

**Z E R I N**  
**PROPERTIES**

**ISSUE 325**

**CORPORATE REAL ESTATE HIGHLIGHTS**

**JUNE 2025**

<https://zerinproperties.com>



## **Kuala Lumpur Rises to Global Top 20 Emerging Startup Hubs**

Kuala Lumpur has achieved its first-ever ranking in the Top 20 Emerging Startup Ecosystems, placing 18th in the Global Startup Ecosystem Report (GSER) 2025 by Startup Genome. This milestone signals the growing maturity of Malaysia's innovation ecosystem and the results of coordinated national efforts led by the Ministry of Science, Technology and Innovation (Mosti).

The GSER, covering over 300 cities in more than 100 countries, highlights Kuala Lumpur's gains in funding, talent development, and most notably, market reach. Early-stage funding grew by over 40%, reaching RM1.5 billion in two and a half years, while venture capital funding rose to US\$3.3 billion.

Key enablers include the Malaysia Startup Ecosystem Roadmap (Super) and the KL20 Action Plan. The city's market reach score notably rose from two to 10, reflecting stronger global expansion by local startups.

Mosti's MYStartup platform has supported 4,400 startups, with ambitions now set on global top-tier status by 2030.



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## Malaysia Records RM89.8 Billion in Q1 Investments, Driven by Services

Malaysia approved RM89.8 billion in investments in Q1 2025, a 3.7 percent increase from the same period last year. The Malaysian Investment Development Authority approved 1,556 new projects and is actively pursuing 772 proposals worth RM48.5 billion. Talks are ongoing for potential leads valued at RM59.3 billion. If realised, these investments are expected to generate 33,300 jobs.

Despite global headwinds and supply chain disruptions, Malaysia remains resilient. Clear policies and strong regional positioning continue to attract investment, particularly from Asia. Foreign investments made up RM60.4 billion, led by Singapore, the US, China, the British Virgin Islands, and Taiwan. Domestic investments totalled RM29.4 billion.

The services sector led approvals at RM57.8 billion, dominated by information and communications, real estate, and support services. Manufacturing attracted RM30.5 billion, led by basic metal products, electronics, and chemicals. Johor topped state-level investment at RM30.1 billion, followed by Kuala Lumpur, Sabah, Selangor, and Penang.



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## Malaysia-Taiwan Trade Hits RM176 Billion, Ties Strengthen Further

Malaysia's trade with Taiwan reached RM176.1 billion in 2024, marking a 38.5 percent growth and positioning Taiwan as its fourth-largest trading partner. Taiwan is also Malaysia's sixth-largest export destination and fourth-largest import source, with key traded products including electronics, petroleum, and scientific equipment. This momentum highlights the deepening economic synergy between both economies.

Matrade reaffirmed its cooperation with Taiwan through a renewed MoU with Taitra, supporting mutual trade programmes like Mihas and Taiwan Expo. Additionally, both countries co-chair the Trade Working Group under the Malaysia-Taiwan Economic Cooperation Committee, serving as a key dialogue platform.

Taiwan's strengths in semiconductors and advanced manufacturing align with Malaysia's industrial ambitions under the New Industrial Master Plan 2030. Malaysia's halal industry also offers a gateway for Taiwanese firms to access the ASEAN market. Taiwan's direct investments in Malaysia more than doubled, reaching US\$1.29 billion, with over 1,700 Taiwanese firms active locally.



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## **Zerín Sees Steady Property Market Rebound Driven by Key Indicators**

Malaysia's residential market is set for moderate growth in 2Q25, supported by steady domestic demand, favourable policies and infrastructure momentum. Zerín Properties CEO Previn Singhe anticipates measured expansion in both transaction volume and value.

He attributes this to stable monetary policy, strong launch activity, and continued recognition of sales through progress billings. However, he notes the market will remain segmented, with performance hinging on product alignment and pricing.

Following a subdued 1Q25, Previn expects a volume rebound of 5% to 10%, backed by improved sales conversion from late-2024 and early 2025 launches. Notably, loan applications surged 15.3% in March, after rising 6.1% in February, pointing to sustained buyer interest.

He remains cautiously optimistic, highlighting that affordability and effective product positioning are key to translating buyer interest into transactions, particularly as market fundamentals remain intact and confidence continues to recover.



