

Z E R I N
PROPERTIES

ISSUE 303

CORPORATE REAL ESTATE HIGHLIGHTS

JANUARY 2025

<https://zerinproperties.com>



Singapore, Malaysia ink deal creating new vast economic zone

Malaysia and Singapore formalized the Johor-Singapore Special Economic Zone (JS-SEZ) agreement, aiming to attract 50 projects in its first five years and 100 over a decade. Spanning 3,500 square kilometers, the SEZ is set to create 100,000 jobs and add USD 26 billion annually to Malaysia's economy by 2030.

The SEZ leverages Johor's land availability and workforce, complemented by incentives like special tax rates. It targets investment from Singapore-based firms and sectors like data centers, boosted by Singapore's previous construction moratorium. However, challenges include bottlenecks at border crossings, bureaucratic hurdles, and discrepancies in corporate tax rates—Singapore's 17% versus Malaysia's 24%.

Both nations pledge streamlined cross-border processes, including passport-free travel and QR-based clearance. While optimistic, concerns remain about policy coordination and infrastructure readiness to attract investments. The SEZ aspires to emulate successful models like China's Shenzhen, but analysts caution that clear tax and customs incentives are crucial for businesses to consider Johor as a regional hub.



[Read More](#)



Thailand, Malaysia set sights on US\$30b trade by 2027, greater cross-border ties

Thailand and Malaysia aim to achieve a US\$30 billion bilateral trade target by 2027, focusing on cross-border trade in halal goods and sustainable rubber. Thai PM Paetongtarn Shinawatra's recent visit to Malaysia strengthened ties, with both nations prioritizing infrastructure projects like the Second Bridge linking Kelantan and Narathiwat and the ICQS Bukit Kayu Hitam–CIQ Sadao road alignment, set for completion in 2025, to boost trade and tourism.

A joint taskforce on agriculture and halal cooperation is being expedited, alongside efforts to finalize MoUs for cross-border transport. Digital collaboration through a 2003 MoU between DEPA and MDEC is also emphasized to support technology ventures.

The leaders committed to enhancing border security, combating transnational crimes, and promoting peace in Thailand's Southern Border Provinces through a Joint Comprehensive Plan towards Peace. Agreements on rubber industry cooperation and cultural exchange were signed, with tourism initiatives like "6 Countries, 1 Destination" promoting regional integration. Private sector engagement remains key to driving trade and investment.



[Read More](#)



Proposed Southern Gateway Economic Corridor to coordinate high-impact projects, says Melaka CM

The Southern Gateway Economic Corridor aims to drive sustainable economic growth through coordinated high-impact development in Melaka, Johor, and Negeri Sembilan. Melaka Chief Minister Datuk Seri Ab Rauf Yusoh highlighted key projects, including the West Coast Highway, Kuala Lumpur–Singapore High-Speed Rail, and the Southern Padi Bowl, alongside economic zones like Maharani Gateway, Straits Melaka Waterfront Economic Zone, and the Smart AI Container Port in Port Dickson.

A development workshop held from December 16–18 brought stakeholders and government representatives together to detail the corridor's framework. The initiative focuses on enhancing infrastructure and boosting economic sectors such as industry, agriculture, and tourism within a 5–10 km radius of the Melaka–Johor and Melaka–Negeri Sembilan borders.

The states aim to collaborate through federal and state funding and privatization initiatives, with all proposed projects to be aligned with the 13th Malaysia Plan (13MP). This corridor reflects a unified effort to strengthen regional ties and stimulate growth across the three states.



[Read More](#)



Malaysian REITs to continue positive momentum in 2025

Malaysian Real Estate Investment Trusts (REITs) are poised for positive momentum in 2025, driven by strong fundamentals and a stable macroeconomic outlook, according to RHB Research, which maintains an "overweight" stance on the sector. Occupancy rates for REITs under its coverage remain high, with managements forecasting healthy rental reversions. While slower interest rate cuts are expected globally, the stable Malaysian Government Securities (MGS10) yield of around 3.8% supports REITs' valuations.

Retail space supply growth in Kuala Lumpur is set to ease, improving occupancy rates, while retail spending benefits from a higher minimum wage, civil servant pay hikes, and a recovering tourism sector. Mid-single-digit rental reversions are anticipated for retail REITs, with upside for Sentral REIT and IGB REIT due to refurbishments.

The listing of new REITs and asset acquisitions, funded via debt and equity, enhance market sentiment. Pavilion REIT plans a sizeable placement for acquisitions, while Sentral REIT aims to expand its portfolio to RM14 billion by 2027 from RM10 billion.



[**Read More**](#)



Gamuda to acquire 389-acre land in Port Dickson for RM424m for data center development

Gamuda Bhd is acquiring a 389.7-acre plot in Port Dickson for RM424.4 million to expand into the high-growth cloud and data center infrastructure sector. The purchase, through its subsidiary Gamuda DC Infrastructure Sdn Bhd, involves land within Springhill Industrial Park, part of the Bandar Springhill township, strategically located along the North-South Highway and near KLIA.

