

Research



‘THE WEEK THAT WAS’

6th December 2021 – 12th December 2021

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(A) RESIDENTIAL / TOWNSHIP

MCT unveils phase 1 of Alira @ Metropark (theedgemarkets.com, 9th December 2021)

- MCT Bhd has unveiled the phase 1 of Alira @ Metropark township, which has a gross development value (GDV) of RM316.2 million.
- Spanning 5.6 acres of freehold land within the 88-acre Metropark township in Subang Jaya, the phase 1 of Alira houses 467 high-rise apartments with built-up sizes ranging from 695 sq ft to 998 sq ft. The selling price starts from RM493,800.
- Meanwhile, phase 1 of Alira also boasts 25 limited-edition low-rise villas with built-up size of 1,048 sq ft. It is priced from RM752,800.
- At the point of its official launch, phase 1 of Alira had achieved 40% take-up, with the majority of buyers purchasing the larger-sized units and low-rise villas.
- Some of the facilities of Alira are rimless swimming pool, hanging lounge net and jacuzzi, martial arts corner, Spa Pavilion, co-working space with meeting pods, organic farm and tea garden, Sky Gourmet and others.
- All units come with kitchen cabinets (inclusive of hood and hob) and air conditioners, two car park bays and a multi-tier security system. Alira is also a five-minute walking distance from GEMS International School, as well as directly accessible from the Federal Highway.

Myra Cyberjaya's timely introduction in Selangor's smart city (New Straits Times, 8th December 2021)

- Myra Cyberjaya by boutique developer Myra is aimed at young couples who want to live in a central location while enjoying affordable options compared to Putrajaya's neighbouring vicinity.
- The project spans 11 acres of freehold land and includes a mix of high- and low-rise condominiums. The units range in size from 872 sq ft to 2,067 sq ft. There are 14 distinct floor plans designed to meet the needs of various lifestyles.
- The company is launching phase 1 of the project, with a gross development value (GDV) of RM180 million.
- Phase 1 or Tower A will have 279 units spread across 24 levels, divided into four distinct blocks, A1 through A4.
- The phase 1 units are designed to appeal to three distinct homebuyers. Smaller units (800+ sq ft) are intended for students, expats, and single professionals, while larger units (1,200+ sq ft) are intended for first-time homebuyers, couples, and government employees. The larger units (1,500+ sq ft) are designed for multigenerational and upper-middle-class families. Each unit has three bedrooms, two bathrooms, and two parking spaces.
- The project prioritises sustainable design in its landscapes by balancing functionality, texture, colour, light, and shadows, focusing on the connection between nature and people.



- Residents will have access to a gym overlooking the lake and pool, an indoor basketball/futsal court, an indoor badminton court, and a co-working space, as well as an infinity swimming pool, a BBQ area, a sun deck, and lounges. They can also enjoy communal activities in the multi-purpose function room and dining area.
- The development is easily accessible via the ELITE Highway, SKVE Highway, MEX Highway, and Putrajaya-Cyberjaya Expressway.

Nestcity to launch Bukit Kerinchi condo in 1Q2022 (The Edge Malaysia, 9th December 2021)

- Nestcity Group is looking to launch the condominium component, Nestree Residences, at NestVille in the first quarter of next year.
- The 6.71-acre leasehold Nestville in Bukit Kerinchi will comprise three components — Residensi Wilayah, condominiums and stratified landed homes — on three lots.
- Nestree Residences offers 637 units in two wings in a 40-storey block on a 2.1-acre plot. Each wing comes with its own lift lobby and there is no access between each wing.
- Typical units come in four layouts of 1,050 sq ft, 1,162 sq ft, 1,275 sq ft and 1,582 sq ft. The penthouses are sized at more than 4,000 sq ft. The development order for the project has been approved with plans to unveil it in 1Q2022. The units are priced around RM625 per sq ft, or from RM659,000.
- Nestree Residence targets mid to high-income earners and investors, owing to its strategic location next to Bangsar South and near Mid Valley City.
- Facilities include a gymnasium, lounge, swimming pool, children's pool, Jacuzzi, children's playground, sky garden, pavilion, water play, barbecue pit, sauna, multipurpose hall, games room, art room, dance studio, yoga studio and sky terrace. The project is scheduled for completion in 2025.
- Meanwhile, its Residensi Alamanda apartment which is part of Residensi Wilayah, the state government affordable home scheme, previously known as RUMAWIP — will offer 678 units on a 2.15-acre plot. Each unit is sized 815 sq ft and comes with three bedrooms and two bathrooms. These units are priced from RM300,000 to RM318,000. A typical unit with one parking bay costs RM300,000.
- Units that come with two side-by-side parking bays are priced at RM318,000 whereas units with two tandem parking bays are going for RM315,000.
- Residensi Alamanda has a gross development value (GDV) of RM205 million and facilities include a gymnasium, lounge, swimming pool, children's pool, Jacuzzi, children's playground, sky garden and multipurpose hall. It is scheduled for completion in 2024.
- The final phase of NestVille is called City Villa, which will offer 42 stratified landed homes on a 2.5-acre plot. These 3-storey units will have built-ups of 3,000 to 5,000 sq ft and be priced from RM2.5 million to RM5 million. City Villa will be launched in 2023.



- Nestcity plans to launch a new project in Shah Alam in 2Q2022. Dubbed Crystal Residences, it is a small office/home office (SoHo) development near the Padang Jawa KTM station. Offering 1,000 units in two blocks, this project will sit on a 3-acre plot.
- Its facilities include a gymnasium, lounge, swimming pool, children's pool, Jacuzzi, children's playground, sky garden, sky deck, futsal court and multipurpose hall.
- Crystal Residences is an affordable SoHo development, and each 450 sq ft unit will be priced at RM230,000. It is targeted at investors and first-time homebuyers.
- Currently, the developer's land bank stands at 12 acres in the Klang Valley.

PKNS introduces Rafflesia 2 in Bernam Jaya (theedgemarkets.com, 7th December 2021)

- Selangor State Development Corporation (PKNS) has introduced its latest project, Rafflesia 2, in Bernam Jaya, Selangor.
- Comprising 87 double-storey terraced house, Rafflesia 2 is the second phase of its project, Rafflesia.
- The estimated gross development value (GDV) for Rafflesia 2 is RM37 million. The residential development consists of three layout types, with built-up sizes starting from 1,615 sq ft. The starting price is from RM411,300 per unit.
- PKNS CEO is confident that the project will receive encouraging response due to its strategic location and attractive sales package.
- Prospective buyers of this project will enjoy free legal and MOT (memorandum of transfer) stamp duty fees as well as a 10% discount for their first purchase of a PKNS project and an additional 2% for existing buyers.
- Rafflesia is connected by two main roads, namely the Federal Kuala Lumpur-Ipoh road and the North-South Expressway (PLUS). It is also surrounded by various amenities such as mosques, schools, universities and police stations. The project is also near other PKNS development projects namely Dillenia and Residensi Kamelia.
- PKNS also offers a referral program to the first 10 buyers where they will receive an incentive of RM1,000 for each customer they bring in, with adherence to the conditions set.



(B) MIXED DEVELOPMENT

Mah Sing launches M Astra sales gallery (theedgemarkets.com, 9th December 2021)

- Mah Sing Group Bhd has officially launched its M Astra sales gallery. M Astra is a high-rise mixed-development project comprising two blocks of serviced suites in Setapak, which will be officially launched next quarter.
- M Astra will offer three-bedroom and four-bedroom units, with indicative built-ups ranging from 850 sq ft to 1,044 sq ft. Prices start from RM399,000. The project sits on a five-acre land, which is envisioned to feature retail lots and drive-thru food-and-beverage outlets. Its architectural design incorporates the idea of courtyards to create a garden city living concept.
- M Astra is the developer's second mixed development in the area, following M Adora located in Wangsa Melawati.
- M Adora has recorded a 90% take-up rate for its two towers, hence the group is confident that M Astra will also be well received. M Astra caters to first-time homebuyers, upgraders and young families who prefer the city lifestyle with ready amenities. M Astra has received nearly 5,800 registrations in just five months since registrations was opened in July 2021.
- M Astra is Mah Sing's first project from its 2021 land acquisition trail. It will comprise Type A (850 sq ft, three bedrooms), Type A1 (894 sq ft, three bedrooms with a balcony), Types B and C (1,000 sq ft, four bedrooms), and Types B1 and C1 (1,044 sq ft, four bedrooms with a balcony).
- The project is located 600m from Jalan Genting Kelang and its connectivity includes Middle Ring Road 2 (MRR2), Duta-Ulu Klang Expressway (Duke), Jalan Tun Razak, and the currently under-construction Setiawangsa Pantai Expressway.
- Nearby public and international schools and higher learning institutions include Fairview International School, SMK Taman Seri Rampai, SJK(C) Wangsa Maju, TAR University College and UTM Kuala Lumpur.
- True to the meaning of its name which means "star" in Latin, there will be a star landscape design in the middle of the development, which acts as an area for family activities, including a multi-age playground, an amphitheatre, gathering space, urban farming and a barbecue area.
- M Astra's design is set to cater to the new normal, with contactless technology implemented within the development, especially for the access to common areas and facility floor. Delivery parcel lockers will also be provided to the residents to reduce physical contact.
- M Astra will also incorporate sustainable features such as automated waste collection system, an EV (electric vehicle) charging station and other green features."
- Mah Sing will continue to focus on affordable high-rise and landed houses. It will also venture into industrial properties.



Cover Story: Tropicana to unveil resort-themed collection (The Edge Malaysia, 6th December 2021)

- Tropicana Corp Bhd has launched its latest product line, the Tropicana Journey Collection, on December 5, which will see the company developing resort-themed products at popular holiday destinations — starting with the hills of Genting Highlands and the seaside in Langkawi.
- The launch is particularly significant for the group considering the effects the pandemic has had on property development activities. However, with the high vaccination rate in the country and the economy opening up, Tropicana believes the time is right to move forward with the new product line.
- One of the group's key practices in staying resilient is by leveraging on its brand name and strategic marketing campaigns. The Tropicana 10-TEN campaign was launched in June 2020 with 10 signature deals to provide flexible homeownership solutions to its buyers. This six-month campaign was a success and recorded an impressive RM899 million in bookings. The campaign contributed to the 450% surge in property sales and boosted confidence in its brand. The other print and digital campaigns that have been rolled out include Tropicana 10-TEN Ex10sion, Tropicana 100 and Tropicana 100 Xtended.
- The group has also unveiled the first home personalisation series called T.Living for Freesia Residences in Tropicana Aman, Selangor. Owners can choose their preferred colour themes, fittings and smart home features.
- To strengthen Tropicana's position, the property developer has expanded its presence to places such as China, Hong Kong and Taiwan.
- Another of the group's key practices is unlocking land at the right location and at the right price point. Apart from its total reported land bank of 2,144 acres spread across Malaysia, Tropicana is also planning to roll out the 'T-series' —its affordable range of properties to cater for the M40 group. To mark this milestone, the group has entered into a joint venture with Puncak Alam Housing Sdn Bhd via its subsidiary Tropicana Senibong Sdn Bhd.
- Tropicana has secured the development rights for three parcels of leasehold land with a total size of about 362.74 acres. Strategically located in the heart of the Puncak Alam township in Selangor, the proposed T-series development will cater for the right market and provide modern affordable homes centred around its unique DNA.
- The group's other key practices include the enhancement of cost, compliance and work efficiency; embracing technology; improving its gearing; and engaging with stakeholders and the underprivileged.
- The group's latest product, the Tropicana Journey Collection is drawn from the success of its resort-themed developments. It will help to strengthen the identity of Tropicana as a developer of luxury resort living, offering a wide range of properties that suit the "journey" theme, from homes by the hill to homes by the sea.
- The products are targeted at a broad range of customers who are looking for a holiday or retirement home, or an investment asset.