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## **Malaysia's Property Sector Maintains Bullish Outlook on Strong Demand**

MIDF Amanah Investment Bank maintains a bullish outlook on Malaysia's property sector, backed by healthy buying interest and improving sales momentum. Property transactions are generally stronger, setting the stage for sustained earnings growth through 2025.

The bank noted minimal impact from the 6% Sales and Service Tax (SST), as residential properties are exempted. Meanwhile, industrial and commercial segments are expected to absorb the SST due to strong demand, keeping margin impact limited.

Loan applications rose steadily for three months year-on-year, reflecting solid buyer sentiment. Most developers are aligning their targets for higher sales in the second half of 2025, encouraged by accelerated project launches and favourable market conditions.

Top picks include Mah Sing, Matrix Concepts, and UOA Development, supported by robust sales, industrial growth, and recurring income streams. UOA's healthy balance sheet and 5.5% dividend yield add further upside for investors.



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## **Johor Set to Host 60 Percent of Malaysia's Data Capacity by 2030**

Johor is projected to host 60 percent of Malaysia's total data centre capacity by 2030, positioning itself as Southeast Asia's digital hub. Investment Minister Tengku Zafrul credited the Johor-Singapore Special Economic Zone for accelerating this transformation by enhancing talent attraction and strengthening regional supply chains.

At the DayOne financing signing ceremony, Tengku Zafrul highlighted Johor's RM30 billion in investments in early 2025, nearly 90 percent of which focused on digital infrastructure. He affirmed that the region is attracting the right capital under policies that inspire investor confidence.

Malaysia's digital economy is forecast to exceed 25 percent of GDP this year, potentially generating RM400 billion in GDP by 2030. This will support sectors from AI to e-services.

Additionally, DayOne secured up to 500 megawatts of renewable energy under the Corporate Renewable Energy Supply Scheme. The initiative advances Malaysia's clean energy goals and responsible digital growth trajectory across ASEAN.



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## OCBC Funds Key Johor Projects to Boost JS-SEZ Growth Potential

OCBC Bank Malaysia has extended RM351 million in financing to See Hong Chen Group and EXSIM for three real estate developments within the Johor-Singapore Special Economic Zone (JS-SEZ). The strategic funding supports a mixed development along Jalan Dato Abdullah Tahir in Johor Bahru, with a gross development value of approximately RM1.8 billion.

The financing also includes land acquisitions in Bandar Johor Bahru by See Hong Chen Group, reinforcing its long-term strategy of developing impactful assets across growth corridors. These developments are positioned to unlock value and contribute meaningfully to JS-SEZ's trajectory.

OCBC's head of wholesale banking Jeffrey Teoh highlighted the bank's commitment to supporting sustainable and high-growth regions through integrated solutions under the OCBC One Group platform.

With eight branches operating across Johor, OCBC's presence in the JS-SEZ further strengthens its ability to support regional development and long-term economic progress.



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## **KTC to Build Regional Hub in Sabah for Supply Chain Expansion**

Kim Teck Cheong Consolidated is acquiring 15.15 acres of land in Kota Kinabalu for RM39.59 million to develop a regional distribution and warehouse hub. The purchase from KKIP Sdn Bhd will be funded through a mix of internally generated funds and bank borrowings.

Located within the state-backed Kota Kinabalu Industrial Park, the facility will enhance operational efficiency, supply chain control, and delivery speed, while reducing reliance on third-party logistics. The hub will also support expansion into new regional markets.

KTC views the transaction as a strategic move to improve long-term earnings and increase shareholder value. Development is expected to be completed within 48 months, barring any delays.

This initiative is part of KTC's broader plan to create one of the largest fast-moving consumer goods distribution centres serving Sabah, Sarawak, Brunei, and Indonesia, aligning with the company's regional growth ambitions.



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## **Kitacon Secures RM88 Million Building Contract in Rawang Development**

Kumpulan Kitacon's wholly owned subsidiary, Kitacon Sdn Bhd, has won a main building works contract valued at RM87.88 million from GLM Emerald West (Rawang) Sdn Bhd. The contract covers main building, external, ancillary, and infrastructure works for 106 bungalow units in Rawang, Selangor.

The project is scheduled to start on June 13 and is expected to be completed within 25 months. Kitacon expects this contract to contribute positively to its earnings for the financial year ending December 2025 and beyond.

