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IMF Maintains Malaysia Growth Outlook Amid Data Centre and AI Expansion

Malaysia's economy is projected to grow by 4.7% in 2026, unchanged from the International Monetary Fund's (IMF) previous forecast, before moderating to 4.3% in 2027. Growth is expected to remain supported by expanding data centre investments and the global technology upcycle, as rising demand for artificial intelligence infrastructure continues to strengthen Malaysia's position within the technology value chain. The IMF also identified Malaysia as one of the world's leading net exporters of AI related hardware.

Meanwhile, global economic growth is forecast to ease to 3.0% in 2026 from 3.5% in 2025 before improving to 3.4% in 2027. Although higher energy prices and geopolitical tensions continue to weigh on the outlook, stronger technology demand is expected to provide partial support. Consequently, economies with greater exposure to technology trade and investment are likely to outperform those with limited participation in the sector.

Nevertheless, downside risks remain, including escalating geopolitical conflicts, higher commodity prices, supply chain disruptions, trade fragmentation and potential corrections in AI driven market expectations. Global inflation is projected to rise to 4.7% in 2026, prompting the IMF to emphasise the importance of maintaining price stability, strengthening fiscal resilience and investing in energy security, digital infrastructure and workforce capabilities.

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Second Data Centre Wave Strengthens Malaysia Construction Growth Through 2030

Malaysia's construction sector is entering a second wave of data centre expansion, providing continued growth momentum as public infrastructure project rollouts moderate. According to Kenanga Investment Bank, new mega campuses in Negeri Sembilan, Selangor and Johor are expected to deliver 17 to 21 data centre facilities, with up to four projects likely to commence in the remaining months of 2026. Consequently, the research house maintained its overweight outlook, supported by sustained demand and continued capital expenditure from global technology companies.

Meanwhile, Tenaga Nasional Berhad signed energy supply agreements for three additional data centres during the first quarter of 2026, bringing the total to 59 projects, including 36 completed developments. Although construction contract awards eased to RM108 billion in the first half of 2026 from RM125 billion a year earlier, commercial and industrial projects continued to dominate, while infrastructure accounted for 12% of total awards.

Kenanga expects construction awards to reach RM180 billion in 2026, supported by ongoing public sector initiatives and resilient private sector investment. Looking ahead, the bank anticipates data centre developments will remain the sector's primary growth driver through 2030, underpinned by a healthy pipeline of upcoming projects.

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US Development Finance Corporation Targets Strategic Investments Across Malaysia’s Growth Sectors

The US International Development Finance Corporation (DFC) plans to deploy part of its expanded US$205 billion investment capacity into Malaysia, recognising the country as a strategic destination for semiconductors, data centres, digital infrastructure, critical minerals and advanced manufacturing. Following its 2025 reauthorisation, the DFC broadened its mandate beyond project financing to include equity investments, joint ventures, political risk insurance and partnerships, reinforcing the United States' economic engagement across Southeast Asia.

Accordingly, the DFC identified strong alignment between Malaysia's industrial priorities and its own strategic objectives, particularly in strengthening supply chains, advancing key sectors and developing critical infrastructure. Beyond manufacturing, the agency also sees opportunities in telecommunications, terrestrial fibre, subsea cables, financial technology and logistics infrastructure. Discussions with government and industry stakeholders have laid the foundation for continued engagement and potential future investments.

Although no specific transactions have been announced, the DFC confirmed it is evaluating multiple opportunities across strategic sectors without imposing country specific investment limits. Looking ahead, the agency aims to establish a strong pipeline of impactful partnerships and investments that enhance connectivity, strengthen supply chains and support Malaysia's long term economic growth while reinforcing bilateral commercial cooperation.

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Sarawak Launches Sibu Economic Zone to Accelerate Regional Economic Transformation

Sarawak will establish the Sibu Economic Zone with an initial allocation of RM1.5 billion to drive more integrated and comprehensive economic development across Sibu. According to Sarawak Premier Tan Sri Abang Johari Tun Openg, a dedicated agency will be formed to coordinate the city's increasingly complex development needs by supporting multiple economic sectors rather than focusing on selected industries. The allocation will be included in the state's upcoming budget.