- Each development will be a part of a larger township development. Tropicana owns 596 acres of land in Genting Highlands — it is one of the largest land bank owners in the region. The group also has 128 acres of prime land bank in Langkawi.
- The products will be marketed across Southeast Asia, including Indonesia, Thailand, Singapore and Vietnam; the Middle East such as the United Arab Emirates, Qatar and Saudi Arabia; and China, Hong Kong, Taiwan, Japan, South Korea, Australia and India.
- Tropicana Grandhill
 - Located about a 40-minute drive from Kuala Lumpur, with temperatures of between 15°C and 20°C.
 - At 3,000ft above sea level, the master development sits on 112 freehold acres, with an estimated gross development value (GDV) of more than RM20 billion.
 - Tropicana Grandhill is part of a larger master development called Tropicana WindCity, which has two other sizeable tracts owned by Tropicana. One, a 308-acre parcel located next to Tropicana Grandhill, will be called Tropicana Paradise. The other measures 176 acres, is closer to Gohtong Jaya, and will be named Tropicana Avalon. Both tracts are still in the planning stage.
 - Tropicana Grandhill will be the group's first township development in Genting Highlands and, when fully completed, will contain 880m of elevated roads, residences, retail, healthcare and wellness facilities, an international school, a senior living facility and a park.
 - It will be developed in three phases, with Phase 1 featuring a serviced residence, an international school, retail facilities and a wellness hub. Phase 2 will have a recreational park, a serviced residence and the Silver Village for senior citizens, while plans for Phase 3 are still being finalised.
 - Under Phase 1, Tropicana's first product for sale will be the serviced apartment development known as TwinPines Serviced Suites, with a GDV of RM1.06 billion. Sitting on 3.57 acres, the two-tower project will offer 1,443 units, with the 55-storey Tower A having 795 units and the 56-storey Tower B, 648 units. Built-ups will range from 379 sq ft to 1,330 sq ft.
 - The development will have hotel-style amenities, facilities and services, and the units will come fully furnished.
 - Expected to be completed in May 2026, the units are priced from RM397,000, or RM1,050 per sq ft. The maintenance fee, including the sinking fund, is 55 sen per sq ft.
 - The target market is mainly investors who are business owners as well as local and foreign investors who are buying for mid- to long-term investment. Other potential purchasers are owner-occupiers such as families from the Klang Valley and Pahang who want to use the units as holiday homes; companies buying for their employees to use; and business owners and executives working in Resorts World Genting.
 - Tropicana has engaged a tenancy management operator called HostAStay to help investors manage and rent out their units.
 - To cater for large groups of tourists, there will be a dedicated drop-off lobby for coaches. Facilities include an outdoor heated pool, putting green, children's playground, barbecue area, gym, multi-purpose hall and gourmet kitchen. Concierge services will also be provided.
 - In addition to the residences, there will be an international school on a 3.39-acre parcel. It will have a gross floor area of 250,000 sq ft across eight storeys, with 120 classrooms, a hall, swimming pool and football field for a student population of 2,400. The operator of the school is still being finalised.

- Tropicana Cenang
 - Located just 9km from the airport, Tropicana Cenang will offer unique seafront homes within a premium mixed-use development, targeting both owner-occupiers and investors.
 - Soft-launched in September, the development sits on 5.28 acres of freehold land and will have serviced suites, retail facilities, a hotel and, possibly, a branded residence.
 - There will be two blocks of serviced suites — the 39-storey Assana Serviced Suites with 831 units and the 6-storey Merissa Serviced Suites with only 60 units. Details for Merissa are forthcoming but Assana, which means “waterfall” in Irish, is open for viewing of its show units and to purchase.
 - Priced from RM457,000 to RM1.829 million, the units will all have a sea view, with built-ups of 380 sq ft to 1,310 sq ft. The layouts on offer are studio, two bedrooms and one bathroom, three bedrooms and two bathrooms, and four bedrooms and three bathrooms. The project has an “international status”, which means foreign buyers can purchase products priced from RM500,000.
 - The 8th floor will offer a wide range of facilities for families - including swimming pools, a hammock garden, yoga terrace, TV and games room, multi-purpose room and gym. The maintenance fee including the sinking fund is 61 sen per sq ft.
 - The estimated rental yield is 8% on average if the daily rental is RM250 to RM800, based on the unit size and an occupancy rate of 50%. There will be a tenancy management operator that will help investors manage their units. Assana is scheduled for completion in 2026.
 - The other parcels that Tropicana owns on Langkawi are still in the planning stage. The largest, measuring 58.83 acres, is on Pulau Rebak Kecil, followed by 44.61 acres at Pantai Kok, 16 acres at Tanjung Rhu and 3.12 acres at Bukit Mali.

TAED to be develop with new concept and master plan (EdgeProp.my, 7th December 2021)

- The Sabah state government is set to revive the Tanjung Aru Eco Development (TAED) with a new concept and master plan.
- The redevelopment will consist of hotels, resorts, residential and commercial areas equipped with parks and recreational areas.
- When completed, the project will promote a vibrant lifestyle especially in the Kota Kinabalu region and Sabah in general as it will become one of the international standard tourism destinations.
- The development will also upgrade Tanjung Aru beach by maintaining its natural beauty and ensuring the viability of the commercial centres. For example, the renowned Prince Philip Park that was developed in the 1970s will still be maintained while the beachfront will be further expanded.
- In terms of business opportunity, the development will boost business opportunities and job creations especially in the hospitality and tourism sectors.
- The small and medium traders will be given priority in this area to provide quality services of international standard. There are a number of investors who have shown interest in the development.



- TAED will be an icon for sustainable development and good environmental management.

(C) RETAIL / E-COMMERCE

The second phase of IOI City Mall will open by June of next year (New Straits Times, 6th December 2021)

- IOI Properties Group Berhad (IOIPG) plans to open phase 2 of IOI City Mall (ICM) by June next year.
- ICM, located within IOI Resort City in Putrajaya, will be Malaysia's biggest entertainment-cum-shopping mall. The addition of one million sq ft of tenanted space in Phase 2 will bring the total net lettable area to 2.5 million sq ft.
- IOIPG is said to have invested RM500 million in the phase 2 mall extension.
- The topping out of phase 2 was commemorated by IOIPG to mark the completion of the mall's structural works on October 6, 2020.
- Construction on ICM Phase 2 began in 2018 and has progressed well despite the numerous lockdowns imposed due to the Covid-19 pandemic.
- The mall manages a mixed clientele of local and international brands offering a diverse range of products and services spanning lifestyle, fashion, household, and cuisines. Around 70 per cent tenants for the new phase have been secured.
- ICM will house 11 anchor tenants, including newcomers AEON, GSC, Proton, the IOI Sports Centre, and the IOI Grand Hall.
- In addition to the retail outlets, phase 2 includes a 40,000 sq ft exhibition hall, a new cinema concept with an IMAX hall, a modern dining arcade, and a new rooftop sports centre and gymnasium.
- The central glass atrium in phase 2 filters natural light through the six-story building, complementing the existing mall's interior and exterior designs.
- ICM enjoys a catchment customer population of a conservative figure of 3.1 million people from the many townships mushrooming along the south corridor of the South Klang Valley Expressway (SKVE).

JONETZ by Don Don Donki to open 11 stores by June 2024 (theedgemarkets.com, 10th December 2021)

- JONETZ by Don Don Donki aims to open 11 Don Don Donki stores by June 2024 according to Pan Pacific Retail Management (PPRM) Malaysia, the company operating the outlets.
- The country's second and largest Don Don Donki store has opened in Tropicana Gardens Mall. Spanning 42,243 sq ft across two levels, this unique store offers a wide variety of quality Japanese products, yatai Japanese street food stalls, the CosmeDONKI cosmetic corner and a halal section.
- PPRM is a global Japanese discount retail chain with more than 680 stores around the world. The majority of 580 stores are in Japan, while the remaining 90 are located in Singapore, Hong Kong, Macau, Hawaii, Bangkok, Taiwan and Malaysia. Products available include snacks, food (cold and hot),



groceries, cosmetics and household items. There are also halal-certified products.

- Meanwhile, Golden Screen Cinemas (GSC) has also opened its 12-screen cinema at the mall. There are 1,717 seats with six special halls. One of the halls is specifically designed for families with children as in the cinema is a small playground for children. For more exclusive viewing is the Premiere Hall which can be booked for private events with a bar and seats are able to recline at the press of a button.
- Also open is the largest Sports Direct outlet with 28,000 sq ft of space that includes a new USC lifestyle facia, marking the 33rd store in Malaysia.
- There will also be a golf outlet — MST Golf X — targeting to open in June next year.
- The mall opened during the early stages of the pandemic in March 2020. Tenancy stood at 56% as of November 2021, and the mall hopes to achieve 67% occupancy by year end.

New Sports Direct superstore opens at Tropicana Gardens Mall (theedgemarkets.com, 6th December 2021)

- Sports Direct Malaysia has opened its latest superstore at Tropicana Gardens Mall.
- The newly-opened store is the 33rd in Malaysia and has a built-up area of 28,000 sq ft, which includes both Sports Direct and the new USC lifestyle facia.
- The Sports Direct superstore is divided into zones by key sports categories, which include football, running, training, rackets, swimming, SD Sports, SD Lifestyle and outdoor.
- Further expansion of Sports Direct in Malaysia includes an upgrade on the proprietary web platform at sportsdirect.com for domestic and regional fulfilment.
- Sports Direct stand-alone superstores are set to open next in December at Sunway Pyramid, followed by Pavilion Bukit Jalil and Sunway Carnival early in the new year.
- The latest launch coincides with Sports Direct's announcement of its holding company name for the region — Frasers Group Asia Sdn Bhd. Its new regional headquarters is located in Sunway City.
- The pandemic has temporarily delayed the expansion of the company into the Southeast Asia region.

Watsons opens 600th store at Pavilion Bukit Jalil (The Sun Daily, 9th December 2021)

- Watsons Malaysia has opened its 600th store in Pavilion Bukit Jalil. Its primary business strategy moving forward is to integrate offline and online shopping for customers convenience.



- Watsons has been strengthening its O+O (offline + online) business model to provide additional choices for customers to browse and shop. Currently, it is available on seven online platforms.
- Measuring 4,810 sq ft, Watsons' 600th store in Pavilion Bukit Jalil is equipped with a wide range of exclusive products and services.

Aeon Big to open first 1,000sq m shop by March 2022 (New Straits Times, 6th December 2021)

- Aeon Big (M) Sdn Bhd is planning to open up its first 1,000 sq m Aeon Big shop by the first quarter (Q1) of next year.
- The company plans to add 10 stores per year for the next five years, a shift from its current bread and butter hypermarket model.
- These smaller stores will be located in residential areas, with majority of them will be in the Klang Valley.
- The last 18 month has changed the retail business as well as customers' behaviour in buying goods.
- As to the company's traditional hypermarket model, while holding back new launches, the company is studying the right concept and right size for hypermarket before expanding in the future.
- Currently, the group has 21 hypermarkets with plans to expand two to four stores either next year or the next two years.

Atlan buys back remaining 15% not held in duty-free unit DFZ for RM45.8m (theedgemarkets.com, 7th December 2021)

- Atlan Holdings Bhd has acquired the remaining stake representing 15% shareholding plus one share in duty-free retail arm DFZ Capital Sdn Bhd for RM45.8 million from Heinemann Asia Pacific Pte Ltd (HAP).
- The acquisition was made by Duty Free International Ltd (DFI), a wholly-owned unit of Atlan, for which DFI entered into a termination deed with HAP and DFZ.
- With the purchase, DFZ, which has outlets in various locations in Peninsular Malaysia including Padang Besar, Langkawi, Bukit Kayu Hitam, KLIA, and Johor Bahru, is now again a 100%-owned subsidiary of DFI.
- Concurrently, DFI also settled an outstanding trade payable amounting to US\$4.19 million (RM17.73 million) due to HAP.
- Recall that DFI sold a 10% stake in DFZ to HAP in 2016 for €19.7 million (RM93.91 million), followed by the exercise of a call option which resulted in the sale of another 5% stake for €9.85 million (RM46.95 million) in 2017.
- The acquisition will enable DFI to hold 100% equity interest in DFZ so as to have absolute control in the conduct of the business and affairs of DFZ and its subsidiaries.



Southeast Asia KFC and Pizza Hut restaurants operator QSR Brands picks banks for Malaysia IPO (Bloomberg, 10th December 2021)

- QSR Brands (M) Holdings Bhd, which runs KFC and Pizza Hut restaurants in Southeast Asia, has picked banks to arrange a potential initial public offering (IPO).
- Deliberations are ongoing and the size and timing of the IPO could still change.
- The food chain operator, which is backed by private equity firm CVC Capital Partners, is seeking a valuation of more than RM6 billion (US\$1.4 billion) and aims to raise as much as US\$500 million from the share sale. At that size, QSR's IPO would be the biggest in Malaysia since Lotte Chemical Titan Holding Bhd raked in US\$849 million in 2017.
- QSR, which aborted a planned share sale in 2019, is reviving the process after seeing strong demand for MR D.I.Y. Group (M) Bhd and Ctos Digital Bhd's first-time share sales.
- The fast-food company has the sole right from Yum! Brands Inc to operate KFC restaurants in Malaysia, Singapore, Cambodia and Brunei, as well as Pizza Hut restaurants in Malaysia and Singapore, according to its website.
- Owners of QSR also include state-owned Johor Corp and pension fund Employees Provident Fund.