This latest award increases Kitacon's contracts secured this year to RM347.58 million, with an outstanding order book of RM1.307 billion. Despite the positive outlook, Kitacon shares dipped 2% to 72.5 sen at Tuesday's midday session, valuing the group at RM362.75 million. Year-to-date, the stock has declined 3.3%.



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## **Binastra Secures RM268 Million Contract for Klang Valley Project**

Binastra Corporation Bhd has secured a RM268 million contract to construct a 45-storey serviced apartment block with 1,269 units for Tuan Heritag3 in Segambut. The project was awarded by TNJ Development, a subsidiary of CPI Land, marking a new client addition to Binastra's growing portfolio.

Construction is set to begin on August 15, 2025, and targeted for completion by December 14, 2027. The company expects revenue contributions from this project to start in the financial year ending January 31, 2026, and continue through FY2028.

Managing director Datuk Jackson Tan noted this win as a key milestone in expanding Binastra's presence in the Klang Valley. This award brings the company's total new contracts in 2025 to RM976.9 million.

With an outstanding order book of RM4.3 billion, Binastra is well-positioned for sustained growth over the next four financial years. Its market cap remains steady at RM1.96 billion.



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## **Avaland Enhances Connectivity with New Link to USJ21 LRT Station**

Avaland Bhd has begun construction of a 300-metre covered pedestrian walkway and link bridge connecting its Avenue25 mixed-use development to the USJ21 LRT Station. The project aims to boost walkability and seamless access to public transport, enhancing community integration.

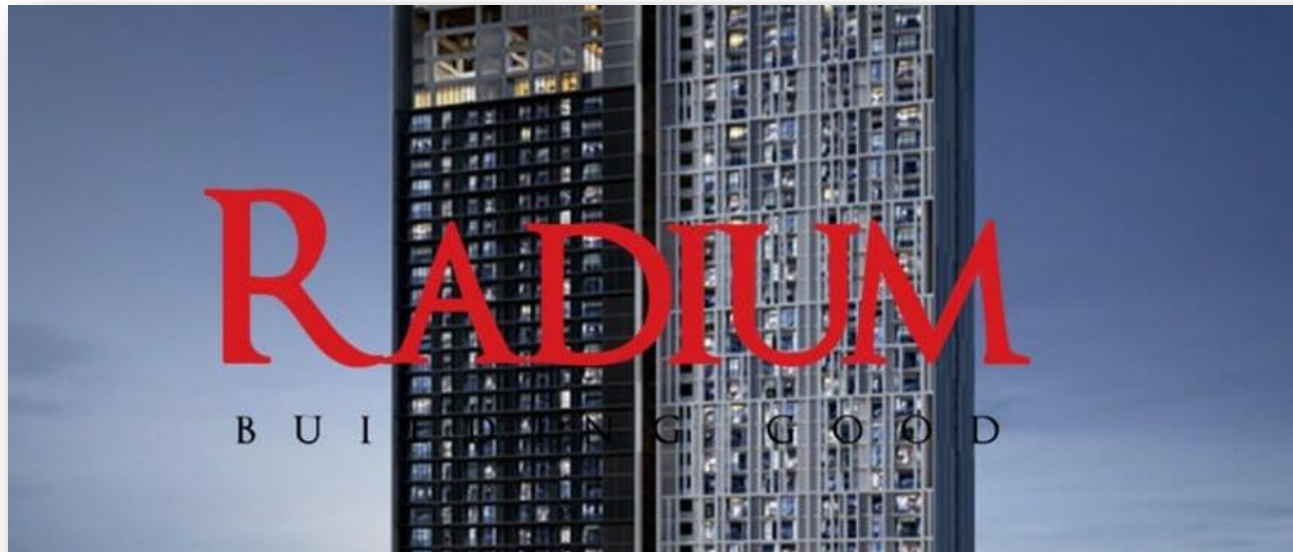
The groundbreaking ceremony took place on June 13 at the site. Avenue25, located just 10 minutes from Subang Jaya's central business district, spans 13 acres and integrates residential, retail and green spaces, aligning with Avaland's sustainable urban vision.

Avaland chief operating officer Aw Sei Cheh said the walkway marks a key step in connecting homes and amenities through a cohesive, people-centric design. The initiative supports the broader goal of livable, transit-connected communities.