Meanwhile, the Second Trunk Road, targeted for completion in 2029, is expected to strengthen Sibu's connectivity by reducing travel time between Kuching and Sibu to about two hours. Consequently, the improved transport network is anticipated to enhance the city's attractiveness for service based industries, particularly finance and insurance, while supporting broader investment opportunities.

Furthermore, the Sibu Economic Zone will complement the Sibu redevelopment master plan, which will be implemented in stages over the next 15 to 20 years. The initiative also aims to create more high value employment opportunities, attract skilled professionals back to the city and reinforce Sibu's position as a key economic growth centre within Sarawak's Central Zone.

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Melaka Inland Port Accelerates Economic Growth Through Advanced Logistics and Trade Connectivity

The RM300 million Melaka Inland Port project is set to strengthen Melaka's economic growth by enhancing the logistics and trade sectors while supporting the state's goal of attracting RM10 billion in investments by 2030. Developed on a 52.8 hectare site within the 2,023 hectare MCORP Hi Tech Park near Pulau Sebang Railway Station, the project will be implemented in phases, with the second phase commencing after the first reaches optimal operational capacity.

The inland port will feature an integrated depot hub, bonded and non bonded customs facilities, container and rail cargo handling, warehousing, distribution centres, multimodal transport services, as well as artificial intelligence driven smart logistics systems. Consequently, these integrated facilities are expected to improve supply chain efficiency, strengthen national logistics competitiveness, and support investments in high technology, green technology, and digital transformation.

Strategically located between Singapore and Port Klang, the inland port is positioned to become a key logistics gateway connecting major industrial zones with domestic and international markets. Once fully operational, it is expected to handle up to 300,000 TEU annually with an estimated value of RM120 million, create around 500 skilled jobs, attract further investments, and reinforce Melaka's role as a sustainable regional logistics and trade hub.

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Malaysia's Port Klang Expansion Supports Future Logistics And Maritime Growth

Malaysia is set to strengthen its position as a leading maritime hub in Southeast Asia through the development of Port Klang's Third Terminal on Carey Island, a phased megaproject expected to take nearly 20 years for full completion. The initiative is a strategic move to ensure Malaysia's maritime competitiveness remains resilient over the next two to three decades.

Currently, Port Klang has a handling capacity of approximately 15.14 million TEUs, compared with Singapore's Tuas Port, which can handle up to 60 million TEUs annually. Hence, the Carey Island expansion is essential to transform Port Klang into a mega port with enhanced capacity and stronger regional connectivity.

The feasibility study, completed since 2018, has received in principle Cabinet approval under a public private partnership model, with land matters currently being resolved. Meanwhile, Malaysia's ports recorded positive cargo growth despite global uncertainties, as more transhipment activities shift towards ASEAN ports. The development is expected to reinforce Malaysia's role in supporting regional trade and logistics growth.

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RM80 Million MAHB Mitsui Fudosan Partnership Boosts Subang Air Cargo Development

Malaysia Airports Holdings Bhd (MAHB) and Mitsui Fudosan Group will invest RM80 million to develop a new air cargo logistics complex within Subang Aerotech Park. Under the partnership, MAHB will hold a 30% stake while Mitsui Fudosan owns 70%, combining airport land assets with Mitsui Fudosan's expertise in logistics facility development.

Developed by MFMA Industrial Sdn Bhd, the facility will support the growth of aviation and aerospace related businesses within the Subang Airport area. Located on a 1.78 hectare site, the complex will provide approximately 254,420 sq ft of gross floor area with flexible tenancy options and is targeted for completion by the third quarter of 2027.