Retail Group Malaysia projects 6% growth in Malaysia's 2022 retail sales despite lingering pandemic concerns (theedgemarkets.com, 7th December 2021)

- Retail Group Malaysia (RGM) is projecting a 6% growth in Malaysia's retail sales for 2022 as the country's retail industry looks forward to a recovery from the impact of Covid-19 pandemic-driven movement restrictions of almost two years.
- In RGM's retail industry report for November 2021, the group, which interviewed members of the Malaysia Retailers Association (MRA) and Malaysia Retail Chain Association (MRCA) on their retail sales performance for the second half of 2021, however, said few challenges remain for the nation's retail sector.
- A potential fourth-wave pandemic is haunting Malaysian retailers. Non-essential retailers cannot afford another forced closure of physical stores.
- The Malaysian government has decided to delay the country's transition into the endemic phase due to uncertainty over the virus pandemic.
- Foreign tourist arrivals may be affected due to the current Covid-19 pandemic development and that such sentiment may affect retail businesses that have been dependent on leisure travellers.
- Meanwhile, the recent spike in prices of many consumer goods may continue into next year.
- According to RGM, the rising cost of living will affect the purchasing power of Malaysian households in 2022.

- For 2021, RGM said it had revised its full-year retail industry sales growth forecast for Malaysia from 0.8% in September to 0.5%.
- In September, RGM estimated a 0.8% growth rate for Malaysia's retail sales for 2021. However, this projection needs to be revised downwards again [to a 0.5% growth], taking into consideration the worse-than-expected growth during the third quarter (3Q21) as well as a revision of the 4Q21 estimate.
- RGM expects the retail industry to gain momentum in its recovery by the end of this year. For 4Q21, the growth rate estimate has been revised upwards from 12.7% (estimated in September) to 18.3%.
- Retailers are hopeful that retail sales will climb in December due to two upcoming major festivals — Christmas and Chinese New Year.
- For 3Q21, Malaysia's retail sales declined 27.8% from a year earlier, while cumulative nine-month retail sales contracted 11.9% compared to the same period a year ago.
- The 3Q21 decline was below market expectations of a 15.1% contraction, a forecast made in September.

(D) COMMERCIAL / OFFICE

Office space rental rates grew at insignificant rate (EdgeProp.my, 7th December 2021)

- Gloomy outlook for the rental rates for Malaysia's office space remain as supply and demand continue to mismatch while hybrid working models take over.
- The take-up of office space since the gradual reopening of the economic sectors has been encouraging. Yet, the numbers are not significant enough to boost the rental rates as hybrid or flexible working arrangements are adopted.
- Meanwhile, in a report by **Knight Frank Malaysia** titled '*Real Estate Highlights - 1H2021*,' it has noted that the average rental of office space in Kuala Lumpur and Selangor has decreased with the market condition made worse with the multiple lockdown imposed to curb the Covid-19 spread.
- For example, in Kuala Lumpur the rental rate had declined to RM6.87 per sq ft per month in the first half of 2021 from RM7.03 per sq ft per month in the second half of 2020.
- Moreover, the challenge also lies in business operations as some had to close down and downsize which meant that retaining tenants became more challenging as the supply outgrew the demand leading to a decline of rental rates.



(E) INDUSTRIAL / LOGISTICS / PLANTATION

Centralised workers' accommodation the next booming segment? (The Edge Malaysia, 7th December 2021)

- The Covid-19 pandemic has uncovered several deep-rooted issues in the country, one of which is the existence of a large number of low-skilled foreign workers in labour-intensive industries.
- The accommodation for these workers is normally arranged by their employers. Unfortunately, many of the dormitories are cramped, creating an undesirable living environment. There are regulations on workers' accommodation, but the lack of enforcement has made them ineffective.
- In a recent publication on workers' dormitories, **Knight Frank Malaysia** observes that most industries use terraced homes, apartments, shophouses and makeshift accommodation to house their workers, while professionally managed dormitories are unexplored propositions.
- "Most of these types of housing were crowded and had poor sanitation, leading to many social issues that have burdened the community for years. The perception of higher cost and non-standard guidelines [by local authorities] in different states have also led to years of resistance from industry players to provide dedicated workers' accommodation," it says, adding that the lack of awareness and accountability has compounded the problem.
- According to the International Labour Organization (ILO), there are no universally applicable regulations related to workers' accommodation standards in general.
- For dormitories, ILO suggests ideally 4 to 5.5 sq m of floor space per resident, which developed countries such as Singapore have complied with. A minimum ceiling height of 2.1m is ideal. In collective rooms, which are to be minimised, in order to provide workers with some privacy, only a reasonable number of workers - 2 to 8 are allowed to share the same room, and no hot bedding is allowed.
- In countries such as Singapore and Qatar, Covid-19 has spread aggressively in workers' accommodation. But even before the pandemic, the workers had barely enough living space, making physical distancing a luxury for them.
- Many countries have acted promptly to tackle the issue of workers' accommodation. Singapore, for example, plans to house the workers in temporary housing before moving them to larger, permanent accommodation.
- In Malaysia, the government has tightened laws related to workers' accommodation and implemented stricter enforcement. The labour-intensive sectors have been working towards compliance with the latest laws.
- Prior to the pandemic, the Workers' Minimum Standards of Housing and Amenities Act 1990 (original Act) was already in place, but there had been a lack of enforcement for years. The Act is now known as the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (amended Act).



- The amended Act was gazetted in February 2021 as part of the Emergency Ordinance that is also enforced in Sabah and Sarawak to address housing management issues through stricter enforcement action.
- The laws that guide the enforcement of workers' accommodation are thus the amended Act, as well as all the regulations enacted under the amended Act. The laws came into effect on June 1, 2020, in Peninsular Malaysia and Labuan. Employers were given a three-month grace period until August 31 to fully adhere to the laws.
- The amendments stipulate that, among others, an employer or a centralised accommodation provider has to comply with the minimum statutory requirements stated by the Department of Labour of Peninsular Malaysia, which include:
 - Provision of "bedroom" with a minimum floor area of 3 to 3.6 sq m for each employee, depending on whether the provided accommodation is a dormitory or not;
 - Minimum of one toilet and one bathroom for 15 employees in a dormitory, or six if it is not a dormitory;
 - Provision of non-shareable items such as bed, mattress, pillow and locker; and
 - Provision of common-use areas such as kitchen, living room, toilet and bathroom.
- **Knight Frank Malaysia** *executive director of capital markets* **Allan Sim** observes that years of resistance from employers to dedicated workers' accommodation arose from the perception that it would lead to higher costs. However, with the government's efforts, employers are now provided with incentives to adopt more socially responsible accommodation practices to contain Covid-19 and comply with the new regulations.
- "The earlier resistance is slowly dissipating, with more employers being educated on the importance of having proper workers' housing as a value add to the sustainability of the whole manufacturing supply chain. Stronger cooperation between the federal government and other stakeholders such as policymakers, state authorities/government agencies, developers, operators and industrialists/end users are required to provide a more inclusive and holistic approach to improve the current frameworks governing this emerging asset class during the pandemic and beyond," he says.
- Following the new legal requirements, the development of workers' accommodation in Malaysia is on an upward trend. For instance, glove maker Top Glove Corp Bhd said in December last year that it spent about RM20 million to buy 100 apartments to serve as workers' hostels and RM50 million on 100 double-storey houses and hostels in its endeavour to comply with the new guidelines on minimum standards for workers' housing.
- **Sim** observes that employers are looking to comply with the legal requirements by building, purchasing and/or renting purpose-built and/or converted dormitories for their workers, while investors and developers embark on partnerships with these employers to construct build-to-lease workers' accommodation for recurring income.
- "At the moment, our observation tends to suggest that the development of workers' accommodation is more on a project basis. Interest from institutional funds — which have been monitoring this asset class closely — are expected to grow as



more quality supply of dormitories are made available in the mid to longer term and when this sub-market becomes more mature," he says.

- There are many factors that would determine the success of developing and managing workers' accommodation in Malaysia, such as finding the right location at the right cost, pricing it correctly and having a good operator.
- The choice of location to serve the needs of the companies that are using these workers is important, as companies or workers will consider the transport cost of going from the dormitory to the workplace. There could be opportunities to create workers' accommodation in states like Penang, Selangor and Johor, where a significant number of foreign workers are employed.
- While the short-term solution would benefit existing property owners and investors in terms of rental income, property consultants believe that, in the long run, centralised workers' accommodation will be the way forward. These can be complementary products that developers of industrial parks can include in the masterplan of their projects.
- Property consultants also expect to see a growing interest in centralised labour quarters. For example, Singapore-based Centurion Corp Ltd (CCL) focuses on building and operating centralised workers' accommodation. The company is one of the largest providers of workers' accommodation in Singapore and Malaysia.
- Over time, there could be more local parties entering the business, using the business model of CCL. With the enforcement of the labour guidelines, it would appear that there is a market for workers' accommodation for serious players.
- Currently, large manufacturing players such as Top Glove and Hartalega house their own workers. Some of these players may need to build bigger units or renovate existing units to comply with the Act.
- CCL secured a contract from the Selangor State Development Corporation (PKNS) in 2020 to lease a ready-built property in Sungai Way, Petaling Jaya, that comes with 6,044 beds for workers' accommodation. The group's entry into Selangor adds 36,744 beds to the total capacity of purpose-built workers' accommodation in Malaysia.
- Nevertheless, **Knight Frank's Sim** notes that it is important to take a step back and assess the situation, as workers' accommodation should not be viewed as a standalone asset class but rather a subset of the larger industrial ecosystem. "Having proper and professionally managed workers' accommodation will complete the offering and place Malaysia on a stronger footing to compete with other countries in the region in attracting foreign direct investment into the manufacturing sector," he says.
- "As international industrialists assess the availability of raw materials, talent pool and real estate costs among the countries, a key consideration will be placed on workers' housing, especially with the increased scrutiny brought about by the pandemic."
- He adds that workers' accommodation could transcend the bread-and-butter offerings and may encompass higher quality centralised housing to accommodate skilled and high-grade workers. Such a move will help elevate and strengthen



Malaysia's position in becoming a high-value manufacturing hub. Subsequently, it will have a direct positive impact on the industrial real estate segment and a larger multiplier effect on the residential and commercial segments.

- “This backdrop would entice the interests of operators that manage higher quality centralised workers’ housing, where technologies are incorporated to provide higher-quality accommodation for potential employees and workers in the high-value manufacturing sector,” says **Sim**.
- Property consultants see the possibility of injecting these workers’ accommodation into real estate investment trusts (REITs) when the market is big enough.
- As businesses are scaling down in terms of office space, REITs may pivot to workers’ accommodation just like student accommodation overseas. As long as the demand for workers’ accommodation is present, the business will be able to sustain in the long run.
- **Knight Frank’s Sim** calls it “an interesting investment opportunity”, as while the asset class is residential in nature, it shares some characteristics with the industrial segment that investors currently favour.
- Workers’ accommodation contracts, he points out, will generally be longer term, as manufacturers will account for their workers’ housing when considering the projected investment horizon for their manufacturing plants.
- “Unlike other asset classes such as hotels, the general investment is lower from the initial construction as well as the recurring capital expenditure, as there are fewer stringent requirements on periodic upgrades as there are fewer fitouts. From an investment point of view, it seems that workers’ accommodation may present as a lower risk investment from the above characteristics, and it will be interesting to observe how the long-term market yield will reflect the above,” says **Sim**.
- As centralised workers’ accommodation is still a relatively new property segment in Malaysia, property consultants believe that dedicated nationwide guidelines for these developments are essential.
- Also, according to **Sim**, it is important to raise awareness among employers of the benefits of having centralised workers’ accommodation and how it has a direct correlation to productivity.
- The new Act requires a responsible employee in charge of the centralised accommodation to take preventive measures to contain the spread of infectious diseases. The employee has a duty to take a worker to a hospital should he or she appear unwell or suffer from any medical condition, and keep a record of health complaints. Poor management and infection cases could lead the operator to run the risk of low occupancy in the workers’ accommodation.
- **Sim** reckons that managing the operations of workers’ accommodation is of great importance. “Professional operators will be able to add value to the hard assets by ensuring that the workers’ dormitories are properly managed in terms of security, the workers’ social and mental well-being, local culture assimilation via learning and communication, and health and medical welfare. These are all key factors to distinguish normal dormitories from ones with professional administration,” he says.

- A better living environment for foreign labour could translate into higher productivity for employers while building a good image for the country. As the government tightens its enforcement on workers' accommodation, support and cooperation from all stakeholders are needed.