The company recorded its highest net profit in 2024, with sales up 53% to RM894.2 million. It plans RM1.3 billion in new launches this year and will deliver four major projects by 2025.



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## **Radium Withdraws from Land Deal Amid Legal Uncertainty**

Radium Development Bhd has terminated its plan to co-develop a 40,467 sq m land in Mukim Petaling, Kuala Lumpur, with N&M Cahaya Sdn Bhd due to ongoing litigation involving the land. The decision follows a mutual agreement to end the letter of intent issued in February 2023.

The cancellation comes after Radium's due diligence revealed the dispute in 2024. Although both parties had extended the resolution timeline to August 6, 2025, lingering uncertainty prompted the termination. The land was previously valued at RM70 million.

As part of the agreement, N&M Cahaya must refund Radium's RM14 million deposit. Radium waived the 10% annual interest on the refund, provided repayment is made within seven days. Radium retains first refusal rights should the dispute be resolved.

The board believes this move protects shareholder interests and allows for resource reallocation. The termination has no material financial impact on FY2025 performance.



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## **Vizione and Permaju Terminate RM490 Million Sabah Project Deal**

Vizione Holdings Bhd and Permaju Industries Bhd have mutually agreed to terminate a RM490 million contract for a residential project in Kota Kinabalu. The contract, awarded in December 2023 to Vizione's subsidiary Bina Permai Sdn Bhd, involved constructing three apartment blocks comprising 1,344 units.

Permaju Property Sdn Bhd, the awarding party, intends to revise and resubmit the development plans to authorities. In light of the evolving scope and related uncertainties, both parties reassessed the project's commercial viability and chose to end the agreement amicably.

Vizione confirmed that construction work had not begun and no significant costs were incurred. The termination will not impact its financials materially.

Vizione's key shareholders include Symphony Life, LKL International, and Lazarus Capital. Permaju's top holders are Vsolar Group, Morgan Stanley, and AE Multi Holdings. Both stocks saw minimal price movement following the announcement.



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## **Elmina Ridge 2 Launches with Nature-Inspired, Sustainable Living Vision**

Sime Darby Property has unveiled Elmina Ridge 2, the latest premium precinct in the City of Elmina, featuring freehold homes designed for mid-sized to large families. Strategically located near Bukit Cherakah Forest Reserve and the USJ21 LRT, the project offers superlink, cluster, and semi-detached homes with built-ups from 2,274 to 3,288 sq ft. The launch is set for June 21, 2025, with completion expected in 2028.

Each unit integrates green features such as solar panels, battery storage systems, skylights and indoor planter areas. Entry prices start at RM1.21 million, supported by low-density planning of only 6.5 units per acre and nearly 10 acres of resident-only parks.

The City of Elmina spans 6,500 acres and champions wellness and sustainability with its 5km Urban Biodiversity Corridor, rainwater harvesting, and wide cyclist-friendly pathways.

Backed by award-winning masterplanning and strong connectivity, Elmina offers a vibrant, integrated lifestyle with education, healthcare, and retail within easy reach.



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## **MTD Properties Launches Residential and Industrial Projects in Melaka**

MTD Properties Sdn Bhd will embark on two major developments in Taman Tasik Utama, Ayer Keroh — the MTD Nexus 28 Industrial Park and MTD Elysia Heights. Construction will start in phases this year, with launches scheduled for August and October respectively.

The MTD Nexus 28 Industrial Park will offer 87 factory units featuring smart systems and solar PV panels, targeting SMEs with prices starting from RM650,000. Meanwhile, MTD Elysia Heights will introduce 197 contemporary residential units priced from RM430,000, designed to deliver comfort and quality in a strategic township.

The projects, spanning 8.89 hectares, are expected to be completed within two years. The launch event was officiated by the State Deputy Senior Executive Councillor and attended by key MTD and municipal officials.

These initiatives align with Melakaku Maju Jaya 2035, reflecting MTD's commitment to sustainability, affordability, and innovation in property development.