Meanwhile, the government continues to strengthen Malaysia's air cargo capabilities through capacity expansion at key airports including KLIA and Kota Kinabalu International Airport. Additionally, KLIA is being positioned as an ASEAN regional air cargo hub, supporting greater connectivity and future logistics growth.

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Berjaya Property Partners Wanli Tire For RM1.3 Billion Selangor Plant

Berjaya Property Bhd has partnered with China based Wanli Tire Co Ltd to establish a RM1.3 billion automotive tyre manufacturing plant in Selangor, marking the company's entry into the automotive manufacturing sector. The joint venture will combine Berjaya Property's land assets with Wanli Tire's technical expertise and manufacturing capabilities.

Under the partnership, Berjaya Property's wholly owned unit Alam Baiduri Sdn Bhd (ABSB) will hold a 30% stake, while Wanli Tire's subsidiary Trusmax Investment Co Ltd will own the remaining 70%. The project will be funded through RM813.35 million in equity contributions and RM491.45 million through borrowings.

ABSB will contribute 67.90 acres of freehold land valued at RM118.31 million, alongside cash contributions, while Trusmax will provide RM569.34 million in cash. The joint venture will undertake research, development, design, manufacturing and sales of tyres and related components, supported by after sales services. Therefore, the investment is expected to strengthen Malaysia's automotive manufacturing landscape while creating new industrial opportunities in Selangor.

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Sime Darby Property Expands Logistics Capacity With Metrohub 3 Development

Metrohub 3, the fourth phase of SDPLOG's E Metro Logistics Park in Bandar Bukit Raja, Klang, has commenced construction, strengthening Malaysia's logistics infrastructure to support rising electric vehicle (EV) component demand. The 177 acre industrial park is a joint venture between Sime Darby Property Bhd and ESR Group.

Targeted for completion in the third quarter of 2027, Metrohub 3 will introduce 2.2 million sq ft of warehouse space across two blocks. Approximately 40% of the facility will be configured for dangerous goods storage, including lithium batteries, while the remaining space will support general warehousing requirements.

Meanwhile, Metrohub 4, the third phase of the logistics park, has officially opened with Mixue Malaysia as its first committed customer, occupying 13.4% of the space for its regional distribution centre. With Metrohub 1 and 2 fully occupied by established logistics operators, the completion of Metrohub 3 will expand E Metro Logistics Park's total warehouse capacity beyond 4.2 million sq ft, reinforcing its position as a key logistics hub.

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JLand DHL Partnership Strengthens Johor's Logistics And Data Centre Ecosystem

JLand Group (JLG), the real estate and infrastructure platform of Johor Corporation, has signed a memorandum of understanding with DHL Supply Chain Malaysia to explore logistics and supply chain development within Ibrahim Technopolis (IBTEC). The collaboration aims to assess a Build to Lease logistics facility model across the 7,290 acre industrial and innovation ecosystem in Johor.

The partnership seeks to address rising demand for specialised logistics infrastructure and future warehousing requirements from businesses operating within IBTEC. DHL will contribute market intelligence, warehouse specifications and customer insights, while JLG will integrate these inputs into its site planning, built to suit opportunities and customer engagement strategies.

As Johor continues to attract investments from advanced manufacturers, technology companies and data centre operators, IBTEC is positioned as a key growth ecosystem. Therefore, the collaboration will enhance logistics capabilities and support IBTEC's next development phase through integrated innovation, infrastructure, talent and community initiatives.

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PTT Synergy Divests RM17 Million Klang Industrial Asset To Strengthen Financial Position

PTT Synergy Group Bhd is disposing of a freehold industrial property in Bandar Bukit Raja, Klang, for RM17 million cash as part of its strategy to streamline non core assets and reduce ongoing operating and maintenance costs. The transaction involves a double storey detached factory with a gross built up area of 20,197 sq ft.

From the disposal proceeds, RM11 million will be allocated towards repayment of bank borrowings, while the remaining RM6 million will support working capital requirements. As at end March, PTT Synergy recorded cash and bank balances of RM24.59 million against total borrowings of RM828.5 million.