Sime Darby Property's The Twin Factories 2 and Hamilton Industrial Park 1 fully taken up (theedgemarkets.com, 10th December 2021)

- Sime Darby Property Bhd's The Twin Factories 2 in Elmina Business Park (22 units), Selangor and the Hamilton Industrial Park 1 in Nilai, Negeri Sembilan (42 units) achieved 100% take-up rates during their respective launches recently. The total gross development values (GDV) of the two projects are RM328.58 million.
- The response to the company's industrial products launched this year has been encouraging.
- Sime Darby Property will continue to identify suitable locations to develop industrial product options within its townships which offer convenient access to major expressways and logistics hubs and grow its Industrial & Logistics segment further.
- The Twin Factories 2, consisting of semi-detached factories priced from RM4 million, features a 3-in-1 functionality in the form of a reception, an expandable office, as well as a large, unobstructed warehouse space that is ideal for logistics, warehousing and production facilities. It also features an advertisement space at the rear façade and a flexible mezzanine floor that can be converted into a product showroom or meeting space, in addition to its industry-leading design features.
- The factories are designed with front-loading access, motorised roller shutter, three-way access for easy circulation of goods, ample parking spaces for trucks and passenger vehicles, as well as a 100-metre-wide road reserve for the easy manoeuvring of heavy vehicles. The Twin Factories 2 also features the façade of bricks and modern clean lines with a built-up of 6,500 sq ft and lot size of 70 ft by 160 ft.
- Similar to The Twin Factories 2, the Hamilton Industrial Park 1 also highlights logistics and warehousing experience. The Hamilton Industrial Park 1, with a starting price of RM3 million, features freehold industrial lots with land sizes ranging from one to nine acres. The product is equipped with amenities, utilities and communication infrastructure.
- The Hamilton Industrial Park 1 is suitable for businesses seeking production or warehousing options outside of the Klang Valley area as it is accessible via LEKAS, PLUS, ELITE and MEX expressways. The development is located five kilometres from the Nilai Interchange, 27 kilometres from the Kuala Lumpur International Airport and 50 kilometres from the Kuala Lumpur city centre.

Lazada eyes more sellers through new service (New Straits Times, 6th December 2021)

- Lazada Malaysia aims to encourage more local businesses to choose Lazada as their preferred e-commerce platform, using its logistical solutions, network, and infrastructure to future-proof and expand their brand online.



- Lazada Logistics has launched a multi-channel logistics service (MCL) with a comprehensive storage solution to help e-commerce service providers and brands meet the needs of e-commerce sales smoothly.
- MCL services provide brands and sellers with greater flexibility and flexibility in inventory control.
- In addition, the service will help reduce the worry of warehouse management's costly logistics and operating costs.
- With this new service, Lazada is looking to improve its physical infrastructure, expand the platform's coverage, as well as get more of the sellers to onboard.
- Lazada Logistics is powered by a data-driven, smart routing algorithm, enabling its services to meet the surging demand of Malaysia's flourishing eCommerce industry.
- Lazada will also focus on making its service more accessible to the general masses by improving Malaysia's logistics and distribution centres.
- Lazada is ramping up to build more logistics warehouses in Malaysia starting from next year to make the service more efficient and closer to the buyers.

G3 to continue pursuing AI park venture (NST Business, 6th December 2021)

- G3 Global Bhd (GGB) remains committed to the development of the 315-acre artificial intelligence (AI)-powered park near Kuala Lumpur with SenseTime Group Ltd (STGL) and China Harbour Engineering Company Ltd (CHEC).
- The AI park will transform intelligent city living through digital technologies. It is conceptually designed to agglomerate AI-driven and cloud-powered technologies to accelerate the development of next-generation products and services such as smart city, mobility, retail, education, robotics and healthcare as well as prop-tech and fintech solutions.
- GGB had in April 2019 signed a memorandum of understanding (MoU) with STGL and CHEC to develop Malaysia's first AI-powered 'Technopolis' in which the three parties will invest up to US\$1 billion over five years to promote AI-related research and development related to public-service infrastructure.
- CHEC is a subsidiary of China Communications Construction Company, one of the world's largest construction company.
- STGL is a unicorn AI company en route to a year-end listing on the Hong Kong Stock Exchange to raise to US\$2 billion.
- The company is reportedly valued at US\$12 billion.
- The park will be important for Malaysia as it will house the necessary AI research-related public service infrastructure as a base to nurture AI talent and promote AI technology in the country. One of the key components of the park is a hyper-scale data centre hub that will facilitate cloud computing and power the digitisation of enterprises.

- GGB, together with its partners, believe the park can also catalyse upstream investment in technology manufacturing as it will be a platform where a full suite of technology infrastructure will support the creation of new living experiences through leading-edge digital innovations encapsulated in smart cities and next-generation technology parks.

TSH's 90% unit proposes to dispose of agricultural land for RM678.97 million cash (Bernama, 10th December 2021)

- TSH Resources Bhd's 90%-owned subsidiary, PT Bulungan Citra Persada (BCAP), has proposed to dispose of seven pieces of agricultural land in Kalimantan, Indonesia for RM678.97 million cash.
- BCAP has signed a heads of agreement (HOA) with PT Kawasan Industri Kalimantan Indonesia and PT Kalimantan Industrial Park Indonesia for the proposed disposal.
- TSH said BCAP has also proposed to dispose of uncertified land worth RM51,379 per hectare to be fully paid in cash.
- Upon the execution of the HOA, the parties agree and undertake to negotiate exclusively with each other for the proposed disposal for two months following the date of the agreement.

(F) INVESTMENT

MITI approves investments worth RM109.1 bil within 100 days of Keluarga Malaysia to increase foreign investment — PM (Bernama, 9th December 2021)

- The government through the Ministry of International Trade and Industry (MITI) has approved RM109.1 billion of projects within the first 100 days of Keluarga Malaysia to increase foreign investment in the manufacturing sector, with the projected creation of 25,000 jobs.
- MITI has succeeded in increasing foreign investment in the sector by driving economic growth through strategic investment incentives.
- Meanwhile, the Ministry of Plantation Industries and Commodities has increased exports in the agro-commodity sector with an export value of RM147.2 billion, raising the contribution to the income of the people and the country.
- Cognisant of the role of companies and entrepreneurs as the engine of economic recovery, the Ministry of Finance (MoF) has channelled RM3.3 billion through the Wage Subsidy payment initiative to assist the cash flow of small traders and enterprises, as well as small and medium enterprises (SMEs). The initiative has benefited 189,000 employers and 1.9 million employees.
- The government has outlined six key thrusts in the pursuit to achieve the target of Keluarga Malaysia Aspirations, namely restructuring the economy, assuring national security and public order, enhancing social well-being, improving overall infrastructure, strengthening unity based on the Keluarga Malaysia model, and empowering service delivery.
- The success of the National Covid-19 Immunisation Programme (PICK) through the cooperation of the Ministry of Health and the Ministry of Science, Technology and Innovation has enabled the full opening of the economic sector.
- Malaysia's gross domestic product for the first nine months of 2021 grew 3% compared to a contraction of 6.4% in the same period last year while the latest figure of the unemployment rate dropped to 4.3% in October 2021 compared with a peak of 5.3% in May 2020.
- Malaysia recorded a positive growth of RM12.8 billion net foreign direct investment (FDI) in the third quarter of 2021 compared to RM8.2 billion in the second quarter, an increase of 56%. This brings the total FDI for the first nine months of this year to more than RM30 billion, an increase of 300% compared with the same period for 2020. This figure was achieved despite border closures due to the pandemic.

(G) CORPORATE

Bintai Kinden to raise RM35m via private placement to repay borrowings (theedgemarkets.com, 6th December 2021)

- Bintai Kinden Corp Bhd has proposed to undertake a private placement of up to 20% of its existing issued shares to raise RM35 million mainly to repay borrowings.
- As the proceeds will mainly be used for the repayment of bank borrowings, Bintai Kinden said this will help to ease its cash flow by reducing the principal and interest servicing obligations as well as its gearing level.
- This will enable the group to quickly raise additional funds without having to incur interest costs or service principal repayments for bank borrowings, thereby allowing Bintai Kinden to preserve its cash flow.

Chin Hin Group Property to diversify into infrastructure construction (theedgemarkets.com, 10th December 2021)

- Chin Hin Group Property Bhd (CHGP) said its 65%-owned subsidiary Kayangan Kemas Sdn Bhd (KKSb) is buying a 60% stake in Makna Setia Sdn Bhd for RM9 million cash to diversify into the infrastructure construction industry.
- KKSb had inked a conditional share sale agreement with Makna Setia's shareholders.
- The acquisition, expected to be completed by the first quarter of 2022, will allow the group to build its own in-house construction team and provide services in relation to the construction of public infrastructure, which is expected to benefit CHGP in the long run.
- It will also add onto the existing order book of Kayangan Emas that is worth RM1 billion. With clients ranging from private property owners to government ministries, CHGP said it has ongoing projects that are mainly in construction and upgrading of hospitals.
- The proposed acquisition will enable CHGP to diversify and tap into the infrastructure construction industry, which is complementary to CHGP's existing property development business and Kayangan Kemas Sdn Bhd's construction business. The proposed acquisition will not only enable CHGP to have an indirect access to the ongoing and future projects of Makna Setia, but also expand to a wider scope within the construction industry, which includes public infrastructure development such as bridges, railway tracks and highways.

Cautiously optimistic amid pandemic recovery, Gamuda targets RM10b new orders for FY22 (theedgemarkets.com, 8th December 2021)

- Gamuda Bhd is aiming to achieve RM10 billion worth of new orders for its current financial year ending July 31, 2022 - a target it carried forward from last year (FY21) to the current year - as it expressed cautious optimism amid the steady economic recovery seen following the easing of movement restrictions.
- Under half of these new orders will come from the Penang South Island (PSI) reclamation, with the remainder from Australia.



- The PSI reclamation project suffered a half a year setback after approval for the project's environmental impact assessment was revoked.
- As for its Australian operations, the group is waiting for the results of two tenders it submitted earlier, which have been delayed due to the pandemic. The result of these tenders will be announced in the next one or two quarters.
- Meanwhile, with the local infrastructure scene looking lacklustre, Gamuda is setting its sights overseas in its pursuit of growth.
- The group is also looking to expand its current base of four on-going projects in Taiwan and Singapore - secured in the last two years - given that it has established its presence there.
- Moving forward, Gamuda is actively bidding for a number of projects in Australia and targeting an order book of about A\$5 (billion) to A\$6 billion in the next three years.
- The group's focus will be on replenishing its order book in these target markets in the near term. Gamuda has an outstanding order book of RM4.5 billion, which will see it through the next two years.
- Meanwhile, on the highly anticipated Mass Rapid Transit circle line, also referred to as the MRT 3 project, Gamuda hopes the government will accelerate the implementation of the project.
- For the full-year (FY21), Gamuda posted a net profit of RM588.31 million in FY21, up 56.26% from RM376.5 million in FY20, despite its 12-month revenue dipping 3.98% to RM3.52 billion, from RM3.66 billion.

Ireka disposes of balance stake in Mobilus to JV partner (theedgemarkets.com, 6th December 2021)

- Ireka Corp Bhd is disposing of its remaining 31.4% stake in Mobilus Sdn Bhd to Hungary-based Greenway Urban Traffic (Europe) Co Ltd (GUTE) for RM1.845 million.
- The property and construction group had earlier on November 30 announced the sale of 19.6% of its then 51% stake in Mobilus to related party Eccaz Sdn Bhd.
- Mobilus was formed as a joint venture between Ireka and GUTE in 2019. It is currently at a pre-operating stage, with the intended business activities principally in the sale of industrial and commercial vehicles.
- GUTE is a member of China-based CRRC Group, the world's largest manufacturer of rolling stock and rail related products and system.
- The proposed disposal will enable the Ireka Group to realise cash inflow of approximately RM1.845 million, which will strengthen its working capital position.

Kerjaya Prospek Property buys land in Penang for RM28m (theedgemarkets.com, 6th December 2021)



- Kerjaya Prospek Property Bhd (KPPROP) — via its wholly-owned subsidiary Pixel Valley Sdn Bhd — has acquired 1.97 hectares of freehold land in Seberang Perai Selatan, Penang from Aspen Vision City Sdn Bhd for RM27.57 million.
- The proposed acquisition will enable KPPROP to focus on its core business of property development and to expand and strengthen its land bank size. It plans to build a mixed-use development that features serviced apartments and some commercial or retail lots.
- The development is envisaged to be a long-term investment and development, and its completion date cannot be determined at this juncture.

Konsortium Transnasional secures RM26.45m building contract in Perak (theedgemarkets.com, 9th December 2021)

- Konsortium Transnasional Bhd (KTB) has secured a RM26.45 million contract to build 59 units of shophouses in Perak from United Allied Development Sdn Bhd.
- The contract, secured via its wholly-owned unit Transnational Builder Sdn Bhd, involves piling, building works, internal and external infrastructure works for the shophouses at PT10687, Mukim of Bidor, Daerah Batang Padang.

