RM104.29 million from RM63.31 million for FY2021, with revenue increasing to RM790.4 million from RM488 million due to accelerated completion of projects based on the resumption of economic activities following the easing of Covid-19 pandemic restrictions.

**Teladan Setia inks solar PV systems MOU for residential project in Melaka (theedgemarkets.com, 26<sup>th</sup> April 2023)**

- Teladan Setia Group Bhd via its wholly-owned subsidiary Teladan Setia Sdn Bhd (TSSB) has inked a Memorandum of Understanding (MOU) to install solar PV systems in its Taman Bertam Heights Phase 2A Gated and Guarded housing development project in Melaka.
- The MOU between TSSB and solar photovoltaic (PV) service provider Micro Energy Holdings (M) Sdn Bhd (MEH), aims to create a greener and energy-efficient living for home buyers.
- The group will install solar PV systems ranging from 2 KWp to 4KWp for 352 housing units within the said development. These solar-ready homes are expected to significantly reduce electricity costs for homeowners, potentially resulting in savings of up to 75%.
- The housing development project is expected to be launched in the third quarter ending September 30, 2023 (3QFY2023) and to be completed by 2026.



### **Teladan Setia proposes transfer to main market (Bernama, 28<sup>th</sup> April 2023)**

- Teladan Setia Group Bhd is seeking to transfer its listing and quotation for the entire issued share capital of the company from the ACE Market to the Main Market of Bursa Malaysia Securities Bhd.
- The property developer has also proposed an amendment to the constitution of Teladan Setia to facilitate the implementation of the proposed transfer.
- The proposed transfer is expected to enhance the group's prestige and reputation and will accord the Teladan group greater recognition and acceptance amongst investors, in particular, institutional investors.

### **Tropicana plans RM180m capitalisation to repay founder (The Malaysian Reserve, 28<sup>th</sup> April 2023)**

- Tropicana Corporation Bhd (TCB) plans to repay its founder and group executive vice chairman, Tan Sri Datuk Tan Chee Sing RM180 million by issuing 137.7 million TCB shares at an issue price of RM1.3074 per share via his wholly owned company, T Shares 1 Sdn Bhd.
- TCB has entered into a settlement and subscription agreement with Tan to settle RM180 million, being part of the advances it owed.
- TCB said due to challenges in the business environment in 2021 and 2022, Tan has since March 2022 provided various advances to the group amounting to approximately RM251.19 million in aggregate.
- Upon completion of the settlement and subscription agreement, the balance of the advances amounting to approximately RM71.19 million shall remain interest free, unsecured and repayable on mutual agreement by TSDT and the Company.

### **Cover Story: Johor property market expected to 'fly' with RTS (The Edge Malaysia, 27<sup>th</sup> April 2023)**

- While there has been a negative perception of properties in Johor because of a glut in the market and lack of foreign buyers, Sunway Bhd believes the upcoming Rapid Transit System (RTS) link will be a catalyst for the state, making the "work in Singapore, stay in Johor" concept viable.
- The RM2 billion rail link, which connects Bukit Chagar in Johor Baru to Woodlands in Singapore, is scheduled for completion by end-2026. It can accommodate 10,000 passengers every hour.
- Currently, the group has no ongoing property projects in Johor but is set to launch RM250 million worth of properties in the state this year. They are Sunway Aviana (RM150 million), Sunway Maple (RM10 million) and Sunway Lenang Heights (RM90 million). Sunway has 1,762 acres of land in Johor.
- After a slowdown in FY2022, Sunway will accelerate its pace by launching RM3.5 billion worth of properties in the financial year ending December 31, 2023 (FY2023), of which RM2.7 billion, or 77%, are in Singapore as the group takes advantage of soaring property prices there. There will also be launches in Malaysia (worth RM690 million, or 20%) and China (worth RM120 million, or 3%).



- In view of a brighter property outlook, the group's sales target has been raised to RM2.3 billion this year.
- In FY2022, Sunway achieved property sales of RM2 billion, or 91% of its sales target of RM2.2 billion. The lower-than-expected sales is attributed to the scaling down of property launches because of softer market sentiment and delays in securing approval from the authorities.
- So far this year, the group has launched the Terra Hill freehold condominium project in Singapore, which has a gross development value (GDV) of RM700 million. On the weekend of the launch, it sold 38% of the 270 units.
- On the local front, the group launched Sunway Flora Residences in Bukit Jalil, Kuala Lumpur, and Sunway Dora Condominium in Bayan Baru, Penang, which have GDVs of RM300 million and RM70 million respectively.
- The group's unbilled property sales stand at RM4.3 billion. In total, it still has a land bank of 3,292 acres, with a total GDV of RM58.9 billion, enough for a development period of up to 15 years.
- To drive property sales, Sunway will adopt greater digital marketing capabilities, including new digital formulas to better search and target online leads. It will also adopt modern digital capabilities to predict the end-results of online and offline marketing and sales activities. In addition, it will expand the product offerings to cater for a wider proportion of the population.
- Cheah says the group will continue to replenish its land bank, focusing on transit-oriented development and land that is suitable for township development.

## (F) REIT / FUNDS

### **CapitaLand Malaysia's 1Q NPI up 9% on better revenue contribution; declares 0.87 sen DPU (theedgemarkets.com, 27<sup>th</sup> April 2023)**

- CapitaLand Malaysia Trust's (CLMT) net property income (NPI) increased by 8.8% to RM39.2 million for the first quarter ended March 31, 2023 (1QFY2023) from RM36.1 million a year ago, driven by higher revenue contribution from most of its properties, supported by a sustained recovery in retail sentiment, as well as contributions from Valdor Logistics Hub and the newly acquired Queensbay Mall.
- The trust's revenue for the quarter rose 16.12% to RM78.49 million from RM67.59 million.
- Its portfolio occupancy improved to 89.2% as at March 31, compared with 85.9% as at the end of December last year. Retail occupancy also expanded to 85.6% from 84.3% as at December 31.
- While the retail sector is poised to benefit further from the anticipated revival of international tourism, CLMT is mindful of the impact of higher costs of living on business and consumer sentiment.