The property, with a net book value of RM15 million and original investment cost of RM11.28 million, will be acquired by WDG Resources Sdn Bhd, a Klang based industrial machinery firm. The transaction is expected to be completed by the first quarter of financial year ending June 2027, generating an estimated gain of RM2 million for PTT Synergy.

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Hektar REIT Expands Portfolio With RM30 Million Industrial Acquisition

Hektar Real Estate Investment Trust (Hektar REIT) has expanded beyond its retail focused portfolio with the acquisition of its first industrial property in Bayan Lepas Free Industrial Zone, Penang, for RM30 million. The acquisition forms part of its broader strategy to invest in high demand markets and enhance portfolio diversification.

Following the transaction, Hektar REIT's portfolio will increase to eight properties, including assets across retail, education and industrial sectors. The acquisition was completed at a 9.1% discount to the independently assessed market value, reflecting disciplined capital allocation and value driven investment decisions.

The industrial property provides an initial yield of 7.5% under a triple net lease structure, where property related expenses are borne by the tenant. Additionally, the 15 year lease arrangement offers stable passive income through fixed rental escalations with minimal operational requirements, supporting Hektar REIT's objective of building a more resilient portfolio and generating sustainable returns for unitholders.

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COMPASS Industrial Park Completes Land Sales With 36 Acre Data Centre Investment

COMPASS IP Sdn Bhd has signed a sale and purchase agreement for the final 36 acre plot at COMPASS @ KSL Industrial Park, marking the full take up of the 220 acre freehold managed industrial park in Kota Seri Langat. The project is developed through a joint venture involving PNB, KWAP and AREA Group.

The buyer, Global Data Infrastructure Sdn Bhd, plans to develop a data centre facility with a power load of 300 MVA and IT capacity of 210 MW. All approvals in principle have been secured, with construction expected to commence after completion of the transaction. The investment reflects rising demand for digital infrastructure driven by artificial intelligence, cloud computing and data analytics.

Strategically located within the Klang Valley logistics triangle connecting Port Klang, KLIA and Shah Alam, COMPASS @ Kota Seri Langat strengthens Selangor's position as a key data centre destination alongside Johor. Therefore, the transaction reinforces Malaysia's ambition to become a regional digital infrastructure hub supported by strong connectivity and infrastructure readiness.

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YNH Property Divests RM455 Million Jalan Sultan Ismail Land To Chin Hin

YNH Property Bhd is selling a prime 2.61 acre freehold land parcel along Jalan Sultan Ismail, Kuala Lumpur, to Chin Hin Group Property Bhd's subsidiary Chin Hin Property (JSI) Sdn Bhd for RM455 million through a cash and share deal. The transaction includes RM409.48 million cash and RM45.5 million redeemable preference shares.

Additionally, YNH Land will retain a 10% equity stake in CHPJSI, allowing continued participation in future development upside while reducing direct funding and execution risks. The proceeds will mainly be used to redeem RM375 million perpetual securities secured against the land and support capital management.

Meanwhile, Chin Hin Group Property plans to develop the site into a mixed use development with an estimated gross development value of RM3.6 billion, comprising serviced apartments, hotel and retail components. Targeted for launch in the second quarter of 2027 and completion by 2034, the acquisition strengthens Chin Hin's KLCC area landbank while supporting YNH Property's capital recycling strategy.

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Ge Shen Divests RM35.50 Million Johor Land Assets To Strengthen Financial Position

Ge Shen Corp Bhd's wholly owned subsidiary, Ge Shen Plastic (M) Sdn Bhd, has entered into a sale and purchase agreement to dispose of five parcels of freehold land in Tebrau, Johor, to Plastico Sdn Bhd for RM35.50 million. The transaction is expected to be completed in the fourth quarter of 2026.

The disposal forms part of Ge Shen's strategy to optimise its asset portfolio and strengthen future cash flow. From the proceeds, RM25.69 million will be allocated towards repayment of bank borrowings, supporting efforts to reduce the group's gearing level and improve financial flexibility.