Lagenda Properties goes above and beyond to help army personnel obtain financing and own a home (New Straits Times, 8th December 2021)

- Lagenda Properties Berhad is going above and beyond to address the issues of affordable housing and financial hardships faced by Malaysian Armed Forces (MAF) personnel and staff.
- The developer of affordable townships has signed a collaboration agreement with Koperasi Veteran Daulat Kedah (KVDK) Bhd. It will provide tailored financial plans to army personnel in need, assisting them in restructuring their finances to qualify for a larger loan.
- The Ministry of Federal Territories announced that more than 20,000 of the 40,000 houses under the "Residensi Prihatin" scheme had been set aside to assist MAF officers and personnel in obtaining their own homes and improving their standard of living.
- To assist the community, Lagenda Properties will provide an RM1,000 discount for each house purchased by KVDK members, in addition to the standard sales package, which includes free legal fees, free stamp duty for the memorandum of transfer, and cash rebates (applicable only to public servants).
- Lagenda Properties is also extending savings and finalising details with other cooperative organisations throughout the country to accelerate the homeownership agenda.

OCR inks deal to use advanced construction technologies (theedgemarkets.com, 8th December 2021)

- Integrated property developer OCR Group Bhd (OCR) has signed a memorandum of understanding (MOU) with Plytec Holding Sdn Bhd (Plytec) to use advanced technologies in selected OCR projects.



- OCR will utilise Plytec Formwork Sdn Bhd's self-climbing platform (SCP) technology in the construction of YOLO Signature Suites in Bandar Sunway, Selangor.
- YOLO Signature Suites feature small office-home office (SOHO) suites of 440 to 1,018 sq ft within the thriving Bandar Sunway vicinity, complete with educational and recreational amenities in the vicinity.
- The development is slated for completion in 2023.

Property developer Radium Development seeks Main Market listing (theedgemarkets.com, 10th December 2021)

- Radium Development Bhd, which is principally involved in the development of high-rise residential properties, is seeking a listing on the Main Market of Bursa Malaysia to raise funds for the group's land bank acquisition for future developments in the Klang Valley.
- It also hopes to raise funds to repay the group's bank borrowings, to develop a hotel in Ampang, and for working capital.
- For the financial year ended December 31, 2020 (FY20), Radium Development made a net profit of RM87.89 million on a revenue of RM588.07 million, compared with about RM128 million for FY19 on a revenue of RM472.81 million. In FY18, the group made a net profit of RM19.05 million on a revenue of RM203.1 million.

SCIB eyes affordable housing jobs (New Straits Times, 6th December 2021)

- Sarawak Consolidated Industries Bhd (SCIB) is actively bidding on construction contracts totalling RM3 billion and aims to secure between 17 and 24 per cent from the bidding tender after considering the post-pandemic regulations and restrictions into the equation.
- It aims to win contracts in affordable housing projects under the Ministry of Housing and Local Government like the 1Malaysia Civil Servants Housing Scheme (PPA1M), 1Malaysia People's Housing Programme (PR1MA) and Syarikat Perumahan Negara Bhd (SPNB) in Terengganu and Kelantan.
- With a current order book value at RM1.3 billion, translating into healthy earnings visibility up to 2026, the company is also tendering construction contracts for roadworks and highways in Sabah, Sarawak, Perlis, and Johor.
- Other projects the company is bidding on include government projects such as hospitals, schools, mosques, and office buildings.
- The construction of the schools will mainly be based in Sarawak, while for the hospitals, the project will be in Selangor.
- The group is also bidding for industrial buildings such as a waste treatment plant located in Kedah.
- SCIB is looking to support numerous state-funded people-centric construction projects in Sarawak to provide a better infrastructure to the people in Sarawak.



- The company does not intend to invest or purchase land banks for any mixed-used developments in the short term.
- SCIB posted revenue of RM26.5 million for the first quarter (Q1) quarter ended 30 September 2021 (FY22), with the manufacturing division is the largest contributor to revenue at RM19.1 million, followed by the construction/EPCC (engineering, procurement and construction) division recorded revenue of RM7.4 million.
- For the quarter, SCIB registered both a loss before tax (LBT) and loss after tax (LAT) of RM2.7 million, mainly due to higher operational costs caused by stringent standard operating procedures and initial mobilisation cost for local projects.

Scientex's 1Q net profit rises 11% on higher revenue from property division (theedgemarkets.com, 8th December 2021)

- Packaging manufacturer and property developer Scientex Bhd reported an 11.2% rise in net profit to RM102.87 million for the first quarter ended October 31, 2021 (1QFY22) from RM92.53 million a year ago, on the back of a 15.7% increase in revenue to RM928.17 million from RM802.26 million.
- The performance was attributed to an increase of 16.16% in revenue to RM678.1 million from its packaging division and a 14.5% improvement to RM250.1 million from its property division.
- Despite the improvement in revenue from its packaging division, it saw lower operating profit as the group's converting business under the consumer packaging division was impacted by higher raw material prices and freight cost as well as incidental Covid-19 related expenses which led to higher operating cost.
- The improvement in revenue from Scientex's property division, meanwhile, was driven by steady progress billings of development projects and good take-up rates of new launches in Tasek Gelugor in Penang, Pulau in Johor and other ongoing projects as well as completion of several phases of its other development projects in Rawang, Selangor and Durian Tunggal, Melaka.
- Comparing the current quarter to the preceding quarter ended July 31, 2021 (4QFY21), the group said its revenue declined 4.3% from RM970.36 million, while net profit tumbled 27.9% to RM142.65 million, mainly due to lower revenue generated from its property division as its developments were yet to be completed in the preceding quarter.
- The group's Sungai Dua land acquisition was completed in November 2021, and it expects to launch a project in 4QFY22, while launches in new locations such as Cheras (Selangor), Seremban (Negeri Sembilan), Jasin (Melaka) and Sungai Petani (Kedah) are lined up for the year ahead as part of its "cross-boundary development strategy" while it continues to focus on affordable housing.

TAFI secures RM30m construction contract in Johor (theedgemarkets.com, 8th December 2021)

- TAFI Industries Bhd's wholly-owned unit TAFI Home & Office Sdn Bhd (formerly known as Home & Office Furniture Sdn Bhd) has been awarded a RM30 million contract from Buana Tunggal Sdn Bhd for construction related works including



mechanical and electrical works to complete a mixed commercial development project at Permas City, Johor Bahru.

- In addition to the RM30 million award sum, TAFI Home & Office will also be entitled to 30% share of the net gross development value (GDV) proceeds of certain units of properties under the Permas City project, which is estimated to be around RM6 million.
- According to TAFI, the construction-related works on the Permas City project will commence in December 2021 and are expected to take about 12 months to complete. Revenue from the project is expected to start coming in by the end of December 2021.

PR1MA, Sinergi Dayang sign agreement to develop 763 affordable homes in Pahang (theedgemarkets.com, 8th December 2021)

- The Ministry of Housing and Local Government (KPKT) through Perbadanan PR1MA Malaysia (PR1MA) has signed a joint development agreement (JDA) with Sinergi Dayang Sdn Bhd (Sinergi Dayang) - an indirect wholly-owned subsidiary of WZ Satu Bhd - to develop affordable housing in Pahang.
- The affordable housing comprises 763 units of two-storey terraced houses and are part of Residensi D'Marina Phase 2 in Kuantan, Pahang, which has an estimated gross development value of RM219 million over four to five years.
- Phase 2, which also includes amenities and other relevant infrastructure, is divided into six sub-phases. Work is scheduled to start next July and be completed on December 31, 2026.
- PR1MA development projects form part of the government's efforts to provide sustainable housing and community living in urban areas in Malaysia.
- The collaboration will also extend to Phase 3, depending on the demand.
- Sinergi Dayang had on December 13, 2019 entered into a supplemental agreement to the master en-bloc purchase agreement dated March 18, 2016 with PR1MA and Barisan Arena Sdn Bhd, to recommence the development of Residensi D'Marina.
- PR1MA had acquired the land from Barisan Arena, and then proceeded to appoint Sinergi Dayang to construct and complete the 2,426 units of PR1MA homes, together with 69 retail units.
- However, as at the date of the JDA, the land is pending transfer from Barisan Arena to PR1MA.
- Notwithstanding that, WZ Satu said approvals from the relevant authorities have been granted for the transfer of the ownership of the land to PR1MA, and Barisan Arena has granted power of attorney dated September 5, 2016 in favour of PR1MA to enable the latter to deal fully with the land.
- The development is a continuation of the Residensi D'Marina Phase 1 project, which is currently at 71.63% of completion. The project provides 523 units and has

already sold 96% or 504 units. 74% of Residensi D'Marina Phase 1 buyers are made up of those who are under 35 years of age.

- The previous Residensi D'Marina Phase 1 project has a development value of RM108.97 million, and was also developed by Sinergi Dayang.

(H) REIT

IGB Commercial REIT's FY22 earnings to grow by 25% (The Malaysian Reserve, 9th December 2021)

- Hong Leong Investment Bank (HLIB) forecast IGB Commercial Real Estate Investment Trust (IGBCR) net profit for the financial year 2022 (FY22) to grow by 25%, backed by improved occupancy, as well as positive rental reversion in its portfolio, aligned with expectations of economic recovery in an “endemic reopening”.
- The main driver for the REIT will be from Southpoint properties where occupancy of 59.3% (FY20) is expected to increase close to 80%, considering that some new tenancies have been secured and that there are active negotiations for more new tenants to move in.
- IGBCR's revenue is solely derived from rental income. In FY20, the highest revenue contributor was from GTower, representing 26% of IGBCR's total revenue, followed by Gardens South and North Towers with contribution of 16% and 14% respectively.
- The gross revenue and net property income came in at RM7.1 million and RM4.8 million respectively, while its core profit after tax stood at RM2.8 million.
- The completion of Asset Enhancement Initiatives will also contribute to higher occupancy. Furthermore, improvement in occupancy is expected following the economic recovery momentum, with more workers coming back to office.
- IGBCR is backed by IGB Bhd, a reputable sponsor with a long-proven track record as the company is one of the largest listed property companies in the country and a market capitalization of RM2.1 billion and international presence.
- With IGB having a renowned brand coupled with award-winning projects (like Mid Valley City and Sierramas), IGBCR would have the ability to leverage on the sponsor's track record, financial strength, market reach and network.
- IGBCR net profit fell by 6% year-on-year (YoY) in FY21 on flattish rental reversion and higher expectations on property operating costs, and Phase 1 restrictions that delayed occupancy ramp-up.
- Analysts have forecast the REIT's FY23 core net profit to grow by 6% YoY mainly backed by strong occupancy and positive rental reversion on further normalcy in the economy and business day-to-day operations.
- While flattish rental reversion is expected for FY21, a better showing in FY22 may be driven mainly by positive rental reversions paired with improved occupancy, in line with economic recovery momentum.

Maybank IB: Limited growth prospects for REITs (The Malaysian Reserve, 10th December 2021)

- Maybank Investment Bank Bhd (Maybank IB) is expecting limited growth prospects for real estate investment trusts (REITs) in the future due to lack of pipeline of deals and organic growth opportunities.



- The lower interest rate environment partially cushioned selected Malaysian real estate investment trusts' (M-REITs) bottom lines via reduced finance costs on their floating rate debts.
- As at September 2021, M-REITs under the bank's coverage had exposure to floating rate debt of 46% (as a share of total debt), with the average financing costs ranging between 2.8% and 4.4%.
- A lower interest-rate environment will increase M-REITs' appetite for asset acquisitions. However, the pipeline for sizeable acquisitions remains dry for now, while organic growth may be challenged by the adverse impacts of the pandemic.
- M-REITs' third quarter (3QCY21) results were mostly below expectations, with average core net profit declining -15% YoY and despite growing 5.5% quarter-on-quarter (QoQ).
- Earnings at retail and hospitality assets remain weak due to movement restrictions. This, however, was partly cushioned by long-term office tenants and industrial properties leases.
- Earnings for the 3Q were dragged by higher provision for rental assistance, softer occupancy rates (selected properties) and drop in non-rental income, namely car park and advertising.
- Earnings continue to be supported by the long-term leases in the office and industrial segments.
- The occupancy rates for malls under coverage fell 1.9 basis points (bps) to 84.2% due to non-renewal of tenancy contracts.
- Maybank IB is expecting an earnings recovery in the 4Q as the economy reopens and with easing of movement restrictions, supported by lower rental support to tenants, increased footfalls at shopping malls and an improved outlook for domestic tourism.
- However, hospitality segments will still see weaker growth in the absence of foreign tourists due to continuing international border restrictions.