### **Hektar REIT cautious on sector outlook, adopting optimisation initiatives for business stability (Bernama, 27<sup>th</sup> April 2023)**

- Hektar Asset Management Sdn Bhd (Hektar), the manager for Hektar Real Estate Investment Trust (Hektar REIT), has adopted a cautious outlook on the REIT sector's growth this year due to inflationary pressure and an uncertain global outlook that might affect domestic economic activities.
- The company is taking business sustainability measures, which include monitoring and reviewing its rental strategy and adopting prudent financial management, to ensure economic resilience and stable occupancy.
- It has also introduced cost optimisation initiatives and enhanced its asset efficiencies to help cushion the impact of increasing interest rates and inflation.
- Since the retail landscape has been recovering from the Covid-19 pandemic, Hektar REIT's portfolio of malls experienced a 58 per cent increase in visitor footfall and a 50 per cent higher vehicle count annually, significantly improving tenant sales performance.
- Meanwhile, Hektar REIT is committed to fulfilling its obligation to ensure that all business activities are performed according to the high environmental, social and governance (ESG) standards.
- The company has invested RM10 million in various climate-change-related initiatives over the past five years. It has heavily invested in research and development, advancing the building and facilities, machinery and automation, such as installing chillers and replacing existing lighting with energy-saving light-emitting diode bulbs.



- It has also embarked on renewable energy initiatives, pursued energy consumption, repaired the cooling towers, retrofitted air-conditioning and mechanical ventilation, and installed cold water systems.
- Hektar REIT currently owns two million sq ft of retail space in four states, with assets valued at RM1.2 billion as of December 31, 2022.
- Its revenue reached RM117.5 million in the financial year 2022 (FY) and is targeting to achieve up to 86 per cent in its overall portfolio occupancy rates for FY2023, against 82 per cent in FY2022.
- Hektar REIT's portfolio of commercial properties includes Subang Parade in Selangor; Mahkota Parade in Melaka; Wetex Parade and Classic Hotel in Muar, Johor; Central Square in Sungai Petani, Kedah; Kulim Central in Kedah and Segamat Central in Johor.

**IGB REIT's 1Q property income up 10% as rental earnings climb; pays 2.80 sen DPU (theedgemarkets.com, 27<sup>th</sup> April 2023)**

- IGB Real Estate Investment Trust (IGB REIT), which operates the Mid Valley Megamall and The Gardens Mall, posted a net property income of RM118.56 million for the first quarter ended March 31, 2023 (1QFY2023), up 10% from RM107.71 million in the same quarter a year ago, as the REIT recorded higher rental income.
- Revenue grew 15.55% to RM154.62 million from RM133.81 million, with the REIT's net profit rising 12.7% to RM96.23 million from RM85.39 million.
- As at March 31, the valuation of Mid Valley and The Gardens Mall was maintained at RM3.70 billion and RM1.32 billion respectively.
- IGB REIT said that it remained cautious on the challenges for growth of retail sales in 2023, which would affect tenants' performance at shopping malls and its financial performance.

**Sunway REIT eyes overseas properties to grow portfolio (theedgemarkets.com, 27<sup>th</sup> April 2023)**

- Sunway Real Estate Investment Trust (Sunway REIT) is on the lookout for properties outside Malaysia as it seeks to grow its asset value.
- Currently, all of Sunway REIT's 20 assets are located within the country.
- The trust aims to grow its asset value to between RM14 billion and RM15 billion by 2027, from RM9.1 billion as at December 31, 2022.
- The United Kingdom, Japan and Australia are among the countries that the trust is looking at.

## (G) LEISURE / TOURISM

### **Malaysia outperforms regional peers in 2022 tourism recovery, says StanChart (theedgemarkets.com, 25<sup>th</sup> April 2023)**

- Malaysia had the quickest tourism recovery among its regional peers last year, recovering 92% of tourist arrivals compared to 2019 levels, driven by visitors from Singapore, according to a report by Standard Chartered Global Research.
- Excluding Malaysia, tourist arrivals to Indonesia, the Philippines, Singapore, Thailand and Vietnam have recovered to an average of about 60% of 2019 levels, following a broad resumption of international travel in 2022.
- Nonetheless, the return of China and Hong Kong tourists was slower at about 18.4% of pre-pandemic levels due to the world's second-largest economy's border control policies.
- From a current account perspective, Thailand is expected to record the largest improvement in its travel balance this year, followed by Malaysia.
- Malaysia's travel balance improved to -0.1% of gross domestic product in 2022 from -0.9% in 2021, but remains below the 2017-2019 average of 2.2% of GDP.
- Thailand's travel balance, meanwhile, improved to 0.8% of GDP from 0.1% in 2021, still far short of the 2017-2019 average of 8.6% of GDP.
- Improving travel balances should continue to support the Thai baht and Malaysian ringgit.

### **Alipay's total transaction value made by Chinese tourists in Malaysia doubled in Q1 of this year (New Straits Times, 28<sup>th</sup> April 2023)**

- The total transaction value made by Chinese tourists in Malaysia via Alipay app has more than doubled in the first quarter (Q1) of 2023 compared to the fourth quarter (Q4) of 2022.
- This growth was attributed to China reopening borders for international travel earlier this year.
- Alipay is an e-wallet partner of Alipay+, an Ant Group-operated global cross-border digital payments and marketing solutions, which connects merchants with multiple e-wallets and payment methods.
- According to the digital platform, the daily average number of transactions also surged by 70 per cent, with most purchases being made at local lifestyle and retail brands, department stores, and malls.
- Among the popular retail brands are Padini, Metrojaya, and Parkson, while convenience and grocery stores, such as 7-Eleven, Lotus, MyNEWS, and FamilyMart, also saw more frequent transactions.
- Kuala Lumpur, Johor Bahru, and Penang ranked as the top three locations where the most transactions were made, according to the geographical breakdown.



- Chinese tourists can easily access and enjoy great deals and promotions via the Alipay app's Destination Page, making their travel experience in Malaysia more rewarding and hassle-free.
- It was reported earlier that the Tourism, Arts and Culture Ministry (MOTAC) aims to welcome five million tourists from China in 2023, compared to 3.1 million in 2019.