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## **Sime Darby's Andara Achieves Strong Take-Up in Ara Damansara**

Sime Darby Property's final landed residential project in Ara Damansara, Andara, has achieved an 85% take-up rate since its launch on April 27. The development features 20 units of three-storey freehold semi-detached homes on 2.85 acres, with built-up areas from 4,100 to 5,112 square feet. Each unit offers five to six bedrooms, including dual-key options, with prices starting at RM4 million. The project's gross development value stands at RM82.68 million.

Scheduled for completion in the second quarter of 2028, Andara offers a final chance to own a landed property in this mature township. Sime Darby's COO, Datuk Mohd Idris Abdullah, highlights its flexibility, exclusivity, and prime location as key selling points.

Located five kilometres from Subang SkyPark Airport, Andara is well connected by major highways and nearby LRT stations, with access to schools, medical centres, retail, and recreational amenities.



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## **UEM Sunrise to Launch Allegro, Premium Eco-Friendly Homes in Cyberjaya**

UEM Sunrise will launch Allegro, a landed residential project within its 98-acre Symphony Hills township in Cyberjaya, this month. The development spans 11 acres and features 68 semi-detached houses with 2-, 2½-, and 3-storey layouts. Unit sizes range from 3,354 to 5,114 square feet, with land areas between 36 by 80 feet and 47 by 80 feet. Prices start at RM1.8 million, with completion expected in 2027.

Allegro targets growing families and extended households seeking premium living. Units offer flexible layouts balancing communal and private spaces. Special features include bedrooms designed for elderly accessibility and selected units with private lifts.

Aligned with ESG goals, the project respects natural terrain, optimises ventilation and lighting, and includes eco-friendly elements such as EV-ready infrastructure, rainwater harvesting, and certified water-saving fixtures. Allegro promises a sustainable, future-proof residential environment suited for evolving lifestyles and environmental standards.



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## **Permata Heights Unveils Premium, Sustainable Landed Homes in Gombak**

Permata Heights, CPI Land's first premium landed development, spans 20.58 acres atop Taman Bukit Permata's highest point in Gombak, Selangor. The project offers scenic KL skyline views, lush surroundings, and privacy, ideal for upscale living. It will launch in four phases, featuring 177 super-linkhomes, semi-detached houses, bungalows, and a future serviced apartment project, with a total gross development value of RM557 million.

Phase 1, Permata Gemma, launching in July, covers seven acres with 36 semi-detached homes and 24 bungalows. Semi-detached units start from RM1.76 million, with 5+1 bedrooms, while bungalows average RM2.2 million with 6+1 bedrooms. Designed for business owners and multigenerational families, all homes include lifts, EV charging ports, and solar panel provisions.

Featuring open layouts, high ceilings, and natural ventilation, the development fosters community and nature connection. Strong market interest signals full take-up within nine months, with subsequent phases planned for launch next year.



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## EPF Becomes Substantial Shareholder in 99 Speed Mart Holdings

The Employees Provident Fund (EPF) has emerged as a substantial shareholder in 99 Speed Mart Retail Holdings Bhd after acquiring a 0.07% stake on June 4, raising its total holding to 5.02%. This crosses the 5% threshold required for substantial shareholder status.

An amended filing clarified the acquisition involved six million shares, correcting a previous error that reported a significantly larger stake. The minimart chain operator, led by founder and CEO Lee Thiam Wah, continues to show strong investor interest.

Lee remains the dominant shareholder, holding 79.68% equity in the group. 99 Speed Mart previously received a waiver from the Securities Commission Malaysia for the minimum 25% public spread requirement for its listing.

As of the midday trading break, shares rose 4.29% to RM2.19, lifting the company's market value to RM18.4 billion since its September 2024 debut at RM1.65 per share.



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## **Lulu Group Exits Malaysian Retail but Retains Wholesale Operations**

Lulu Group is closing its hypermarket retail outlets in Malaysia while maintaining its wholesale business in the country. The decision was confirmed by a company spokesperson, noting the retail division has ceased operations, but wholesale activities will continue.

Earlier this year, Lulu conducted promotions and clearance sales before closing its first Malaysian store at CapSquare, Kuala Lumpur, on June 9. The official Lulu Hypermarket website is currently inaccessible.

Since entering Malaysia in 2016, Lulu Group operated six retail outlets, including a store opened in Johor Bahru in 2022. The group had initially planned to invest RM1.3 billion to establish 10 outlets over five years.

This strategic move signals a shift in focus towards wholesale operations, reflecting changing market dynamics while maintaining Lulu's presence in Malaysia.