MARC assigns Silver Impact Bond Assessment to Sunway REIT's inaugural sustainability-linked bonds (theedgemarkets.com, 7th December 2021)

- Malaysian Rating Corporation Bhd (MARC) has accorded a Silver Impact Bond Assessment to Sunway Real Estate Investment Trust (REIT)'s inaugural sustainability-linked bonds (SLB) Framework which governs the terms of the bonds.
- The issuance of the first tranche of the SLB is part of Sunway REIT's maiden sustainable financing exercise and marks the culmination of the REIT's strategic collaboration with OCBC Bank (Malaysia) Bhd, which was, earlier this year, appointed as Sustainability Structuring Coordinator for the Unrated Medium-Term Notes Programme.



- The sustainability-linked bonds were structured in compliance with the International Capital Market Association's Sustainability-Linked Bond Principles, which feature a pricing adjustment mechanism benchmarked against the achievement of predetermined sustainability performance targets (SPTs).
- The SPTs were selected to measure the improvement in Sunway REIT's sustainability goals, including sourcing a portion of its energy requirements from a renewable energy source and achieving and maintaining a minimum Building Energy Intensity (BEI) score for its retail properties portfolio.

(I) INSTITUTION

Fairview International School bullish about future despite stormy Covid-19 (New Straits Times, 6th December 2021)

- Fairview International School, which is part of Fairview Education Group, is optimistic of the future, despite the stormy Covid-19 scrooge clouding the near-term outlook.
- The school is well prepared for the challenges ahead and is bullish of its outlook for the future.
- Fairview has five schools in Malaysia and one in Scotland.
- It is one of Asia's largest networks of International Baccalaureate schools.
- It is also one of the very few Asian-based education providers to have ventured into the European heartland.
- The Fairview Education Group consists of Fairview International School, Fairview Cambridge Programme, the Asia Arts Academy, the Dominus Performing Arts Centre and University College Fairview.

Malaysia's out-of-pocket health spending tripled in 15 years — report (theedgemarkets.com, 7th December 2021)

- Malaysia's out-of-pocket (OOP) healthcare spending more than tripled from RM7.14 billion in 2006 to RM23.15 billion in 2020, with 43% of OOP spending last year going to outpatient services.
- By percentage of gross domestic product (GDP), OOP expenditure on healthcare increased from 1.2% to 1.6% over the period, while by share of national expenditure on health, OOP's portion rose from 32% in 2006 to 35% in 2020.
- About RM9.88 billion or 43% of OOP spending on healthcare last year was spent on outpatient services, a 3% decline from RM10.23 billion spent in 2019. This was followed by inpatient services at RM5.76 billion or 25%, pharmaceutical at RM3.39 billion (15%), education and training at RM1.53 billion (7%), and all other functions at RM1.35 billion (6%).
- OOP spending on medical appliances and non-durable goods amounted to RM773 million (3%) in 2020, while OOP expenditure on traditional complementary and alternative medicine (TCAM) stood at RM475 million (2%).
- Outpatient services dominated OOP spending from 2006 to 2020, rising from RM3.64 billion to RM9.88 billion over the period.
- The bulk of OOP expenditure in 2020 went to private hospitals at RM10.37 billion or 45% of total OOP spending for the year. This was followed by private medical clinics at RM4.87 billion or 21%, pharmacies at RM3.39 billion (14%) and all other providers at RM2.79 billion (12%).
- Meanwhile, private dental clinics made up RM1.1 billion (5%) of OOP spending in 2020, while TCAM providers collected RM626 million (3%).

(J) LEISURE & TOURISM

The Ascott bags contract to manage Citadines Astrum Ampang Kuala Lumpur (theedgemarkets.com, 6th December 2021)

- Setia Awan Group and The Ascott Ltd have entered into an agreement for the management and operations of the former's serviced residence Citadines Astrum Ampang Kuala Lumpur.
- Citadines Astrum Ampang Kuala Lumpur is part of the Astrum Ampang mixed development project by Astrum Ampang Sdn Bhd, which is the subsidiary of Setia Awan Group.
- Citadines Astrum Ampang Kuala Lumpur houses 230 serviced apartments with facilities dedicated for patrons only, such as a swimming pool, gymnasium, residents' lounge, meeting rooms, and food and beverage outlets. The establishment will also have its own dedicated lobby complete with a drop-off area exclusive for the patrons. The project is slated to open its doors in 2026.
- Citadines is one of Ascott's fastest-growing brands globally and the addition of Citadines Astrum Ampang Kuala Lumpur will further strengthen Ascott's position as one of the largest international lodging owner-operators in Malaysia, providing



guests with more accommodation options. It will expand its portfolio to more than 6,200 units across 27 properties in the country.

- Apart from the Citadines Astrum Ampang Kuala Lumpur, the Astrum Ampang mixed development also comprises residential units for sale. The recent launch was small office/home office units, which has successfully recorded 80% take-up rate amid the global Covid-19 pandemic.
- Located within the bustling vicinity of Jalan Jelatek and Jalan Ampang, Astrum Ampang offers an unobstructed view of the Petronas Twin Towers and surrounded by notable landmarks including Gleneagles Medical Centre, Great Eastern Mall, Intermark Mall, Ministry of Defence, as well as numerous businesses, embassies, private and public schools.
- Via a proposed covered pedestrian bridge, residents, and patrons of Astrum Ampang will be connected to Jelatek LRT station (Kelana Jaya Line) and be four train stations away from KLCC LRT station. At the station, they leverage the numerous public transportation networks available in the Klang Valley, including LRT, MRT, KLIA Express and KTM InterCity Lines, and the upcoming LRT 3, MRT Lines 2 and 3, and the East Coast Rail Line (ECRL).

ASB successfully completes the sale of contracts and trademarks to Holiday Villa Group (New Straits Times, 6th December 2021)

- Advance Synergy Bhd (ASB) has completed the sale of management services agreements, licensing agreements, and trademarks of its wholly-owned subsidiary, Alangka-Suka Hotels & Resorts (ASHR) to Holiday Villa Group.
- The sale had been completed on December 3, 2021.
- The agreements and trademarks were sold for RM7 million to Holiday Villa Hotels & Resorts Sdn Bhd (HVHR) and Holiday Villa Hotels & Resorts Limited (HVHRL).
- ASHR, via its direct or indirect subsidiaries, collectively referred to as "vendors", had inked three agreements with HVHR and HVHRL on May 7, 2021.
- The vendors are Antara Holiday Villas Sdn Bhd (AHV), Holiday Villas International Limited (HVIL), Holiday Villa Middle East Ltd (HVME), and Cherating Holiday Villa Bhd (CHV).
- HVHR and HVHRL acquired contracts under AHV, HVIL, and HVME and trademarks registered under AHV, CHV, and HVIL as part of the disposal. The contracts are hotel management agreements or licence agreements for 19 Holiday Villa and D-Villa hotels in Malaysia, Indonesia, Qatar, Saudi Arabia, and China, entered into with the respective hotel owners.
- The purchasers will receive 49 trademarks as part of the proposal, including Amoras Relaxation Spa, D-Villa Residence, Holiday Villa, and City Villa.
- The sale aligns with the group's plans to shift resources to explore new market opportunities while streamlining its current core businesses.
- ASB will record an estimated net gain of RM6.8 million from this exercise, and the proceeds will strengthen the group's cash flow position.



- ASB's revenue for the nine months ended September 30, 2021, was RM74.6 million, a 13.7 per cent decrease from the corresponding period last year's figure of RM86.4 million.
- Except for the information and communications technology, property development, and investment divisions, ASB said that all divisions reported lower revenue in the first nine months.
- Despite lower revenue, ASB recorded a lower pre-tax loss of RM21.4 million in the first nine months of this year, compared to a pre-tax loss of RM31.5 million in the same period last year.

(K) INFRASTRUCTURE

MARC downgrades Senai-Desaru Expressway's RM1.89b sukuk, negative outlook maintained (theedgemarkets.com, 9th December 2021)

- MARC has downgraded the rating for Senai-Desaru Expressway Bhd's RM1.89 billion Islamic medium-term sukuk to BB from BBB-, while keeping its rating outlook at negative.
- SDEB's tight liquidity position increases the risk of the company not being able to address its upcoming financial obligations on a timely basis.
- MARC also pointed to declining traffic — traffic for the first nine months 2021 remained 45% below 2019 levels, following a 24% fall in 2020 — which has compounded the highway operator's predicament.
- SDEB has large financial obligations due in 2022, including a RM30.3 million payment due on June 30, 2022, and a RM30.8 million payment on Dec 31, 2022 under the rated programme against SDEB's expected cash balance of around RM28.4 million at end-2021.
- SDEB will need substantial revenue growth of around 60% in 2022 from the 2020 level, or 31% from the 2019 level, to comply with its finance service cover ratio covenant of 1.25x. This is an uphill task.

TH Heavy inks deal with MTD Capital to bid for infrastructure jobs (theedgemarkets.com, 10th December 2021)

- TH Heavy Engineering Bhd (THHE) has inked a memorandum of understanding (MoU) with highway constructions group MTD Capital Bhd to secure an infrastructure project in the northern region of Peninsular Malaysia.
- THHE, a subsidiary of Urusharta Jamaah Sdn Bhd, said the deal was also to explore collaboration opportunities in civil engineering and construction business, both locally and internationally.
- Both companies shall jointly participate in various projects that have been announced by the government under the 12th Malaysia Plan with an initial target order book of RM1 billion within the next few years.

Gamuda, IJM Corp and HSS likely MRT 3 tender bidders, says CGS-CIMB (theedgemarkets.com, 9th December 2021)

- Gamuda Bhd, IJM Corp Bhd and HSS Engineers Bhd are likely potential front-runners for the Mass Rapid Transit Line 3 (MRT 3) project's civil work tenders.
- Under MRT Corp's new strategy, MRT 3 will not adopt the single turnkey contractor structure as seen in MRT 2, and will likely divide the civil works scope into three to five main packages — each led by tier 1 contractors/consortiums that will undertake private financing for the first two years, prior to reverting to full government funding likely in 2024.
- This appears negative for the MMC-Gamuda JV [joint venture], but will likely be compensated by the estimated RM10 billion-15 billion (RM1 billion/km cost) single tunnelling package, supported by the JV's track record in MRT 1 & 2.



- Gamuda's rail and tunnelling credentials in MRT 1 and 2 are expected to provide the company with a strong advantage over other bidders for the MRT 3 underground package.
- The underground package is estimated to be worth between RM10 billion and RM15 million to MMC-Gamuda JV.
- However, there are potential execution risks such as: 1) delay in Cabinet approval of MRT 3's hybrid funding model, 2) low take-up by tier 1 contractors who are less willing to take on funding risks, 3) potential delays in land acquisition; land acquisition cost is borne by the government — which could hold up site mobilisation and delay construction works.

(L) ISKANDAR MALAYSIA

TA Global unveils Idaman Hills in Kluang, Johor (theedgemarkets.com, 7th December 2021)

- TA Global Bhd has unveiled its maiden project outside of the Klang Valley, Idaman Hills in Kluang, Johor.
- The development is located on a 95.16-acre freehold land near Gunung Lambak. It is a freehold masterplan residential development featuring six phases comprising 545 homes with a gross development value (GDV) of RM336 million.
- Idaman Hills is a residential area aimed at offering a co-existence between humans and nature, with the tagline "Nature Inspired Living". The development is surrounded by the green views of Mount Lambak, spacious parks and family-friendly facilities, as well as the exclusivity and privacy of a guarded community.
- The emphasis on nature and wellness is a standout feature of the development, which is also one of the few developments located within Kluang town centre. Idaman Hills features 14 acres of dedicated green spaces.
- During the soft launch ceremony, TA Global launched the first collection of Idaman Hills - Aspen Residences, which comprises 66 double-storey terraced houses with built-up sizes starting from 2,439 sq ft. The units are expected to be completed in 2023.
- Following the good market response, there are plans to introduce phase two to the market next year.

