ISSUE 363

ZERIN PROPERTIES

# CORPORATE REAL ESTATE HIGHLIGHTS

SEPTEMBER 2026

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# Penang Manufacturing Investments Reach RM17.3 Billion in First Half 2026


Penang recorded RM17.3 billion in approved manufacturing investments in the first half of 2026, putting the state on track to surpass last year's RM22.4 billion. InvestPenang said several additional projects were not reflected in the latest figures, supporting expectations for further investment growth. The approved investments rose 38% year on year and represented 34% of Malaysia's total approved manufacturing investments, covering 177 projects expected to create 19,337 jobs.

Expansion projects accounted for RM11.9 billion or 69% of total approved investments, while new projects contributed RM5.4 billion. Foreign direct investment made up RM12.8 billion or 74% of the total, while domestic direct investment reached RM4.5 billion, marking a 125% increase year on year. Continued enquiries and land requests from existing companies also point to sustained demand for industrial expansion.

The investment pipeline is expected to support economic activity over the next 18 to 24 months as plants are developed, equipped and staffed before operations begin. The strong investment momentum also creates opportunities for small and medium enterprises to participate in Penang's wider industrial ecosystem and supply chains. With further projects pending inclusion, the state remains optimistic about exceeding its 2025 investment performance and sustaining demand linked to the technology sector.

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# SkyGate NHJ Expands Advanced Manufacturing Capacity With US$30 Million Investment


SkyGate NHJ Technology Sdn Bhd plans to invest US$30 million in two phases to develop a smart manufacturing facility in Penang. The first US$15 million phase will introduce five axis automated production lines, automated horizontal machining and multi tasking turning and milling machines. A further US$15 million will support automated machining and inspection of large semiconductor components, alongside digital twin technology and artificial intelligence applications.

The approximately 36,000 square foot facility is equipped with advanced horizontal and five axis computer numerical control machining technologies to support digitalised manufacturing, automation and advanced machining. The investment is expected to create more than 100 high quality technical positions while developing skilled personnel in modern digital manufacturing. Once fully invested, the factory is expected to generate annual sales of up to US$25 million, supporting the wider growth of the SkyGate Group.

The facility also strengthens the group's strategy to bring advanced manufacturing capabilities to international markets by combining Nihonji's expertise in ultra precision components, complex geometries and automation with Malaysian manufacturing capabilities. Serving sectors including semiconductors, electronics, medical, optical and aerospace, the operation positions SkyGate NHJ within a broader high technology manufacturing ecosystem while supporting technology transfer, localisation and the development of new industrial capabilities.

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# Asian Economies Show Resilience as Energy Risks and AI Demand Persist

Asian economies including India, Malaysia and Australia posted stronger than expected growth in the June quarter despite energy pressures and global uncertainty. Malaysia’s economy expanded 6%, while India grew 7.8% and Singapore 5.9%. Technology driven demand also supported regional exports, with Taiwan recording its fastest first half growth in about five decades and South Korea its strongest growth since 2020. The resilience has encouraged economists to raise growth forecasts.

Governments also helped cushion the impact of higher energy costs by securing alternative fuel supplies, using petroleum reserves and strengthening domestic energy sources. Meanwhile, support measures such as cash assistance, grants and rental relief helped protect household balance sheets and sustain consumption. Weaker Chinese demand also helped contain energy prices, while Australia saw stronger electric vehicle purchases as fuel costs increased.

However, the outlook remains uneven. Thailand and the Philippines continued to face domestic headwinds, while China recorded its weakest quarterly growth in more than three years. Meanwhile, rising price pressures and higher government borrowing costs could limit policy support. Economists also flagged risks from another energy price surge and a potential correction in AI investment. Consequently, monetary tightening remains possible across the region over the next six to 12 months.

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# OPR Held At 2.75 Pct On Resilient Growth And Contained Inflation


Bank Negara Malaysia maintained the Overnight Policy Rate (OPR) at 2.75 per cent, supported by sustainable economic growth and contained inflation. Year to date, headline and core inflation stood at 1.8 per cent and 2.0 per cent respectively, keeping inflation within the projected 1.5 to 2.5 per cent range. Meanwhile, economic activity remained sustainable without signs of overheating.

Growth in the second quarter of 2026 was mainly driven by exports, particularly electrical and electronics and manufacturing activities, alongside resilient domestic demand and tourism spending. Accordingly, full year economic growth is expected to reach around 5 per cent in 2026, with the same key drivers likely to support growth into 2027. In addition, the artificial intelligence and technology upcycle could continue supporting export growth through 2027 and potentially into 2028.

Nevertheless, inflation risks remain monitored amid prolonged external cost pressures and potential supply side disruptions. The transmission of these pressures to the domestic economy has remained limited, supported by businesses absorbing costs and adjusting through supply chain diversification, alternative sourcing and inventory management. The central bank will continue assessing inflation risks and adjust its policy response according to the source of pressure.