## (H) INSTITUTION

### Cover Story: Sunway on healthy growth path (The Edge Malaysia, 27<sup>th</sup> April 2023)

- Sunway Healthcare Group (SHG) does not rule out the healthcare listing taking place earlier than 2027, which bodes well for the conglomerate that has well-established property development and construction businesses.
- Sunway now has three tertiary hospitals in its stable: Sunway Medical Centre Sunway City (SMC SC), Sunway Medical Centre Velocity (SMC Velocity) and Sunway Medical Centre Penang (SMC Penang).
- Based on the shareholders' agreement with GIC Pte Ltd, the listing has to occur by October 2027. For healthcare, the valuation is based on Ebitda [earnings before interest, taxes, depreciation and amortisation] rather than PE (price-to-earnings).
- In June 2021, Sunway announced that Singapore sovereign wealth fund GIC was acquiring a 16% stake in Sunway Healthcare Holdings Sdn Bhd (SHH) for RM750 million, based on a valuation of RM4.69 billion. Sunway owns the remaining 84% of SHH.
- GIC is familiar with Sunway, as it had partnered the group more than 20 years ago after the 1997/98 Asian financial crisis hit. In 1999, GIC struck a deal with the Sunway group to buy a 48% stake in Sunway Pyramid. It also acquired a nearly 12% equity interest in Sunway City Bhd to become a substantial shareholder. GIC cashed out 10 years later, before the delisting of Sunway City in August 2011, following its merger with Sunway Holdings Bhd.
- Contribution from Sunway's healthcare business has been on the rise, raking in a profit before tax of RM176.7 million, or one-fifth of the group's PBT in the financial year ended Dec 31, 2022 (FY2022), against RM17.39 million in FY2020.
- The group has been embarking on expansion plans, which will increase the total number of beds to 2,600 in the next two years from about 900 at present.
- Phase two of Sunway's SMC Velocity is expected to be completed by the third quarter (3Q) of this year, while SMC Ipoh and SMC Kota Damansara, Selangor, are scheduled to open in 2Q or 3Q next year.
- SMC Penang, which was just opened last November, is about to see the opening of its second phase.
- In total, some RM1.2 billion has been spent on the expansion plans. The funds were raised through GIC's RM750 million investment, as well as debt financing and internally generated funds. Last month, SHG set up a sustainability financing framework for the issuance of RM5 billion worth of sukuk for future use.
- Three other new hospitals, which are in the planning stage, will be located in Iskandar Puteri, Johor, Paya Terubong, Penang, and Kota Baru, Kelantan.
- In comparison, IHH Healthcare Bhd was operating 11,881 beds as at end-December 2022, at its hospitals in Malaysia, Singapore, Europe and Greater China. KPJ Healthcare Bhd — which has 29 hospitals in Malaysia, Indonesia, Bangladesh and Thailand — operates more than 3,000 beds.



**SOUL aims to setup more centre next year (New Straits Times, 26<sup>th</sup> April 2023)**

- A new healthcare facility focused towards athletes and sports people, SOUL, which is managed by MJHM Holdings Sdn Bhd, has invested a total of RM3 million for its flagship outlet in Kuala Lumpur.
- The company aims to establishing more similar centres in other states such as Penang and Johor Bahru by next year.
- SOUL also has plans to conduct an anti-aging wellness service in the near future, which will generate and provide business opportunities.

## (I) INFRASTRUCTURE

### **Advancecon bags RM11.54 mil ECRL subcontract (theedgemarkets.com, 25<sup>th</sup> April 2023)**

- Advancecon Holdings Bhd's unit has been appointed as a subcontractor for the construction and completion of subgrade earthwork of section five of the East Coast Rail Link (ECRL) project for RM11.54 million.
- Its indirect 51%-owned subsidiary Spring Energy Sdn Bhd (SESB) accepted the award letter from China Communications Construction (ECRL) Sdn Bhd for the appointment.

### **Work to expand Penang airport to begin next year, says MP (The Star / Metro News, 26<sup>th</sup> April 2023)**

- Construction of the RM1.2 billion expansion of Penang International Airport (PIA) is expected to begin next year.
- The scope of work will include the construction of a new terminal, infrastructure and other facilities for passengers, with the project expected to take between three and four years to complete.
- The PIA expansion plan is meant to cater for some 12 million people, upon its completion. The new terminal will have features depicting the culture and heritage of the state.
- A premium shopping centre will also be built on the vacant land in front of the multi-storey carpark, concurrently with the airport's expansion.
- The expansion and upgrading project of PIA is expected to begin before the end of this year as the airport's current capacity has exceeded its actual capacity of 6.5 million passengers a year.
- The 88-year-old airport has undergone several infrastructure expansions over the years, with its first in 1977.
- It was fully operational in 1979, with a capacity to accommodate 1.5 million passengers annually.
- The airport was expanded and upgraded in 1998 to accommodate 3.5 million passengers.
- In 2013, PIA was upgraded again to increase its capacity to 6.5 million passengers a year.
- PIA recorded 8.33 million passengers in 2019, leading to overcrowding and many calls to further upgrade the airport.
- After two years of the Covid-19 pandemic in 2020 and 2021, it recorded 4.27 million passengers although the country's borders had only reopened in April last year.
- The upgrading and expansion project will only utilise Malaysia Airports Holdings Bhd's (MAHB) existing land and will not involve any land reclamation or acquisition.