The land, currently designated for agriculture, is set to be converted to industrial use, transforming the area into a hub for high-tech digital infrastructure as part of the Malaysia Vision Valley 2.0 initiative. The RM25 per square foot deal is expected to complete by July 2025, pending shareholder and land-use conversion approvals.

The vendor, West Synergy Sdn Bhd, is a key developer in the region. MUI Properties, its parent company, expects a one-off net gain of RM206.13 million and an increase in net assets by RM123.68 million from the sale, which supports its expansion efforts. Gamuda will fund the acquisition internally without assuming liabilities.



[Read More](#)



Taiwan's Linco secures land in Senai Airport City for green tech

Taiwan's Linco Technology Co Ltd, through its subsidiary Lincotec Technology (M) Sdn Bhd, has acquired 9.93 acres of industrial land at Senai Airport City's Free Industrial Zone, marking its first ASEAN investment. The agreement was signed on December 27, 2024, attended by Linco Chairman Leon Chen and Senai Airport City CEO Gan Seng Keong.

Established in 1999, Linco Technology is a global leader in sputtering equipment for semiconductor systems in package (SiP), supporting high-performance chips, smartphones, IoT, and 5G communications. Its investment highlights Johor's strategic position in the semiconductor and artificial intelligence (AI) industries.

Senai Airport City, known for high-tech manufacturing and R&D, is positioned as a hub for semiconductor investment and green technology applications. Chen emphasized Linco's commitment to sustainable, environmentally friendly solutions, with the new facility enabling growth in green technology and fostering collaboration in Malaysia and beyond. This investment strengthens Senai Airport City's appeal as a technology hub, driving Johor's growth in AI and semiconductor sectors.



[**Read More**](#)



Sunway REIT completes Kluang Mall acquisition

Sunway Real Estate Investment Trust (KL:SUNREIT) has completed the RM158 million acquisition of Kluang Mall in Johor, now rebranded as Sunway Kluang Mall. The mall, nearly fully occupied with over 130 tenants and anchored by Pacific Hypermarket & Department Store, is expected to yield an initial net property income of 7%.

Sunway REIT CEO Clement Chen highlighted plans to enhance the mall's growth through tenancy optimisation, proactive management, and asset enhancement initiatives. The acquisition marks a strategic move to strengthen the trust's retail portfolio and improve its asset performance.

With this addition, Sunway REIT's portfolio expands to 28 assets valued at RM10.3 billion, comprising 13 retail properties, six hotels, five office buildings, an education asset, and three industrial sites. The acquisition, originally announced in August 2024, aligns with Sunway REIT's strategy to drive portfolio growth and capitalize on high-performing retail assets in strategic locations.



[**Read More**](#)



Keppel DC REIT divests Basis Bay Data Centre in Cyberjaya at 2.6% above valuation

Keppel DC REIT has announced the divestment of the Basis Bay Data Centre in Cyberjaya, Selangor, Malaysia, for RM55.6 million (S\$16.9 million). The sale and purchase agreement was signed on Dec 31, 2024, between Keppel DC REIT's subsidiary, Basis Bay Capital Management, and Basis Bay Services MSC, an unrelated third party that currently serves as the property's master lessee and facility manager.

The divestment, expected to be completed by 3Q2025, marks a strategic move by Keppel DC REIT to optimize its portfolio. Basis Bay Data Centre has been part of the REIT's portfolio since its listing in 2014.

The REIT manager stated that the transaction aligns with its commitment to delivering sustainable growth and value for unitholders. By reallocating resources, Keppel DC REIT aims to focus on assets that better align with its long-term strategy. The divestment underscores the REIT's approach to active portfolio management and enhancing returns for its stakeholders.



[Read More](#)



Apex To Acquire Bangsar South Building As HQ For RM50 Million

Apex Equity Holdings Berhad has entered into a Sale and Purchase Agreement with Noah Foundation through its wholly owned subsidiary for the acquisition of a parcel of land and building in Bangsar South City. The property, part of a mixed commercial development known as the Horizon, measures approximately 54,876 square feet in total floor area. The acquisition is valued at RM50 million.

This move aligns with Apex's long-term strategy to address immediate operational needs while supporting future growth. By securing a permanent headquarters in a prestigious business hub, the company aims to strengthen its brand visibility and enhance stakeholder confidence.

The acquisition reflects Apex's commitment to establishing a prominent presence in a key business location, enabling further operational and strategic advancements. This step is expected to bolster the group's capabilities and contribute to its broader goals, positioning Apex Equity Holdings for continued success in the future.



[Read More](#)



Oriental Kopi brews up RM184m IPO, eyes cafe expansion

Oriental Kopi Holdings Bhd, a food and beverage (F&B) services cafe chain operator, is preparing for a listing on Bursa Malaysia's ACE Market, aiming to raise RM184 million through its initial public offering (IPO). The IPO share price is set at 44 sen per share, with the listing scheduled for January 23, 2025.