Additionally, RM2.56 million will be used to cover estimated disposal expenses, while the remaining RM7.23 million will support working capital requirements. Upon completion, Ge Shen expects the transaction to enhance its financial position and performance, with a projected net pro forma gain on disposal of RM12.63 million based on its net book value as at December 2025.

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Rhong Khen Expands Kapar Industrial Footprint With RM47 Million Acquisition

Rhong Khen International Bhd is acquiring three industrial properties in Kapar, Selangor, for RM47 million as part of its strategy to consolidate its upstream and downstream furniture manufacturing operations. The acquisition involves factory properties and a two storey office located on a combined land area of 3.9963 hectares.

The properties are situated approximately 1.5 km from Rhong Khen's existing factories and head office, allowing the group to achieve greater operational synergies, streamline logistics and improve coordination across its business activities. The acquisition will be undertaken through its wholly owned subsidiaries, Uptown Promenade Sdn Bhd and Latitude Tree Furniture Sdn Bhd.

The purchase will be funded through a combination of internally generated funds and bank borrowings. Therefore, the strategic acquisition is expected to strengthen Rhong Khen's manufacturing ecosystem by enhancing operational efficiency and supporting long term business growth within its existing industrial base.

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SÓL Estate Advances Sarawak Wellness Hub With 10 Strategic Partnerships

SÓL Estate has signed memorandums of understanding with more than 10 strategic partners during its inaugural Live SÓL Well community event, marking the first phase of its long term masterplan to establish Sarawak's first proposed Lifestyle and Wellness Hub in Kuching. The integrated ecosystem will combine healthcare, wellness, fitness, education, retail, dining and lifestyle offerings.

The initial phase will feature 12 operators, with plans to expand the hub to approximately 25 to 30 curated operators over time. The development is envisioned as a "Third Place" that provides residents and the public with a community destination beyond home and work, supporting daily services and multigenerational interaction.

In addition, SÓL Estate incorporates universal design principles, barrier free spaces and wheelchair accessibility to promote ageing in place. Following its residential phases, the upcoming Zenith phase will further enhance the masterplan through multigenerational homes designed to support evolving community needs and long term lifestyle sustainability.

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Sime Darby Property's Tiara Residences Secures 85% Launch Take Up

Sime Darby Property Bhd's Tiara Residences 1 in Bukit Jelutong achieved an 85% take up rate during its official launch weekend on June 27, reflecting strong demand for premium landed housing. The freehold development has a gross development value of RM115 million and forms the first phase of a 69 acre low density residential precinct.

Comprising 59 landed units, the development is scheduled for completion in June 2029, with prices starting from RM1.75 million. Designed for multigenerational living, the homes feature green spaces covering approximately 33% of the layout, north south orientation, flexible living areas and electric vehicle charging provisions. Additionally, each unit is equipped with solar panels and battery energy storage systems to support low carbon living.

Meanwhile, the broader township offers a 22.5 acre network of lake parks and green spaces. Following the successful launch, Sime Darby Property plans to introduce Tiara Residences 2 in the third quarter of 2026, featuring larger three storey superlink villas to further enhance the Bukit Jelutong residential offering.

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Mah Sing's M Amaya Achieves Strong Demand In Penang Southbay Township

Mah Sing Group Bhd has launched M Amaya, its second M Series development in Penang, within the established Southbay township in Batu Maung. The freehold mixed use development has achieved a strong 92% take up rate for Phase 1A, reflecting market confidence in its strategic location near the Penang Second Bridge and upcoming growth corridors.

With a gross development value of RM516 million, M Amaya will be developed on a 4.8 acre site comprising 833 serviced apartment units and commercial shop lots. The development offers more than 40 lifestyle facilities, sustainable features and is targeted to achieve GreenRE Gold certification upon completion. Village Grocer will serve as the anchor retail tenant, occupying nearly 19,000 sq ft of space.