**Bintulu Port's total cargo volume grew 7.6% to 50.73 million tons in 2022 (theedgemarkets.com, 27<sup>th</sup> April 2023)**

- Bintulu Port Holdings Bhd saw its total cargo annual throughput volume in 2022 increase by 7.6% to 50.73 million tons, compared with 47.16 million tons in 2021.
- The port operator, which is 28.52%-owned by Petroliam Nasional Bhd (Petronas), said the improvement was spearheaded by a rise in liquefied natural gas (LNG) throughput, which grew 8.5% to 24.89 million tons in 2022, from 22.95 million tons in the previous year.
- The group also experienced volume expansion in non-LNG cargo, which increased by 6.7% to 25.83 million tons [in 2022], compared with 24.21 million tons in 2021.
- The total vessel calls recorded in 2022 were 7,505, representing an increase of 11.4%, compared with 6,735 calls in 2021.
- LNG vessels increased by 3.1% to 469 calls, while non-LNG vessels contributed to the bulk of the year's upsurge, rising by 12% to 7,036 calls.
- Other liquid bulk rose by 2.7%, while dry bulk cargo at the Bintulu Port increased by 3.9% in 2022, and dry bulk at the Samalaju Industrial Port jumped 21.7%.
- Breakbulk also increased at both ports during the year, rising by 42.6% at the Bintulu Port and by 27.6% at the Samalaju Port.
- Meanwhile, container services at Samalaju Industrial Port Sdn Bhd (SIPSB), which were first introduced in December 2021, saw a major increase in container throughput in 2022. It increased more than 10 times to almost 8,000 twenty-foot equivalent units (TEUs), compared with just 724 TEUs the year before.
- In combination, Bintulu Port and SIPSB raised total container TEUs for the year by 4.4%.

## (J) ISKANDAR MALAYSIA

### **The Coronade Residences at Coronation Square 40% taken up (The Edge Malaysia, 24<sup>th</sup> April 2023)**

- Coronade Properties Sdn Bhd's The Coronade Residences in Johor Baru has achieved a take-up rate of 40% since its soft launch last October. The project is located within the 9.58-acre fully integrated Coronation Square development, which is situated between Jalan Wong Ah Fook and Jalan Trus.
- Coronation Square has a gross development value (GDV) of RM5 billion and will be developed in three phases. Phase 1 comprises Menara Bank Rakyat, KPJ Medical Suites, The Coronade Residences and a mall. The mall will be situated inside a platform that links all six towers of Coronation Square. In Phase 2, there are plans to develop a hotel and another serviced apartment while Phase 3 will witness the development of an office tower.
- The Coronade Residences sits on a 0.9-acre freehold parcel and offers 551 units across 38 storeys. The residential units will have three sizes, namely, studios with built-ups of 267 sq ft, studio deluxe units sized at 516 sq ft and the 704 sq ft suites. The studio units will have one bedroom and one bathroom; the studio deluxe units will have two bedrooms and one bathroom; and the suites will feature two bedrooms and two bathrooms.
- The smaller units were designed to cater for commuter-based living. These homes will have a selling price starting from RM1,200 per sq ft and a maintenance fee inclusive of sinking fund of 40 sen per sq ft. The tower has a GDV of RM377 million and is expected to be completed by 2025.
- Facilities in The Coronade Residences include a yoga deck, swimming pool, BBQ deck, playground, high terrace garden, water features, Jacuzzi, sauna, gym, concierge services, the first medical concierge in Malaysia and shuttle services.
- Aside from The Coronade Residences, other ongoing components in Coronation Square include the 35-storey Menara Bank Rakyat, which is now 90% developed and is slated for completion in 4Q2023. Bank Rakyat, which bought the building at more than RM1,000 psf, will occupy 29 levels and lease the remaining floors. The building is located on one acre of land.
- Another ongoing component is the 30-storey KPJ Medical Suites, which is now 50% complete and is expected to be ready by 4Q2024. This centre will offer purpose-built medical suites to cater to non-emergency medical services such as aesthetic services, dentistry, eldercare and paediatrics. KPJ Healthcare Bhd also bought the tower, which is situated on a 0.7-acre parcel, for over RM1,000 per sq ft.
- Coronation Square's upcoming developments include a four-star hotel, which will be operated by Wyndham Group. The 32-storey hotel, which sits on 0.5 acres, will have around 250 to 300 rooms.
- The other, yet-to-be-named, serviced apartment will have about 500 units across 44 storeys and occupy a 0.9-acre parcel. Details of the built-up areas and selling prices will be announced later. Details on the office tower will also be revealed later.



- Coronation Square will have covered walkways that lead to the upcoming Johor Bahru–Singapore Rapid Transit System (RTS) station. Ong says the elevated walkways will connect the RTS station and Johor Bahru Customs, Immigration and Quarantine Complex (CIQ) to Coronation Square.
- The upcoming RTS Link will greatly benefit Coronation Square. Due to Coronation Square's close proximity to an RTS station and being situated within the Johor Baru City Centre, there is demand from foreign buyers from countries such as Singapore, Indonesia, Japan and Korea.

#### **Creating a retail destination with heart (theedgemarkets.com, 30<sup>th</sup> April 2023)**

- Developed and managed by Tenaga Nusantara Sdn Bhd, Kluang Mall in the Kluang district of Johor started off in 2008. It has since grown and established itself as a popular shopping mall in the Tier 2 town.
- With the use of data intelligence garnered from exit surveys of a thousand shoppers, the mall has been able to attract international brands such Uniqlo and H&M.
- Future plans for the mall are to create a family-safe space, where children of all ages and abilities can mingle and interact safely, and also implement universal designs to cater to all users regardless of mobility issues.

#### **Pekat bags RM29m solar contract in Johor (theedgemarkets.com, 26<sup>th</sup> April 2023)**

- Pekat Group Bhd has secured a RM29.1 million contract to supply grid connected solar photovoltaic (PV) systems in Kulai, Johor.
- Its wholly-owned subsidiary, Pekat Solar Sdn Bhd (PSSB), was awarded the contract by D&Y Textile (Malaysia) Sdn Bhd.
- The solar PV systems will be supplied at three of the group's facilities at the Sedenak Industrial Park.
- The project win underscores continued demand for solar PV installations amid the rising electricity pricing regime and sustained demand for green energy.
- Incorporated in 2013, D&Y Textile is engaged in the business of spinning, weaving, knitting and dyeing of textiles products.