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# MBSB Research Maintains Neutral Outlook As Property Demand Stays Resilient

MBSB Research maintained its NEUTRAL stance on Malaysia's property sector as housing demand remained relatively stable, although persistent inflation and higher household expenses continued to weigh on buyers. Property loan applications rebounded 11.2 per cent month on month to RM62.9 billion in July 2026 after marginal growth in June. However, year on year growth was only 0.6 per cent, compared with 7.8 per cent in June. Cumulatively, applications reached RM382.5 billion in the first seven months, up 2.2 per cent year on year.

Approved property loans also recovered, rising 12.8 per cent month on month to RM27.1 billion in July, with the approval rate remaining around 43 per cent. Nevertheless, approvals declined 3.3 per cent year on year as the approval ratio fell to 43.2 per cent from 44.9 per cent a year earlier. For the first seven months, approved loans increased just 0.4 per cent to RM162 billion, pointing to a subdued near term outlook for new property sales.

Meanwhile, developer earnings were mixed, with four of seven companies meeting expectations, one exceeding forecasts and two missing estimates. Earnings improved sequentially as progress billings and property sales strengthened in 2Q26, although profitability remained uneven. MBSB retained Matrix Concepts, IOI Properties and Mah Sing as preferred exposures, supported by project pipelines, unbilled sales and company specific catalysts. However, limited sector wide catalysts and pressure on household purchasing power are expected to keep demand measured.

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# Data Centre Investments Create Wider Property Market Opportunities

Zerin Properties chief executive officer Previn Singhe said data centre investments can generate spillover benefits across the wider property market, extending beyond industrial real estate into residential, commercial, retail and hospitality sectors. He stressed that data centres should be viewed as catalysts for broader digital ecosystems that attract supporting industries, engineering services, utilities, technology firms and business services. These complementary activities can create a wider multiplier effect across property markets as digital ecosystems mature.

Previn noted that such spillover effects are indirect and highly location specific, with established data centre corridors such as Johor seeing stronger potential as technology related businesses, supporting industries and skilled employment expand. This can support demand for commercial space, quality housing, hospitality and neighbourhood retail, driven by greater business activity and workforce needs. However, he cautioned against overgeneralising, as not every data centre project will deliver the same level of economic impact.

He added that long term benefits depend on supporting infrastructure, transport connectivity, planning integration and the ability to attract complementary industries. Ultimately, the strongest value is created when data centres become catalysts for broader economic development rather than isolated facilities. Locations that integrate digital infrastructure with supporting industries, skilled talent and sustainable urban development are likely to realise more enduring benefits across the property market.

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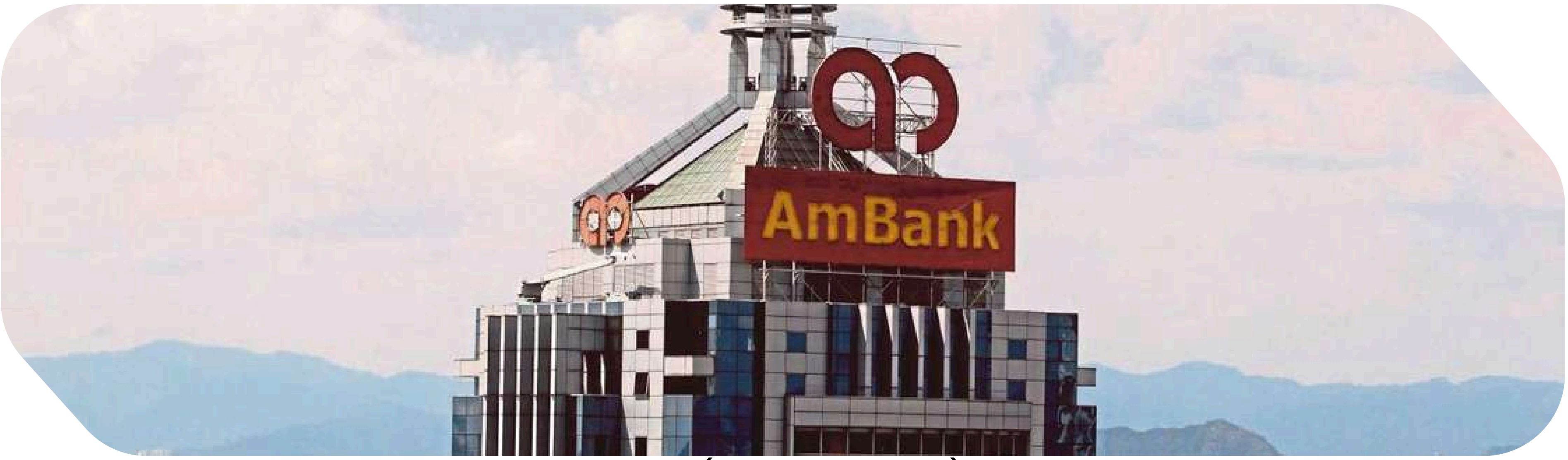
# AmFIRST REIT Plans Menara AmBank Disposal to Strengthen Balance Sheet




AmFIRST Real Estate Investment Trust (AmFIRST REIT) is seeking unitholders' approval to dispose of Menara AmBank to AmBank (M) Bhd for RM331 million cash. An extraordinary general meeting will be held on Sept 21 to vote on the proposal, which forms part of the REIT's portfolio rationalisation and capital recycling strategy. The disposal aims to optimise asset performance, enhance financial flexibility and support sustainable long term growth.