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## EcoWorld's Santai Square Boosts Community Living with Key Tenants

EcoWorld Development Group's Eco Spring in Tebrau, Johor, reached a milestone with three anchor tenants—Jaya Grocer, The Coffee Bean & Tea Leaf, and TITAN Preschool—signing on at Santai Square, its lifestyle-focused commercial hub. The project aims to create more than just physical spaces, fostering vibrant communities centered on convenience, ideas, and connection.

Santai Square offers flexible strata shop offices for diverse businesses, strategically located beneath 920 residential units and near a population of 500,000. Jaya Grocer occupies 13,832 sq ft, The Coffee Bean & Tea Leaf introduces a 2,882 sq ft drive-thru, and TITAN Preschool covers 13,078 sq ft across three floors, forming a strong community anchor.

Launched in February 2025, the 125-unit development ranges from 818 to 13,000 sq ft with prices from RM464,000. Its accessibility and steady foot traffic make it a promising long-term investment. Santai 3's 33-storey tower with 627 units is now open for registration, starting at RM505,000.



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## **TCL Explores Manufacturing Expansion to Strengthen Southeast Asia Presence**

TCL, a leading global technology brand, is considering establishing a manufacturing base in Malaysia to deepen its footprint in Southeast Asia and localize operations. Over the past six months, TCL has sent project teams to assess opportunities, reflecting Malaysia's competitive market and strong purchasing power. Production here would serve both local consumers and global exports.

With over 10 production bases worldwide, including Vietnam and Indonesia, TCL's South-East Asia revenue surged 30% last year, while Malaysian revenue jumped 467% in 2024. The company focuses on consumer electronics, display technology, and clean energy, generating nearly half its RM184.9 billion revenue from overseas.

TCL's R&D center in Malaysia supports global high-end products, and plans to expand manufacturing align with its growth strategy. As an official Olympic partner, TCL promotes smart, green technologies, boosting global visibility. TCL aims to launch its first Malaysian manufacturing project this year, confident in sustained regional growth.



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## **TNS Launches Kuala Lumpur Hub to Expand Payment Solutions in APAC**

Transaction Network Services (TNS) has opened a new office in Kuala Lumpur, marking a key milestone in its global growth. The hub will serve as a central point for delivering its Complete Commerce offering, which enables seamless transaction acceptance, POS connectivity, and cloud-native payment orchestration.

Located in Kuala Lumpur City Center, the office houses over 50 employees across sales, engineering, finance, and operations, including a 24/7 Network Operations Center (NOC) for real-time global service. The grand opening on June 11 featured TNS leadership, customers, and staff celebrating the expansion.

TNS has operated in Malaysia since 2013, growing from serving a single client to multiple sectors including financial institutions and retailers. The new hub supports continued double-digit growth and reinforces Malaysia's strategic role in TNS's long-term APAC and global strategy. John Tait, Global Managing Director, emphasized the company's commitment to local presence and customer confidence through this expansion and service enhancement.



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WINGTAIASIA



## Wing Tai Malaysia Seeks Buyers for Key Land Parcel in Penang

Wing Tai Malaysia, via its unit Quality Frontier, is offering its 83.4-acre freehold land in Machang Bubok, Bukit Mertajam, for sale through a tender exercise ending June 18. The site has residential development approvals and fronts Jalan Kulim, with estimated values ranging between RM30 and RM40 per square foot.

The land is strategically located near the Alma township, a thriving residential and commercial hub. It offers strong development potential, with proximity to Bukit Mertajam, Kulim town, Aeon Mall, and major industrial zones. The site is seen as suitable for terraced and semi-detached housing targeting professionals in nearby tech and industrial parks.

CBRE|WTW is the exclusive agent, confirming Wing Tai's ownership. The company aims to reinvest the proceeds into other Malaysian growth areas as part of its broader strategic plan.

Wing Tai Malaysia posted RM131.63 million in revenue and RM153.9 million net profit for FY2024.



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**Chin Well**  
HOLDINGS BERHAD

## **Chin Well Holdings Expands Land Bank with Strategic Penang Acquisition**

Chin Well Holdings is acquiring three parcels of land totaling 12.85 hectares in Seberang Perai, Penang, for RM48.41 million. The purchase price is set at RM35 per square foot on an “as is, where is” basis, with vacant possession and free from encumbrances. The acquisition will be fully funded by the company’s internal cash reserves, which stood at RM103.14 million as of March 2025, and is expected to complete in the second half of 2025.