#### **Johor govt agrees to 80% discount for land premiums — Ahmad Zahid (Bernama, 29<sup>th</sup> April 2023)**

- The Johor state government has agreed to provide an 80% discount totalling RM1.6 million for the payment of land premiums involving the relocation of Kampung Sri Tanjung and Kampung Nelayan residents in Benut, Pontian.
- A total of 170 houses were built for the relocation of flood victims and homeless fishermen in Sungai Benut and Sungai Pinggan as well as the hardcore poor around Benut.
- The development project — involving the construction of semi-detached houses with basic facilities such as roads, water and electricity supply, and sewage



treatment system, and boasting infrastructure including halls, suraus, kindergartens and four units of shops — is built on 30 acres of state-owned land, costing RM41.5 million, with construction starting on May 16, 2017 and ending in August last year.

## (K) OTHERS

### **Penang developers to scale back new property launches as costs soar (The Malay Mail, 27<sup>th</sup> April 2023)**

- Developers in Penang will delay some new residential projects in the state this year as labour and materials costs continue to rise.
- According to Real Estate and Housing Developers' Association (REHDA) Penang branch, the number of new launches this year could be up to 60 per cent lower than in 2019.
- The pace of new launches in the last two years had already been slower due to the pandemic, but buyers have remained cautious even as Malaysia was transitioning out of the pandemic.
- Not many developers are keen to launch new projects now especially with rising labour costs and material costs. Labour and material costs have increased by almost 30 per cent since the pandemic, affecting many developers.
- Property developments have already slowed even further since early this year.
- According to statistics from the National Property Information Centre (NAPIC), Penang topped the list in new residential launches with 2,560 units as at the third quarter of 2022.
- However, Penang also had the second-highest number of overhang or unsold residential properties of 5,222 units valued at RM3.48 billion in the same period.
- About 55 per cent of the overhang residential units in Penang were those priced below RM500,000; 30 per cent were properties priced between RM500,001 and RM1 million; while the rest were properties priced above RM1 million.
- NAPIC statistics also showed that out of the 5,222 unsold residential units, a total 1,121 units (21.5 per cent) were affordable housing units priced below RM300,000. The state needs to identify where affordable housing is needed and build it in those locations so that there will be higher uptake.
- In 2021, Penang's residential unit overhang was 5,493 homes.

### **Stats Dept: Malaysia's total trade at RM232.7b in March 2023 (Bernama, 28<sup>th</sup> April 2023)**

- Malaysia's total trade for March 2023 amounted to RM232.7 billion, 1.6 per cent lower year-on-year.
- According to the Department of Statistics (DOSM), exports eased 1.4 per cent year-on-year to RM129.7 billion while imports fell 1.8 per cent year-on-year to RM103 billion.
- The export performance by states showed that the decrease in exports was due to the lower exports in most states, namely Kuala Lumpur (-RM775.6 million), Kedah (-RM730.3 million), Sabah (-RM651.7 million), Pahang (-RM637.9 million), Terengganu (-RM405.1 million), Perak (-RM366.0 million), Johor (-RM242.9 million) and Kelantan (-RM71.0 million).



- However, exports increased in Sarawak by RM740.6 million, Negeri Sembilan (RM369.3 million), Labuan (RM293.6 million), Penang (RM279.6 million), Melaka (RM165.7 million), Selangor (RM37.8 million) and Perlis (RM6.2 million).
- Imports also decreased by 1.8 per cent year-on-year to RM1.90 billion in March 2023 compared to the same month of the previous year.
- The decrease in imports was due to the lower imports in most states such as Melaka (-RM4.1 billion), Negeri Sembilan (-RM877.6 million), Pulau Pinang (-RM701.5 million), Kedah (-RM559.7 million), Pahang (-RM450.3 million), Selangor (-RM72.1 million), Labuan (-RM18.9 million) and Sabah (-RM16.7 million).
- However, imports increased in Johor by RM3.8 billion, Kuala Lumpur (RM619.8 million), Sarawak (RM262.4 million), Terengganu (RM192.0 million), Perlis (RM52 million), Kelantan (RM26.7 million) and Perak (RM1.1 million).
- Penang, Johor and Selangor remained the main exporters, contributing 70.2 per cent of the country's total exports in March.
- Among the top five major exporting states, Penang remained the top exporter with a share of 31.9 per cent, followed by Johor (19.9 per cent), Selangor (18.4 per cent), Sarawak (8.2 percent) and Kuala Lumpur (3.5 per cent).
- As for imports, Selangor was the largest contributor with a share of 25.6 per cent, followed by Johor (23.4 per cent), Pulau Pinang (22.2 percent), Kuala Lumpur (7.5 per cent) and Kedah (5.2 per cent).

#### **China's reopening, emerging technologies a boon for Malaysia's semiconductor industry, say experts (Bernama, 27<sup>th</sup> April 2023)**

- The semiconductor industry is expected to grow in the long term, driven by the demands arising from emerging technologies and the global digital transformation, as well as the reopening of major economies such as China.
- Early this month, Malaysia secured a record RM170 billion worth of investment commitments from China from 19 memoranda of understanding (MoU) sealed between businesses in the two countries.
- Malaysia needs to continue to enhance its electrical and electronics (E&E) ecosystem and seize the opportunities arising from the United States (US)-China geopolitical conflict.
- In particular, the country needs to attract foreign direct investment in wafer fabrication facilities and leading-edge technologies.
- China is a major consumer of semiconductors, and the resumption of economic activity in the country is expected to increase demand for electronic devices and components.
- Malaysia should leverage the expertise of foreign talents to support the growth of the E&E industry in the country.

- The strategy has been used by many other countries, including the US, Singapore, England and Australia.