The company plans to allocate RM75.78 million (41.2%) for working capital, RM53.69 million (29.2%) for setting up a new head office, central kitchen, and warehouse in Selangor, RM36.40 million (19.8%) for cafe chain expansion in Malaysia, and smaller portions for foreign marketing (RM5.5 million), packaged food expansion (RM5 million), and listing expenses (RM7.6 million).

Since its inception in 2020, Oriental Kopi has opened 19 cafes in Malaysia and one in Singapore, with plans to open 13 more outlets in Malaysia and two in Singapore by 2025. The IPO will offer 418.1 million shares, with applications closing on January 10, 2025.



[Read More](#)



Kerjaya Prospek wins RM256m contract in Shah Alam for E&O's unit

Kerjaya Prospek Group Bhd has secured a RM256.4 million contract from Eastern & Oriental Express Sdn Bhd (E&OE) for a construction project in Elmina West, Shah Alam, Selangor. The project, awarded through its wholly owned subsidiary Kerjaya Prospek (M) Sdn Bhd, involves the construction of 360 three-storey terrace houses, a clubhouse, landscaping, and related infrastructure.

The contract was agreed on normal commercial terms, with E&OE being an indirect subsidiary of Eastern and Oriental Bhd (E&O), in which Kerjaya Prospek's non-executive chairman and major shareholder, Datuk Seri Tee Eng Ho, holds stakes in both companies.

The project is expected to be completed in three phases, with construction starting on January 20 and set to finish within 26 months. Following this win, Kerjaya Prospek's order book increases to RM4.2 billion, ensuring earnings visibility for the next three years. The company aims to continue delivering strong results and maintaining its growth momentum.



[Read More](#)



Kumpulan Kitacon bags RM66m residential project in Sungai Buloh

Kumpulan Kitacon Bhd has secured a RM65.68 million residential construction contract in Sungai Buloh, Selangor. The contract, awarded to its wholly owned subsidiary Kitacon Sdn Bhd, involves the construction of bungalows at Lot 851, Precinct 4C1, Bandar Seri Coalfields. The project is expected to be completed within 20 months, with construction commencing on February 3, 2025.

This contract marks Kumpulan Kitacon's first win for 2025 and is anticipated to positively impact the company's earnings and net assets per share for the financial year ending December 31, 2025.

For the third quarter of 2024, Kumpulan Kitacon reported a net profit of RM14.14 million, its highest quarterly net profit since its Main Market listing in January 2023. This new project adds to the company's growing portfolio and strengthens its position in the construction sector, ensuring a strong outlook for the upcoming year.



[Read More](#)



SP Setia launches single-storey houses at Setia Fontaines

SP Setia Bhd has launched the latest phase of Setia Suria, a collection of freehold, single-storey terraced homes within its 1,961-acre Setia Fontaines township in Kepala Batas, Penang.

Spanning 49.55 acres, Setia Suria consists of 333 units, divided into two sub-phases: the first sub-phase (154 units) was launched recently, with the second sub-phase (179 units) expected in Q1 2025. The project, with a GDV of RM280 million, will be completed by December 2026. The 3-bedroom, 2-bathroom homes range from 1,189 sq ft to 1,221 sq ft, starting at RM430,000.

SP Setia divisional general manager Datuk Muhamad Zaili Muhammad Yusof expressed confidence in the demand for Setia Suria, noting its appeal to young families and owner-occupiers in Penang. The township's previous launches have been successful, with most phases fully sold. Notable attractions include the Setia Experience Centre, a 63-acre lake, and the 37-acre Penang Heritage Park. Setia Fontaines offers excellent connectivity and proximity to key amenities and educational institutions.



[Read More](#)



Gagasan Nadi Cergas in deal for Kwasa Damansara project

Gagasan Nadi Cergas Bhd has signed a Development Rights Agreement (DRA) with Kwasa Development (15) Sdn Bhd for an affordable housing project in Kwasa Damansara, with a GDV exceeding RM1 billion.

The agreement, made through its unit Nadi Emery (KKD2) Sdn Bhd, entails the construction of 4,183 affordable homes on a 34.9-acre site. Gagasan Nadi Cergas will pay Kwasa Development RM35.6 million for the development rights. This is Gagasan's second partnership with Kwasa Land, following a previous project of 1,669 affordable units.

Group managing director Datuk Wan Azman Wan Kamal highlighted the strategic location of the development near two MRT stations and the Damansara–Shah Alam Expressway, ensuring strong demand. The affordable housing market continues to grow, with the group currently working on over 6,000 Rumah Idaman units and 1,000 Idaman Amani units. The DRA will enable Gagasan Nadi Cergas to deliver over 11,000 affordable homes over the next eight years, strengthening its position in the sector.



[Read More](#)