This move supports Chin Well’s long-term strategy to grow its land bank in prime locations with strong potential for capital appreciation and development. The land parcels are strategically located along a main road, offering easy access to key economic zones and industrial areas such as Batu Kawan Industrial Park and Valdor.

The properties’ proximity to major infrastructure, including the Second Penang Bridge and prominent townships like Simpang Ampat and Nibong Tebal, further strengthens their development prospects. This acquisition positions Chin Well well for future growth in the region.



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## **UEM Edgenta Expands Middle East Reach with New JV in Dubai Property Management**

UEM Edgenta's 60%-owned subsidiary, Kaizen Owner Association Management Services, has formed a 40:60 joint venture with 21 Estates Group FZCO, a subsidiary of Expo City Dubai FZCO. The new JV, DuaSatu, will provide owners' association and property management, consultancy, leasing, and real estate advisory services targeting master developments in Dubai, Expo City Dubai properties, and selected global sites.

This move strengthens UEM Edgenta's presence in the UAE's premium property management sector, building on its RM55 million acquisition of Kaizen last year. The JV aims to deliver technology-driven, world-class solutions for iconic regional developments.

Managing Director Syahrudin Samsudin highlighted Dubai's growing opportunities and the JV's role in enhancing long-term stakeholder value and brand leadership in the Middle East.

The JV is expected to complete by Q3 2025 and contribute positively to UEM Edgenta's financial outlook. Its share price rose slightly to close at 74 sen.



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## **Kuala Lumpur Local Plan 2040 and Urban Renewal Act to Transform City**

The Kuala Lumpur Local Plan 2040 (KLLP2040) has been gazetted and will be officially launched on June 24. Developed over years with input from planners and over 28,000 public feedbacks, it represents a shared social contract for the city's future, says Kuala Lumpur Mayor Datuk Seri Maimunah Mohd Sharif.

To implement the upcoming Urban Renewal Act (URA), Kuala Lumpur City Hall will form a task force to assist property owners and developers. The emphasis is on owner-led redevelopment, with developers playing a supporting role after government direction.

Experts highlight that urban redevelopment must be authority-driven to avoid fragmented, socially divisive projects. A clear master plan is crucial to meet public needs such as transport, schools, and healthcare, while supporting affordable housing and sustainability goals.

The URA aligns with Sustainable Development Goal 11 by fostering safer, greener, and more inclusive urban spaces, enhancing quality of life and economic opportunities for communities.



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## Malaysia Exempts Residential Properties from Updated Sales and Services Tax

Malaysia will exempt residential properties sold under the Housing Development Act (HDA) from the updated sales and services tax (SST), responding to industry concerns over rising construction costs. The exemption covers all residential buildings, including serviced apartments on commercial land, provided they serve residential purposes and fall under the HDA.

Housing Minister Nga Kor Ming confirmed the issue was addressed after discussions with the Finance Minister. The government will apply SST only once through business-to-business exemptions, preventing cascading taxes. Basic construction materials like cement and sand remain taxed at 0%, with only eight out of 400 tariff codes seeing increases, affecting about two percent of materials.

Contractors can separate material costs from service charges to apply SST solely to construction services. The government is committed to balancing fiscal reform with housing affordability and will continue working with stakeholders to ensure fair tax implementation protecting homebuyers.



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## Malaysia Retail Sector Urges Delay on Expanded SST Until After 2026