### **Malaysia's producer price index 2.9% lower in March, manufacturing index up (Bernama, 27<sup>th</sup> April 2023)**

- The Producer Price Index (PPI) for local production, which measures prices of goods at the factory gate, declined further to - 2.9 per cent in March 2023 as against - 0.8 per cent in February 2023.
- According to the Department of Statistics Malaysia (DoSM), the downward trend was mainly due to the decline in agriculture, forestry and fishing, and mining sectors, which continued to record negative changes for three consecutive months in 2023.
- Fresh fruit bunches index went down further to record - 43.5 per cent in March 2023 from - 40.5 per cent in the previous month, which contributed to the double-digit - 28.7 per cent decline in agriculture, forestry and fishing index as compared to February 2023 ( -26.1 per cent).
- Mining index decreased to -11.5 per cent (February 2023: -6.5 per cent) with extraction of crude petroleum index dropped by - 21.2 per cent in March 2023.
- Meanwhile, the manufacturing index went up by 1.4 per cent in March 2023 (February 2023: 3.0 per cent), attributed to the increase in the manufacture of computer, electronic and optical products (8.9 per cent) and manufacture of electrical equipment (5.3 per cent) indices.
- Whereas for the utility sector, water supply, electricity and gas supply indices edged up by 3.3 per cent and 1.4 per cent, respectively.
- On a monthly basis, the PPI local production inched up 0.3 per cent in March 2023 compared to 0.2 per cent drop in the previous month.
- Conversely, the mining sector shrank by 0.6 per cent, affected by the decrease of both extraction of natural gas (-1.0 per cent) and extraction of crude petroleum (- 0.5 per cent) indices.
- As for the manufacturing index, it dropped 0.1 per cent attributed to the decrease in manufacture of coke and refined petroleum products (-1.6 per cent), manufacture of chemicals and chemical products (-0.2 per cent) and manufacture of food products (-0.1 per cent).
- In the first quarter of 2023, the PPI local production posted a decrease of 0.8 per cent, compared to 3.5 per cent in quarter four 2022 (4Q 2022). The decline was owing to the indices of agriculture, forestry and fishing (-25.4 per cent) and mining (-6.8 per cent).
- On the contrary, increases were recorded for manufacturing (2.9 per cent), electricity and gas supply (1.2 per cent) and water supply (3.6 per cent) indices, while, a quarter-on-quarter comparison showed that PPI local production declined by 0.8 per cent (4Q 2022: -0.7 per cent).



## Malaysia retains 2nd place in Asean for govt effectiveness in the Chandler Report (The Malaysian Reserve, 28<sup>th</sup> April 2023)

- Malaysia has once again been ranked second in Asean for government effectiveness, according to the annual Chandler Good Government Index report released by the Chandler Institute of Governance for Management.
- The report, which assesses the capabilities and performance of 104 governments around the world, found that Malaysia has made progress in recent years, particularly in areas such as leadership, foresight, robust laws and policies, and managing government debt and spending efficiency.
- However, the report also noted that Malaysia needs to improve in several areas to enhance its overall competitiveness and effectiveness. Specifically, the country's satisfaction with public services and environmental performance, income quality, and non-discrimination are currently below the global average score.
- Despite these challenges, Malaysia's highest scores came from financial stewardship performance, and it was ranked 33rd in the overall rankings, down one spot from last year.
- However, its ranking in strong institutions fell two spots from last year, placing it at 54th in the world.
- To address these issues, the report recommends that Malaysia take proactive steps to improve its public services and environmental performance, such as investing in infrastructure and promoting sustainability initiatives. The report also suggests that Malaysia work to improve income equality and non-discrimination, potentially through policies aimed at reducing poverty and promoting social inclusion.
- In recent years, the Malaysian government has launched several initiatives aimed at enhancing the delivery of public services and improving the quality of education. These initiatives include the introduction of digital technologies and e-government services. However, more work needs to be done to address the areas of improvement highlighted in the report.
- Commenting on the report's findings, experts note that Malaysia's progress in governance and economic management is commendable, but there is still room for improvement.
- As Malaysia works towards building a more effective and competitive government, it will need to continue to address the areas highlighted in the report and make strategic investments to ensure sustainable growth and development.

## (L) OVERSEAS

### **Singapore hikes property stamp duties to cool property market (Reuters, 27<sup>th</sup> April 2023)**

- Singapore raised taxes on private property purchases in a surprise move that includes a doubling of stamp duties for foreigners to an eye-watering 60 per cent.
- Authorities in Singapore, where real estate is a safe haven investment for wealthy foreigners, keep close tabs on property prices to ensure housing remains affordable for locals and stays in step with economic fundamentals.
- The additional buyer's stamp duty (ABSD) for Singapore citizens and permanent residents will also face increases but much smaller ones, and only on their second and subsequent properties.
- The ABSD on Singaporeans' second and subsequent home purchases will rise to 20 per cent from 17 per cent, and 30 per cent from 25 per cent, respectively. Meanwhile, those for permanent residents will rise by 5 percentage points to 30 per cent and 35 per cent, respectively, for their second and subsequent properties purchases.
- The revised rates will apply from 27 April 2023.
- The government said property prices showed "renewed signs of acceleration amid resilient demand." It had introduced two rounds of cooling measures over the last two years. The last time it raised stamp duties was in December 2021, when it said the property market was "buoyant" despite the economic impact of COVID-19.
- Based on last year's data, the government expects the stamp duty changes to affect roughly 10 per cent of residential property transactions.
- Singapore's private home prices increased by 3.2 per cent in the first quarter of this year, a jump from the 0.4 per cent increase in the previous quarter, according to Urban Redevelopment Authority (URA)'s latest flash estimates.
- Property prices and rents in Singapore have been climbing steadily over recent years due to construction delays caused by the COVID-19 disruptions.

### **Resilient demand for Sunway's and IOI Properties' projects in Singapore despite property cooling measures, says HLIB (theedgemarkets.com, 28<sup>th</sup> April 2023)**

- Hong Leong Investment Bank (HLIB) Research said property developers with projects in Singapore could experience resilient local demand despite the new rate for the republic's Additional Buyers' Stamp Duty (ABSD).
- The duty stamp, announced by Singapore's Ministry of National Development, is a property cooling measure to dampen investment demand and prioritise housing for locals meant for owner-occupation. It took effect on April 27.
- Despite the Singaporean government having introduced several cooling measures in the past two years, property prices remained resilient and surged by 10.6% in 2021 and 8.6% in 2022.



- Even with sustaining or moderating growth in home prices, both Sunway Bhd and IOI Properties Group Bhd should still be able to launch the projects at decent price points.
- Sunway had launched the Terra Hills private condominium at Pasir Panjang on February 25. It has an effective gross development value (GDV) of RM700 million and had achieved 38% sales over the same weekend.
- Sunway is expected to launch The Continuum with an effective GDV of RM2 billion in May 2023.
- IOI Properties is targeting to launch its Marina View project in the fourth quarter of 2023 with estimated GDV of RM8.6 billion. It is one of the very few residential projects in the core central business district (CBD) area.
- Meanwhile, the cooling measures will have a larger impact on luxury and high-end homes, thus moderating growth in home prices in the segment.
- With ABSD rates doubling for foreigners, it is likely that the demand by foreign buyers will be dented. ADSB for foreigners has increased to 60% from 30% on any residential property.