(M) OTHERS

Property prices will rise next year as construction materials become more expensive (New Straits Times, 8th December 2021)

- Homebuyers and investors should buy now because property prices are expected to rise next year due to higher building material costs in most building categories, according to **Knight Frank Malaysia** deputy managing director **Keith Ooi**.
- **Ooi** said, rising material costs will eventually have a trickle-down effect on selling prices.
- "Any increase in material or construction costs will eventually affect the selling price. The developer will pass on the cost to the respective consumers or buyers in some way," he said.
- **Ooi** also said that any changes in value or demand would cause the primary and secondary markets to react.
- "The implication is that, with rising costs, I would anticipate a gradual increase in terms of prices moving forward," he said today at the PropertyGuru virtual panel discussion on "Property Market Outlook 2022."
- The Building Material Cost Index (BCI) (without steel bars and with steel bars) had increased in October 2021, rising by between 0.1 and 2.3 per cent in Peninsular Malaysia, according to data from the Department of Statistics Malaysia (DoSM).
- The rise in the price of building materials, such as cement, steel, and iron, was caused by the global increase in the price of coal and petroleum products.
- Building materials became more expensive after construction resumed, according to DoSM, due to the government's implementation of the Movement Control Order in June 2021 and the four phases of the National Recovery Plan.
- The government allowed construction-related activities to resume on October 22, 2021.
- **Ooi** believes that, despite higher building material prices and new variants, 2022 will outperform 2021 due to pent-up demand from potential homebuyers and investors.
- He believes that the best time to buy a home is when the market is bottoming out, but he advises investors to reconsider their financial situation before entering the market.
- "Yes, now is a good time to buy a home because of the deals being offered by developers, as well as the current all-time low interest rate. This is the time to take advantage of the opportunity to purchase. The takeaway here is to not simply buy for the sake of buying. Never overleverage yourself as an investor. During a downturn, the pitfall will be difficult to overcome," he said.
- **Ooi** said that buyers should consider the long term rather than the short term when purchasing a home.



- "If you look at it over a long period of time, say 10 years, your property price could easily have doubled. Property is heavily influenced by location, location, location. I am confident that if you had invested in the right location ten years ago, your property prices would have doubled, if not more," he said.

Property sector to recover in 2H22 (The Malaysian Reserve, 9th December 2021)

- The property sector in Malaysia is expected to see a gradual improvement in the first half of 2022 (1H22) backed by a rebound in market sentiment and economic recovery.
- According to PropertyGuru, the gradual improvement will see the property market likely to accelerate in 2H22 based on its asking price indicator study on future transaction prices.
- The improved outlook is also reflected in the recent PropertyGuru Malaysia Property Asking Price Index, which found prices were back on an upward trend in the third quarter of 2021 (3Q21), indicating sentiments are improving in tandem with higher vaccination rates, the reopening of commercial activity and a less restricted environment for consumers.
- It is a favourable timing for home seekers who are looking to take advantage of low prices while they are on an upward trend and benefit from the prevailing low-interest rates while they last.
- However, they are advised to consider the stability of their personal finances and job security before making a long-term financial commitment.
- With prices trending in a positive direction in 4Q21 and sentiments gradually, but steadily improving, it is highly likely more property purchasers will want to catch the potential upswing of market prices while the financial environment remains favourable. This is a momentum that is expected to pick up pace and spill over into 2022.
- The current climate is, however, not ideal for those seeking to sell their property for a bigger profit, as sellers are facing competition from a glut of new and unoccupied properties which provide buyers with diverse options.
- Should the market pick up pace by mid-2022, properties located in high-valued and centralised locales could see promising upticks in offer prices.
- Positive price indicators captured in 2H21 foresee a more stabilised market in 1Q22, despite issues surrounding pricing mismatch experienced by the property sector prior to the onset of the pandemic.
- The policies announced in Budget 2022 for the property sector illustrate the beginning of more progressive and inclusive approaches in financing and homeownership.
- Terrace houses remain the most sought-after property type in the country, representing the largest volume of properties purchased by both first-home buyers and investors in 1H21.



- The preference has been influenced by recent Covid-19 limitations as younger professionals are seeking more space to balance both lifestyle and work needs, especially since working from home is now becoming a long-term option.
- The survey also found the overall median price for transacted properties rose 8.5% during 2H20 to 1H21, the sharpest rise registered since 1H16.

Unsold units in third quarter reduced with HOC (EdgeProp.my, 6th December 2021)

- The property sector has seen a reduction of unsold properties during the third quarter with the Home Ownership Campaign eases home buying.
- The National Property Information Centre (Napic) has recently published a report on November 25 which shows that there were 30,290 unsold completed residential units worth RM19.75 bil as of September 2021 with 18,829 units are high-rise units and the remaining 6,803 units are of terrace houses. There were 30,926 units worth RM19.99 bil in the previous corresponding period.
- Johor leads with the highest overhang units of 6,441 units, Penang at 4,638 units, Kuala Lumpur at 3,863 units and Selangor with 3,376 units.
- Additionally, 33.7% of the overhang units range between RM500,000 to RM1 mil while 28.4% are units priced between RM300,000 to RM500,000. 25.5% of the overhang units are priced below RM300,000 while the remaining 12.4% are units above RM1 million.
- In addition to the HOC, other initiatives to promote affordable housing have also made it easier for lower- and middle-income earners to enter the market.
- The HOC was first introduced in January 2019 as a way to mitigate the overhang issue in the country. The campaign managed to generate RM23.2 billion sales in 2019, which surpassed the government target of RM17 billion.
- In 2020, the campaign was then again reintroduced by the government through the Penjana initiative to stimulate the market hampered by the pandemic.

Panel of experts to review ceiling price of affordable housing, says KPKT (Bernama, 7th December 2021)

- The government will set up a panel of experts to review the ceiling price of the existing affordable housing.
- The ceiling price of affordable housing, which is currently set at RM300,000, needs to be reviewed as many people are affected and have slipped from the M40 group to the B40 group due to the Covid-19 pandemic.
- The Ministry of Housing and Local will also look into the proposal to implement the rent-to-own (RTO) scheme for the People's Housing Project to assist more people with low income to own a house.
- Meanwhile, a total of 34 PR1MA projects have been completed to date involving 26,337 units, while 27 projects (20,760 units) were under construction and another 2,264 units in the planning stage.



- As for the Malaysian Civil Servants' Housing project, a total of 164 projects have been completed involving 24,717 units, 65 projects (14,308 units) under construction and 44 projects (18,309 units) in the planning stage.
- Syarikat Perumahan Negara Berhad (SPNB) is currently monitoring 12 'sick' projects nationwide.
- Of the total, two projects have obtained the Certificate of Completion and Compliance (CCC) in stages, namely one project in Gurun, Kedah and another one in Batu Gajah, Perak.

Maybank IB Research upgrades property sector to 'neutral', sees fragile recovery ahead (theedgemarkets.com, 8th December 2021)

- Maybank Investment Bank (Maybank IB) Research has upgraded the Malaysian property sector to "neutral" (from "negative").
- While 2022 property sales should perform better as the economy is recovering, the outlook on 2022 earnings/sales outlook remains cautious as the fragile recovery in the sector could be upset by higher raw material costs and potential interest rate hikes as well as political uncertainties ahead of 15th general election.
- The National Property Information Centre (NAPIC) statistics in the third quarter of 2021 (3Q21) continued to show positive signals.
- Property sales value for the residential sector has rebounded after the decline in 2Q21, rising 20% quarter-on-quarter (q-o-q) to RM17.8 billion, while unsold stocks continued to improve, falling by 60.6% q-o-q and 59.8% year-on-year (y-o-y) to 46,889 units in 3Q21, thanks to aggressive marketing packages by the developers.
- In total, sales for the first nine months of 2021 (9M21) increased by 16% y-o-y to RM52.4 billion, which were close to 9M19's RM52.8 billion (pre-Covid).
- According to the developers, sales momentum is expected to pick up in 4Q21 post-economy reopening and most developers expect a better sales outlook in FY22 though this may be coming at the expense of lower margins on moderated pricing.

Selangor to reduce land premium deposit from 150% to 100% next year (Bernama, 7th December 2021)

- The Selangor government will reduce land premium deposits by 50 percentage points to companies wishing to invest in the state starting next year, as the 150% deposit rate set previously was seen as a burden on investors.
- In 2022, the state government will require a deposit (land premium) of only 100% which means at par with the rates and valuations that have been given by the (Valuation and Property Services Department) and also the Selangor Land Rate so that the burden can be reduced on these investors.

Port Klang has shortest turnaround time amid supply chain issue: ICAEW (The Malaysian Reserve, 12th December 2021)



- The supply chains issue is expected to persist well next year.
- The ease of restrictions since August and relatively healthy world trade activities have contributed to the growth of South-East Asia's manufacturing Purchasing Managers Index (PMI). Capacity on major shipping routes between Asia, Europe and the United States has recovered to pre-shipping levels, up 6% during the first nine months of 2021.
- Nonetheless, capacity at ports will remain tight as Asian manufacturers work through a backlog of orders and strive to meet global demand.
- For example, in efforts to meet global demand, Malaysia's main port, Port Klang is experiencing the shortest average turnaround time for vessels among major global ports, about two days, while the global average is about one week.
- The impact of Omicron variant is expected to be acute but contained to Q1 2022. In the worst-case scenario where economies return to lockdowns, global GDP growth will drop from the current forecast of 4.5% to 2.3%.
- This would have a ripple effect on weaker export demand for South-East Asia, which is projected to reduce growth from 6.1% to 4.3% in this scenario.

Malaysia exports RM52.3 billion of palm oil in 2020, or 73pct of agriculture exports (New Straits Times, 6th December 2021)

- Malaysia's exports of palm oil stood at RM52.3 billion in 2020, contributing 73.0 per cent of the country's agriculture exports.
- According to the Department of Statistics Malaysia (DOSM) in its latest Malaysia Trade Statistics Review (MTSR 2021), exports of sawlog, sawn timber and moldings, and natural rubber stood at RM3.6 billion (5.1 per cent of total exports) and RM3.3 billion (4.6 per cent) respectively.
- Exports of palm oil increased on average 8.1 per cent annually for the period between 1990 and 2020, while sawlog, sawn timber and moldings decreased 2.5 per cent per annum.
- Malaysia's trade for agriculture sector was ranked second in 2020 with a share of 6.8 per cent, surpassing mining products.
- The contribution of agricultural products to Malaysia's total trade in 1990 was 13.7 per cent, declining to 6.8 per cent in 2020.
- Nevertheless, Malaysia's main agriculture export products in 2020 were palm oil, sawlog, sawn timber and mouldings, and natural rubber.
- Malaysia's top imports were cereals, natural rubber and palm oil. Malaysia's main agricultural export destinations were China, the European Union, and India, while agricultural products were mostly imported from Indonesia, China and Thailand.
- Palm oil dominated Malaysia's trade for agriculture sector since 1990, and in 2020 the country contributed 25.8 per cent and 34.3 per cent, respectively to world palm oil production and exports.

- The main destinations for Malaysia's palm oil were India, China and the European Union.
- The report also highlighted that Malaysia should diversify the exports of palm oil to many more countries and not solely depends on few countries like China and India.
- Malaysia used to be the world's top natural rubber producer in the 1930s. However, in 2020, Malaysia's natural rubber exports were only RM3.3 billion, or 0.3 per cent of total exports.
- Malaysia has also benefited from the Covid-19 pandemic as it appeared to be the world's leading producer of rubber gloves in 2020 with exports amounting to RM35.9 billion, increasing 104.5 per cent year-on-year and consequently contributing to the increase in natural rubber imports.

Malaysia's October manufacturing sales grew 15.3% — DOSM (Bernama, 10th December 2021)

- Malaysia's manufacturing sales grew 15.3% to RM140.7 billion in October 2021 from the same month in 2020, driven by the petroleum, chemical, rubber and plastic products sub-sector, which rose 27%, especially in the manufacture of coke and refined petroleum products industries.
- According to the Department of Statistics Malaysia (DOSM), for the January to October 2021 period, the sales value of the manufacturing sector increased by 15.1% to RM1.27 trillion compared with the same period last year.
- The expansion was also attributed by the electrical and electronics products sub-sector (16.9%), mainly in the manufacture of computer, optical and electronics products, and the food, beverages and tobacco sub-sector (11.8%), supported by the manufacture of food products industries.
- Sales value of export-oriented industries, which accounted for 72.4% of total sales value, recorded an increase of 17.8%, while domestic-oriented industries posted an increment of 9.3% in October 2021 compared with the same month in 2020.
- The growth in sales value of export-oriented industries is in line with the double-digit growth registered in external trade exports and price factors that remained favourable.
- On a month-on-month comparison, export and domestic-oriented industries recorded positive growth of 1.7% and 10.6% respectively.
- Total employees engaged in the manufacturing sector in October 2021 was 2.24 million persons, up 2.4% from 2.188 million persons in October 2020, contributed by electrical and electronic products (4.9%), petroleum, chemical, rubber and plastic products (1.6%), and wood, furniture, paper products and printing (2.7%).
- The department also stated that salaries and wages paid amounted to RM7.52 billion, an increase of 4.4% or RM317.3 million in October 2021 against the same month in the preceding year.
- Besides that, sales value per employee rose 12.6% to RM62,781 compared with the same month in 2020 (RM55,747).