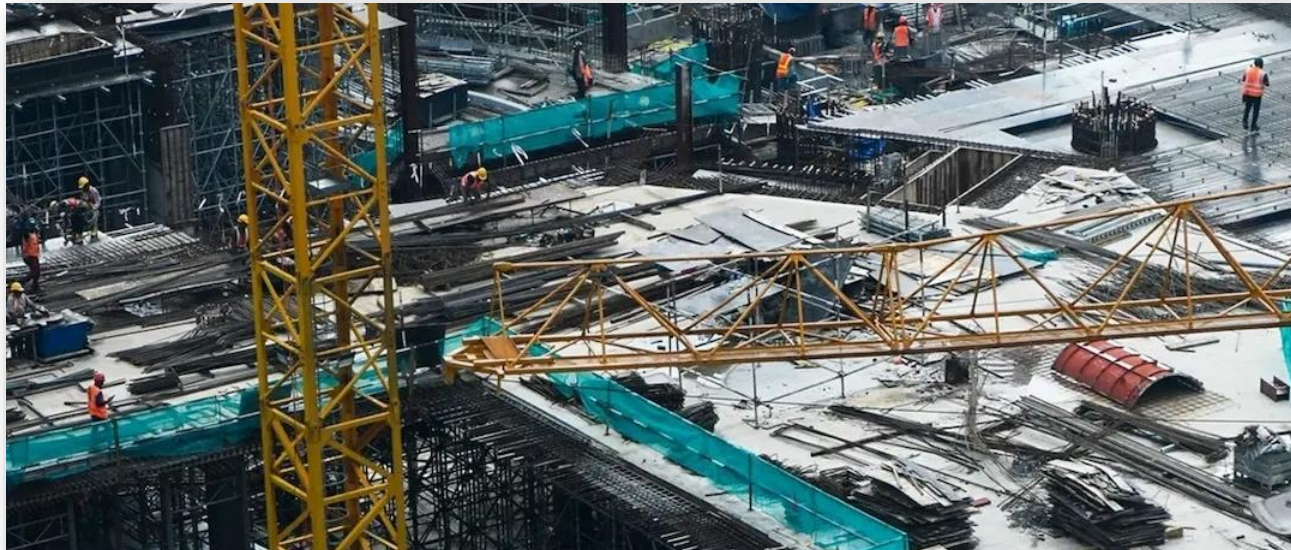
The Malaysia Shopping Malls Association (PPK Malaysia) calls for postponing the government's plan to extend sales and service tax (SST) to rental, leasing, construction, and beauty services until after Visit Malaysia Year 2026. The association highlights the retail sector's serious pressure from rising costs and global disruptions, threatening operational stability and long-term viability.

PPK Malaysia points to new 8% SST on commercial rentals, 6% SST on construction services from July 2025, plus higher electricity tariffs, increased assessment rates, and wage hikes. These combined burdens risk inflation, reduced consumer spending, and mall sustainability. Challenges include US tariff wars diverting goods to Malaysia and unregulated foreign online platforms offering under-priced items.

The group proposes a staggered SST approach, starting at 3% and rising over five years, raising the SST exemption threshold to RM2 million, and excluding service charges from SST. It supports phased, consultative engagement with government to protect businesses and foster economic resilience.



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## **SST Expansion to Impact Property Developers More Than Contractors**

Maybank Investment Bank (Maybank IB) expects the expanded sales and service tax (SST), including a 6% tax on construction services starting July 1, to weigh on property developers' margins rather than contractors'. Developers are likely to absorb the tax cost initially, with some passing it to buyers for future projects to protect margins.

The 6% SST applies to construction services for commercial and industrial buildings exceeding RM1.5 million annually, excluding residential buildings and certain contracts with a 12-month grace period. Developers involved in data centre projects, like Eco World and Sime Darby Property, may face higher costs that could reduce returns.

An 8% SST on rental income will likely be borne by tenants, limiting developers' ability to increase rents. Despite plans to raise prices on unsold units, slower growth and weak demand may constrain these efforts.

Maybank IB retains a neutral stance on the property sector amid these challenges.



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## **BNM Launches Full Qualified Resident Investor Programme for Corporates**

Bank Negara Malaysia (BNM) will fully implement the Qualified Resident Investor programme for eligible resident corporates starting July 1, 2025. This programme allows corporates to repatriate and convert foreign currency funds from overseas investments with greater flexibility and no prior approval needed for future direct investments abroad.

Eligible corporates must comply with BNM's foreign exchange policies and demonstrate good governance. The programme will run until June 30, 2028, supporting ringgit stability and encouraging reinvestment.

The full rollout follows a successful pilot launched in April 2024 amid ringgit depreciation. It involved government-linked companies repatriating foreign currency balances with the option to reinvest later.

Since inception, the programme has brought over US\$1 billion in inflows to Malaysia's financial market, reinforcing BNM's efforts to strengthen the domestic currency and promote capital mobility.



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