#### **Distressed property listings jump in Q1 (The Straits Times/ANN, 26<sup>th</sup> April 2023)**

- The number of mortgagee listings jumped in the first quarter of 2023, with more distress sales expected in the second half of the year as bankruptcy applications increase.
- The number of bankruptcy applications rose quarter on quarter by 5.6% to 959 in the first quarter of 2023, according to data from the Ministry of Law. It is also 22.2% higher than the number of applications in the first quarter of 2022.
- Property consultancies such as Knight Frank which holds auctions every month, saw higher numbers of mortgagee listings in the first three months of the year.
- Mortgagee listings at auctions conducted by Knight Frank more than trebled to 32 in the first quarter of 2023 from 10 in the previous quarter. However, this was still a decrease from the 47 listings in the first quarter of 2022.
- Residential mortgage listings more than doubled to 18 from the previous quarter, although they were still 14.3% lower than the 21 in the first quarter of 2022.
- Knight Frank's retail and office mortgagee listings in the first quarter also increased to four and three respectively, from no listings in the previous quarter.
- Meanwhile, industrial listings more than trebled to seven from the last quarter. Knight Frank attributed the increase to a tougher business climate and rising interest rates, which it said have made business continuity challenging.
- Knight Frank's 18.8% success rate for the quarter was a fall from the 30% success rate in the last quarter, but still a rise from the 10.6% in the year-ago period.



- Knight Frank's first-quarter report said more business owners may find it challenging to keep their businesses above water, and the firm expects to see more mortgage listings in the second half, "especially for workplace properties".

#### **Parkson Vietnam files for voluntary bankruptcy (Bernama, 27<sup>th</sup> April 2023)**

- Parkson Retail Asia Ltd's (PRA) indirect wholly-owned subsidiary, Parkson Vietnam Co Ltd, has filed a court application in Ho Chi Minh City, Vietnam for the commencement of voluntary bankruptcy proceedings.
- PRA is a 67.96%-owned subsidiary of Parkson Holdings Bhd.
- Parkson Holdings said Parkson Vietnam has historically been operating at a loss, "with such losses being compounded in recent years due to the challenging business environment as a result of the Covid-19 pandemic."
- In particular, the lack of support from Parkson Vietnam's landlord, such as the negligible rental rebate or rental reduction during the pandemic lockdown when the operation of Parkson Vietnam's stores was restricted, had adversely impacted its financials. The high land tax imposed by the local government had also added to Parkson Vietnam's financial difficulties.
- As such, the group said it has assessed and determined that it is not commercially feasible to continue its operations in Vietnam and has determined that it will be in the best interests of Parkson Vietnam to file the application.
- This is in line with the group's focus on its operations in Malaysia, where it remained optimistic about the overall market prospects.
- The bankruptcy application is, however, subject to approval from the relevant authorities in Vietnam.
- Under Vietnam law, it noted that "the liabilities of Parkson Vietnam shall remain with and be limited to Parkson Vietnam and do not extend to the company, its other subsidiaries, or its holding companies."

#### **Hundreds of Vietnam property firms have shut as crisis drags (Bloomberg, 25<sup>th</sup> April 2023)**

- More than 1,800 companies engaged in developing and selling properties in Vietnam have suspended operations in the first quarter in signs of a lingering strain in the sector beset by funding woes.
- That number has jumped 61% from a year earlier, while the new property companies that opened in the first three months of 2023 plunged 63%, according to the country's construction ministry. Some 340 other companies were dissolved in the same period.
- Vietnam's real estate firms have to restructure businesses and debts, downsize operations and cut staff. The property sector grappled with challenges accessing loans, selling bonds and raising funds that led to suspended projects.



- The latest data amplifies the Prime Minister's message that struggling companies must be aided to shield one of Asia's fastest-growing economies after gross domestic product expansion slipped to 3.32% in the first quarter.
- Vietnam, which rarely posts less than 5% growth before the pandemic, is taking a hit from slowing global demand exacerbated by funding woes amid the government's anti-graft campaign that's deterred investors. Bond sales and initial share sales have been lacklustre at best.
- The 0.82% contraction of Vietnam's construction sector is one of the key factors that caused GDP to grow at a much slower pace than expected in the first quarter.
- Sales of apartments, homes and lots fell 39% from a year ago to 106,401. The number of completed property projects also dropped by a third to 14, while project permits fell by more than half.

### **Samaiden Group inks MoU to develop RE activities in Cambodia (New Straits Times, 28<sup>th</sup> April 2023)**

- Samaiden Group Bhd, through its indirect wholly-owned subsidiary, Samaiden Energy (Cambodia) Co Ltd, has inked a memorandum of understanding (MoU) with three companies to develop the land alongside railway tracks operated by Royal Railway PLC in Cambodia for renewable energy and other sustainable economic activities.
- The three Cambodia-based companies were namely Royal Group Co Ltd (RGC), Management Venture Asia (Cambodia) Ltd (MVA) and Panna Energy Sdn Bhd (PANNA).
- Under the MoU, the parties will first study the feasibility of developing unutilised land alongside railway tracks from Poipet province to Preah Sihanouk province for micro ground mount solar installations, utilities, facility infrastructure for rental, paper tree planting, greenhouse farming of vegetables, soybean farming and other sustainable economic activities.
- Phnom Penh-based RGC is Cambodia's strategic investment holding company with businesses ranging from banking and financial services to media and entertainment.
- MVA's role is in business consultancy and support, while PANNA will facilitate research, project development and management.
- Previously, Samaiden's subsidiary Samaiden Sdn Bhd (SSB) also signed a partnership agreement with MVA in December last year to explore clean energy-related business opportunities in Cambodia.