- Meanwhile, the average salary and wage per employee was RM3,357 in October 2021.
- The number of employees and salaries and wages recorded growth of 2.4% (2.24 million persons) and 2.6% (RM74.2 billion) respectively. Sales value per employee for the first 10 months of 2021 also grew 12.4% to RM566,011.

Malaysia's October Industrial Production Index up 5.5% — DOSM (theedgemarkets.com, 10th December 2021)

- Malaysia's Industrial Production Index (IPI) rose 5.5% in October 2021 from a year earlier, driven by higher manufacturing and electricity output as mining sector production dropped.
- According to the Department of Statistics Malaysia (DOSM), the index's growth was driven by its manufacturing component, which registered an increase of 8%. Simultaneously, the electricity index rose 4.1%. Meanwhile, the mining index recorded a downturn of 3.5%.
- On a month-on-month basis, the IPI increased by 4.8%, driven by the manufacturing and electricity sectors.
- Year to date, the IPI expanded 7.3% from the same period a year ago, contributed by increases across all components of the industrial output gauge. The increment was influenced by a rise in all components, [including the] manufacturing index (9.4%), mining index (1.8%) and electricity index (1.9%)."
- Malaysia's October IPI grew 5.5% year-on-year after the September 2021 reading rose 2.5% from the year before.

Malaysia's wholesale, retail trade sales back to pre-pandemic level at RM116.4b in October — DOSM (Bernama, 10th December 2021)

- Malaysia's wholesale and retail trade sales in October 2021 returned to the highest level seen on record, rebounding 5.4% year-on-year to RM116.4 billion, according to the Department of Statistics Malaysia (DOSM).
- The increase was attributed to the wholesale trade sub-sector, which continued to record a positive growth of 4.4% or RM2.4 billion to register RM55.8 billion in October 2021.
- Retail trade also expanded 5.1% or RM2.3 billion to RM46.5 billion. Within the same period, motor vehicles bounced back 10.2% or RM1.3 billion to RM14.2 billion after a series of double-digit negative growth since June 2021.
- For month-on-month comparison, sales value of wholesale and retail trade increased 7.7%, supported by the reopening of various economic sectors and interstate travel from October 11.
- On the sub-sectors' performance, the wholesale trade sub-sector growth of 4.4% in October was supported by wholesale of food, beverages and tobacco, which grew 10.6% or RM1.1 billion to RM11.2 billion. This was followed by other specialised wholesale at 5.1% to record RM22.1 billion.



- Similarly, wholesale of agricultural raw materials and live animals increased 13.1% to RM4.7 billion, driven by higher commodity prices. For month-on-month comparison, sales of this sub-sector went up 5.3%.
- On the retail trade sub-sector, the increase of 5.1% was attributed to retail sales in non-specialised stores, which registered an increase of 8.2% or RM1.3 billion to RM17.2 billion.
- Meanwhile, other groups in this sub-sector also recorded positive growth, namely retail sales of automotive fuels (17.8%), retail sales of food, beverages and tobacco (8.7%), retail sales of household goods (3.8%), retail sales not in stores, stalls or the market (28.6%), retail sales of cultural and recreation goods (4.8%), retail sales of information and communications equipment (0.6%), and retail sales in stalls and the market (11.4%).
- However, retail sales in specialised stores remained negative for a fifth consecutive month at -3.9%. For monthly comparison, retail trade went up 4.8%, with all groups in this sub-sector posting positive growth.
- The 10.2% growth in the motor vehicles sub-sector for the month was attributed to sales of motor vehicles, which rebounded 25.5% or RM1.8 billion to RM9.1 billion. In terms of the volume index, wholesale and retail trade registered a year-on-year growth of 1.3%. The expansion was attributed to motor vehicles, which rose 7%, followed by retail trade at 2.2%.
- However, wholesale trade recorded a negative growth of -1.2%. Meanwhile, the seasonally adjusted volume index went up 5.9% month-on-month.

Malaysian economy to be on firmer recovery path in 2022 — RAM Ratings (theedgemarkets.com, 8th December 2021)

- RAM Rating Services Bhd (RAM Ratings) projects Malaysia's economic growth, as measured by gross domestic product (GDP), to reach 6.8% for 2022 from an estimated 3.8% in 2021 on low base effects and the country's Covid-19 vaccination progress.
- RAM Ratings foresees the Malaysian economy staging a rebound on most fronts, riding the positive momentum of the country's high Covid-19 vaccination coverage and ongoing vaccine booster roll-out.
- The resumption of most economic activities without the risk of further wide lockdowns is a key risk driver of RAM's forecasts. The recent emergence of the Omicron variant, while posing a potential threat, could delay recovery but not completely derail it. The re-imposition of nationwide lockdowns is not within its current base case scenario.
- RAM Ratings estimated Malaysia's fiscal deficit at 5.9% of GDP in 2022, in line with the government's projection of 6% under Budget 2022 and down from the government's 6.5% estimate for 2021.
- Better economic growth prospects and significant gains from one-off and adjusted tax policies are upsides to the budget, despite the higher budget allocation for 2022.

- Fiscal space remains fairly tight, with government debt projected to amount to RM1.1 trillion in 2022 (or 65% of GDP) and the debt servicing burden significant at 17.2% of total projected revenues for the year (2021: 17.6%).
- For comparison, Bank Negara Malaysia (BNM) said in its latest quarterly economic report dated November 12, 2021 that for 2021, the domestic economy is on track to expand by 3% to 4%, supported by the increase in economic activities as Covid-19-driven containment measures are progressively relaxed, amid continued policy support.
- The relaxation of various pandemic-driven restrictions for fully vaccinated individuals including interstate travel will also spur tourism-related activities. In addition, the strength in global demand will continue to support Malaysia's export growth.
- Going forward into 2022, BNM said Malaysia's (economic) growth trajectory is expected to improve given resumption of economic activities, further improvement in the labour market, continued policy support and expansion in external demand.
- The progress and efficacy of vaccinations, compliance with standard operating procedures as well as the ability to effectively contain outbreaks from any new Covid-19 variants of concern will be key to the expected recovery.

Nomura forecasts Malaysia's 2022 GDP growth at 7%, above general consensus of 5.8% (theedgemarkets.com, 10th December 2021)

- Nomura Group has set an optimistic gross domestic product (GDP) growth forecast of 7% for Malaysia in 2022, well above the general consensus of 5.8%, as the country is on track to reopen its borders amid a high vaccination rate. Bank Negara Malaysia (BNM) is expected to start policy normalisation from the third quarter of next year (3Q22).
- Malaysia is shifting to higher gear, together with strong public investment ahead of the general election. This will certainly accelerate the economic recovery.
- Some sectors (such as transportation and accommodation) have been pretty badly impacted by the Covid-19 pandemic. These sectors are expected to catch up and rebound very fast to pre-pandemic levels.
- The central bank will start hiking the overnight policy rate (OPR) in 3Q22 by 25 basis points, reflecting the strong recovery in Malaysia's economy. Another central bank in Southeast Asia that we are expecting to hike its rate is Bank Indonesia by the second half of next year.

(N) OVERSEAS

Global growth to slow to 4.1% in 2022 and 3.3% in 2023, says Fitch Solutions (theedgemarkets.com, 7th December 2021)

- Fitch Solutions Country Risk & Industry Research has forecast global economic growth to slow from a multi-decade high of 5.5% in 2021 to 4.1% in 2022 and 3.3% in 2023, which would be broadly in line with the five-year pre-Covid-19 pandemic average of 3.1%.
- The latest Purchasing Managers' Index (PMI) data showed that economic momentum remained robust across developed markets and emerging markets (EMs), with the number of major economies with PMI readings above the crucial 50 mark picking up in recent months.
- However, several developments recently emerged, adding downside risks to its 2022 growth forecast. These include the new Covid-19 variant known as Omicron, more hawkish stances by central banks and greater financial market volatility.
- Fitch Solutions said the scientific community had, however, not yet confirmed whether or not vaccines will be less effective against the new strain or whether Omicron causes more severe symptoms.
- Many governments have responded cautiously, with many reintroducing travel restrictions.
- Expectations for more stubborn inflationary pressures and a more hawkish US Federal Reserve (Fed) will place additional pressure on central banks around the world to tighten more aggressively as well, which may weigh on global growth.
- In addition, the US dollar has been strengthening in recent weeks, putting downside pressure on EM currencies, which were already under pressure from a



slightly more hawkish Fed, weaker commodity prices and volatility from the currency crisis in Turkey.

Israeli company sells HSBC Tower in New York for US\$855mil (Bloomberg, 6th December 2021)

- Property and Building Corp. agreed to sell the HSBC Tower building in New York City for US\$855 million to an unidentified third party.
- The Tel Aviv-based firm will record a net loss of US\$45 million from the sale after costs. Completion of the sale is expected by April 1, 2022, subject to the buyer's right to bring the date forward.
- Property and Building bought into the 80,000 sq ft tower in Manhattan in 2009 for US\$330 million.

UK house prices hit a record in November (Bloomberg, 7th December 2021)

- UK house prices hit a record in November, with values over the past three months rising at their fastest pace for 15 years.
- According to mortgage lender Halifax, the average price of a home stood at £272,992 (US\$362,000) after gaining 3.4% in the quarter through November, the fastest pace since late 2006.
- Prices rose 1% in November alone - a fifth monthly increase and were up 8.2% from a year earlier. The average property has gained more than £20,000 over the past year.
- Halifax attributed the increase to shortage of available properties, a strong labour market and keen competition keeping mortgage rates close to historic lows. But it warned that momentum is likely slow, given stretched affordability and the prospect of Bank of England interest-rate increases.
- It does not expect the current level of house price growth to be sustained next year given that house price to income ratios are already historically high, and household budgets are only likely to come under greater pressure in the coming month.
- Wales remained the strongest performing region of the UK, where property prices broke through the £200,000 mark after a near 15% gain over the past year. Values in London rose just 1.1%, reflecting pandemic-driven demand for more spacious homes away from city centres.

Hong Kong developer to offer 300 homes at 50% discount to market price (Reuters, 6th December 2021)

- Hong Kong property developer New World Development plans to sell 300 new homes at a discount of roughly 50% to the market price in the city's first subsidised private housing project.
- As part of a move to provide more affordable housing in one of the world's most expensive property markets, New World said it will require a down payment of just 5% of the unit price.



- The move comes after New World said in September it was launching a research project called New World Build for Good to tackle a chronic housing shortage in the city.
- Once the proposal was approved by the government, New World would build 300 one- to three-bedroom flats ranging in size from 300 sq ft to 500 sq ft in the New Territories West district.
- The estimated cost of each unit would be roughly HK\$2.7 million (US\$346,287) to HK\$4.95 million and priority would be given to Hong Kong residents aged between 25 and 45 who are first-time homebuyers.

Nomura real estate tries to attract EV drivers with new condo (Bloomberg, 7th December 2021)

- Nomura Real Estate Holdings Inc., one of Japan's biggest listed property developers, sees electric vehicles as one key plank to its green building push.
- The company is constructing what is Japan's first fully emissions-free condominium powered by gas and electricity -- a high-rise luxury residential tower in Sagami-hara, a city about an hour's drive from Tokyo. Every parking spot in the building's three-level basement will have its own electric-car charging point and the garage will also feature spare chargers for visitors. The project is expected to be completed by 2025.
- Home charging points are becoming an essential part of the global EV push. Last month, U.K. Prime Minister said all new homes and buildings will be required to have EV charging points from next year as England readies to ban the sale of new gasoline and diesel cars by 2030. Japan has said it will go carbon neutral by 2050. EVs will be a big part of that but like in other places, there aren't many EV charging stations, putting consumers off making the shift.
- Nomura Real Estate isn't the only homebuilder going green. Sekisui House Ltd. has also pledged that all new condos sold in 2023 or later will be emissions free, in line with the government's goal to reach net zero energy consumption for newly constructed houses by 2030.
- As the share of zero-emissions homes increases, condos that do not meet those standards will become less popular.
- The pricing of apartments in new green buildings though must be competitive. Nomura Real Estate, which is also working on two smaller emissions-free condos in greater Tokyo, hasn't released pricing for its 680-strong apartment Sagami-hara project.
- While adding EV charging points to new residential buildings is much easier than retrofitting older ones -- an issue in Japan where many people live in densely packed apartments -- not everyone agrees the ability to charge up at home is especially environmentally friendly.
- The government is trying to promote the use of EVs, doubling subsidies to as much as 800,000 yen (US\$7,000) and planning to boost the number of charging stations nationwide to 150,000 by 2030. The country's national parks also waive charges for electric and fuel-cell cars.





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