Positioned near Bayan Lepas Free Industrial Zone and Penang Silicon Island, M Amaya supports growing residential demand among professionals and families. Additionally, Mah Sing enhanced the Batu Maung roundabout through a RM875,000 CSR initiative, strengthening the area's identity while supporting long term community development.

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OSK Property Expands Shah Alam Transit Development With Strategic TAMU Launch

OSK Property has launched TAMU @ OSK Mori Park, the third phase of its master planned transit oriented development in Section 13, Shah Alam. Built on a 1.55 hectare site within the 6.18 hectare township, the development comprises 946 serviced apartments, 175 signature suites and 21 retail units, with prices starting from RM250,000. Offering practical layouts from 550 to 958 square feet, TAMU targets first time buyers, professionals, families and multigenerational households while supporting an integrated live work play environment.

Located about 700 metres from the Stadium Shah Alam LRT3 station, the development enjoys direct access to major highways and established healthcare, education and retail amenities. Furthermore, it adopts a people first, walkable master plan with interconnected pedestrian pathways, a central lifestyle retail boulevard and 43 lifestyle facilities. Signature suites also provide flexible residential and business use with dedicated commercial access and selected doorstep parking.

The launch builds on the strong performance of earlier phases, with ALIA achieving 98 percent sales and BAYU recording a 75 percent take up rate. Moreover, OSK Property expects sustained demand from the LRT3 line, the Shah Alam Sports Complex redevelopment, infrastructure improvements and ongoing urban renewal initiatives. Scheduled for completion in the second half of 2030, TAMU strengthens the long term growth outlook of Section 13 while reinforcing OSK Property's strategic presence in Shah Alam.

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LSH Capital Unveils RM1.91 Billion Subang Jaya Mixed Development Plan

Lim Seong Hai Capital Bhd (LSH) is planning a RM1.91 billion mixed development in Subang Jaya following an agreement to acquire and develop 17.4 acres of land from Railway Assets Corporation (RAC) for RM197.9 million. The acquisition will be undertaken through its wholly owned subsidiary, Astana Setia Development Sdn Bhd, under a conditional sale and development agreement.

The proposed development at Pekan Country Height will comprise up to six residential towers with integrated retail and commercial components, subject to regulatory approvals. With an estimated gross development cost of RM1.32 billion, the project will be implemented in phases over five years, with construction expected to begin in the second half of 2027 and completion targeted by the second half of 2032.

The acquisition is expected to be completed by the third quarter of 2027, pending approvals. LSH plans to fund the development through internal funds, borrowings, equity raising and progressive sales, strengthening its presence in Subang Jaya's growing property market.

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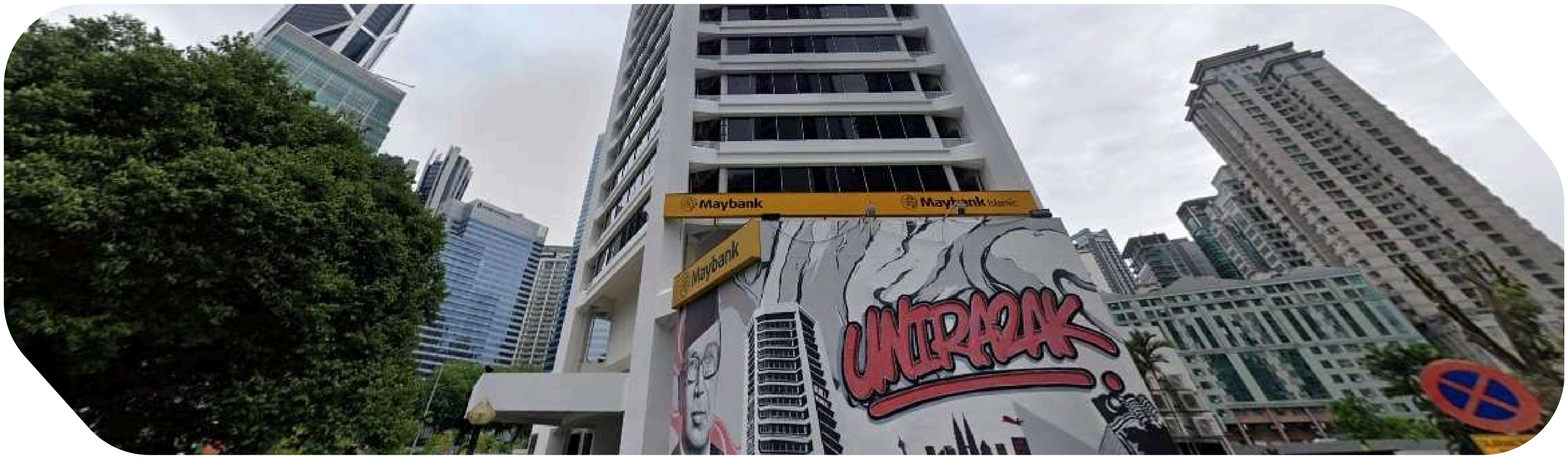
Sime Darby Property Expands Kuala Lumpur Presence With Wisma Unirazak Acquisition