### **New Zealand housing slump may be tempered by eased lending rules (Bloomberg, 26<sup>th</sup> April 2023)**

- New Zealand's housing downturn may be tempered by an easing of mortgage lending restrictions that could fuel borrowing.
- The Reserve Bank is considering allowing lenders to make more low-deposit home loans from June 1. That should lead to more credit growth than otherwise would have been the case, potentially reducing the extent of house-price declines.



- New Zealand house prices have dropped more than 10% over the past year as the RBNZ aggressively raised interest rates to tame inflation. Since November 2021, the central bank has also imposed restrictions on low-deposit mortgage lending using loan-to-value ratios to try to minimise the financial stability risks of a housing bust.
- Currently, the restrictions mean that of the new loans banks make to owner occupiers, only 10% can be to people who have less than a 20% deposit. The RBNZ proposes to ease that limit to 15%.
- Only 5% of new lending to property investors can be to those with less than a 40% deposit. The RBNZ plans to tweak this deposit threshold to 35%, while retaining the 5% limit.
- The RBNZ this month raised its Official Cash Rate to 5.25% and most economists expect it to bring its tightening cycle to a close with one more hike to 5.5% in May.

#### **GIC buys Japan logistics assets from Blackstone for US\$800m (Bloomberg, 28<sup>th</sup> April 2023)**

- Singapore wealth fund GIC Pte is buying a portfolio of Japanese logistics assets from Blackstone Inc for more than US\$800 million (RM3.5 billion), in a deal that the US investment firm said was among the largest of its kind in the nation.
- The assets were developed by Daiwa House Industry Co and comprise six warehouses with an average age of five years across Japan. The six warehouses make up four million sq ft (372,000 sq m).
- GIC has been hunting for real estate deals in Japan, attracted by the falling yen and post-pandemic travel resumption. The sovereign wealth fund purchased a portfolio of hospitality assets from Seibu Holdings Inc for ¥150 billion in a deal that closed in the past year.
- The acquisition represents an attractive opportunity for GIC to further expand our exposure to logistics assets.,

#### **Data shows unexpected cooling in China manufacturing for April (Reuters, 30<sup>th</sup> April 2023)**

- China's manufacturing activity unexpectedly shrank in April, latest official data from the National Bureau of Statistics showed, raising pressure on policymakers seeking to boost an economy struggling for a post-Covid lift-off amid subdued global demand and persistent property weakness.
- The official manufacturing purchasing managers' index (PMI) was 49.2, down from 51.9 in March, below the 50-point mark that separates expansion and contraction in activity on a monthly basis.
- This marked the first contraction since December last year, when the official manufacturing PMI was at 47.0.
- China's economy grew at a faster-than-expected pace in the first quarter thanks to robust services consumption, but factory output has lagged amid weak global



growth. Slowing prices and surging bank savings are raising doubts about demand.

- New export orders nudged down to 47.6 from 50.4 in March, the PMI showed.
- The manufacturing sector, which provides jobs to about 18 per cent of those employed nationwide, remains under pressure due to slack global demand.
- Elsewhere, confidence in the property sector, for years a pillar of growth in the world's second-biggest economy, remains fragile. Multiple crisis since mid-2020 have included developers' debt defaults and stalled construction of pre-sold housing projects.
- While policy support measures have helped improve conditions in the industry, pockets of weakness remain and a full-blown recovery appears some way off.
- Despite the recent strength seen in consumption, the non-manufacturing PMI edged down to 56.4 versus 58.2 in March.
- Official data this month showed retail sales growth quickening in March and hitting near two-year highs, but that was off a low-base and there is caution among economists on the sustainability of such strength.
- The composite PMI, which includes both manufacturing and non-manufacturing activity, dropped to 54.4 from 57.0.

#### **Taiwan's economy falls into recession as global demand dries up (Bloomberg, 28<sup>th</sup> April 2023)**

- Taiwan's economy plunged into recession after shrinking at the fastest pace since the global financial crisis, a sign of how the drop-off in global demand for chips has showed little sign of abating.
- Gross domestic product (GDP) in the first quarter of the year plummeted 3.02% versus the same period a year ago, according to advance estimates released by the Taiwanese government's statistics bureau.
- The fall — the sharpest since the quarter ended June 2009 — was far worse than the estimated 1.25% drop in a Bloomberg survey of economists. It also marked the second straight quarter of declines, underscoring the difficult outlook for the trade-dependent economy as it grapples with wavering demand for its products from the rest of the world.
- Taiwan is in a technical recession with its GDP dragged down by export and investment figures. Even with a pickup in momentum over the next three quarters, GDP will see "only marginal growth" for the full year.
- The worse-than-expected contraction highlights an ongoing struggle to rediscover growth as the island's exporters contend with falling overseas demand for their products. Chip heavyweight Taiwan Semiconductor Manufacturing Co. warned in an earnings call last week that the second quarter will likely be the bottom of the current business cycle before demand recovers later in the year.



- Compounding the issue is a shortfall of workers willing to take jobs in the services industry, hampering domestic demand from mitigating the lacklustre performance of the export sector.
- The January-to-March period was “the worst performing quarter since the financial crisis” though the country is still supported by strong private consumption even as external demand remains “very weak.”
- Taiwan’s latest figures run counter to burgeoning signs of improvement in other export economies in the region. South Korea’s GDP grew 0.3% in the first quarter, more than economists had expected. Officials project growth to pick up further by the end of the year.
- China, Taiwan’s largest export market, saw its economy expand 4.5% in the first quarter. That was fuelled in large part by surging consumption as shoppers, travellers and diners celebrated an end to the country’s strict Covid-19 controls.



The Pinnacle, Oval Village London SE11.  
Zone 1 apartments by Berkeley Group.  
Walking distance to 3 stations.  
Victoria 4 mins. Leicester Square 7 mins. Oxford Circus 8 mins.

Price start from GBP550,000. For further information, please connect with:  
Adrian Yeoh [adrian.yeoh@kfph.com.my](mailto:adrian.yeoh@kfph.com.my)  
Dominic Heaton-Watson [dominic.hw@kfph.com.my](mailto:dominic.hw@kfph.com.my)