Sime Darby Property Bhd is acquiring Wisma Unirazak in Kuala Lumpur for RM160 million cash, with plans to redevelop the site into a premium mixed use development with an estimated gross development value of RM900 million. The acquisition will be undertaken by its wholly owned subsidiary, Sime Darby Property (KLGCC Resort) Sdn Bhd, and is expected to complete by the fourth quarter of 2026.

Located along Jalan Tun Razak within the KLCC corridor, the 1.46 acre site currently comprises a 15 storey office building with a net lettable area of 110,669 sq ft. The fully leased property generates RM6.5 million in annual gross rental income, with Universiti Tun Abdul Razak as the main tenant.

The redevelopment marks Sime Darby Property’s entry into Kuala Lumpur’s city centre market, leveraging the strategic location to unlock long term value. Targeted for launch in 2028 and completion within five years, the project aims to strengthen the group’s premium urban development portfolio.

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Advancecon Secures RM121.66 Million Data Centre Water Infrastructure Contract

Advancecon Holdings Bhd has secured a RM121.66 million subcontract to undertake construction and earthworks for an off river storage facility under a water supply scheme in Port Dickson, Negeri Sembilan. The facility is intended to support water supply requirements for a data centre development in the area.

The project was awarded to Advancecon Infra Sdn Bhd by an undisclosed customer, a contractor with over 30 years of construction experience. The works are expected to be completed within 30 months and will be funded through a combination of internally generated funds and bank borrowings.

The contract strengthens Advancecon's involvement in infrastructure supporting Malaysia's growing digital ecosystem. Meanwhile, the group recorded an 85.7% increase in net profit to RM1.81 million for 1QFY2026, despite revenue declining 3.7% to RM97.45 million. Construction and support services remained its largest revenue contributor, followed by quarry operations, highlighting the group's diversified business base.

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Pekat Group Secures Data Centre Contracts To Expand Digital Infrastructure Presence

Pekat Group Bhd has secured two contracts worth RM46.94 million to supply and install earthing and lightning protection systems for data centre developments in Negeri Sembilan and Johor. The contract wins reinforce the group's growing presence in Malaysia's expanding data centre sector, supported by rising demand for digital infrastructure.

The first contract, valued at RM19.73 million, involves a hyperscale data centre in Port Dickson and is scheduled for completion by June 2027. Meanwhile, the second contract worth RM27.21 million covers a data centre development in Johor, with completion targeted by September 2027.

These projects are expected to contribute positively to Pekat's earnings, subject to project progress and execution risks. Additionally, the group continues to leverage its expertise in power protection and generation solutions to capture opportunities within the data centre supply chain, as demand for reliable infrastructure and cloud computing facilities continues to grow.

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