The 46 storey office tower has been part of AmFIRST REIT's portfolio since 2006. However, its net property income yield has remained below the REIT's average borrowing cost in recent years, mainly due to prolonged low occupancy and subdued rental rates amid office oversupply in Kuala Lumpur. Therefore, the disposal would allow the REIT to unlock value from a mature, lower yielding asset while improving capital efficiency.

Proceeds will primarily be used to reduce debt, including secured borrowings and part of its outstanding financing facilities. Upon completion, gearing is expected to decline significantly to about 33.9% from 46.6%, generating financing cost savings and strengthening financial flexibility. This would support portfolio repositioning and diversification towards higher yielding assets with more resilient income streams, while enhancing earnings sustainability and long term value creation. The transaction is expected to be completed in the fourth quarter of 2026.

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## Avaland Secures Taman U Thant Land With RM700 Million Development Potential


Avaland Bhd's proposed RM86.04 million acquisition of three adjoining freehold land parcels in Taman U Thant, Kuala Lumpur has become unconditional after all conditions under the sale and purchase agreement were fulfilled on Sept 2. The parcels span 7,612.63 sq m or about 1.88 acres and are currently zoned for residential use. The acquisition is intended to strengthen the group's Klang Valley presence and expand its luxury residential portfolio.

The site is planned for a high rise residential development with a preliminary estimated gross development value of about RM700 million. However, development planning remains at an early stage, with costs, funding, timeline and profit margins yet to be determined pending detailed development approvals. The purchase price was agreed on a willing buyer and willing seller basis, while an independent valuation placed the land at RM88 million as at March 26. The site is located about 2km from KLCC and is accessible through major routes including Jalan Ampang and Jalan Tun Razak.

The consideration will be settled entirely in cash, with RM77.44 million payable within three months from the unconditional date. A further 30 day extension is available subject to 8% annual interest. Funding is expected to combine internal funds and bank borrowings, while completion remains targeted for the first quarter of 2027, subject to unforeseen circumstances.

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## Penang to Auction RM314 Million Land Plot to Fund Bypass Completion


Penang will auction a six acre freehold plot in Tanjung Pinang to help fund the remaining works of the RM850 million Ayer Itam Lebuhraya Tun Dr Lim Chong Eu bypass. As of Aug 31, the project had achieved 92.46% physical progress while financial progress stood at 81.69%. The project is financed through a land swap mechanism, with land transferred based on work completed by contractor Consortium Zenith Construction Sdn Bhd. The contractor has sought assistance to monetise the land and generate cash flow to support completion by April 2027.

The six acre freehold plot, identified as P.T. 858 (Plot 7A), Section 2, Bandar Tanjung Pinang, will be offered through public auction on Oct 7. Located next to Gurney Bay and Andaman Island, it carries a reserve price of RM313.632 million, equivalent to RM1,200 per sq ft. Proceeds from the sale will be shared between the state and the contractor.

Meanwhile, CZC has claimed land worth RM695.977 million, with 11.6183 acres valued at RM427.657 million already transferred and RM225.768 million still outstanding. The 6km toll free dual carriageway aims to provide an alternative route and ease congestion in George Town, with completion targeted for April 12, 2027.

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# Orgabio Acquires Semenyih Industrial Property for RM11.26 Million to Support Expansion


Orgabio Holdings Bhd will acquire a 5,263 square metre freehold industrial property in Semenyih, Selangor for RM11.26 million cash. Its wholly owned subsidiary, Orgabio Manufacturing Sdn Bhd, has entered an agreement with Chung Lian Fatt to purchase the land at Jalan Bangi, Mukim Semenyih. The acquisition is expected to be completed by the fourth quarter of 2026 and will support the group's expanding operations.

Orgabio plans to develop a warehouse on the site, which is located next to its new factory in Sungai Purun, Semenyih. This proximity will enable more efficient movement of goods between the manufacturing and warehousing facilities. The existing single storey detached building, currently used for badminton courts and warehousing, could also allow operations to begin with limited renovation and fitting out works. The property was independently valued at RM11.26 million.

The acquisition will be funded through RM2.3 million from internally generated funds and RM8.96 million in bank borrowings. While the transaction is not expected to have a material immediate impact on earnings, Orgabio expects the property to support future earnings as operations expand. The transaction has a highest applicable percentage ratio of 18.9% under ACE Market listing requirements and does not require shareholder or regulatory approval.

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# SCIB Expands Sabah Presence With RM15.2 Million Land Acquisition


Sarawak Consolidated Industries Bhd (SCIB) plans to acquire three parcels of leasehold land in Kolombong, Kota Kinabalu for RM15.2 million cash, strengthening its presence in Sabah. Its wholly owned unit, SCIB Ecobuild Sdn Bhd, has entered into a sale and purchase agreement with East Liberty Sdn Bhd for the parcels, together with rights and interests in an adjoining road reserve. The acquisition is expected to be completed by the first quarter of 2027.

The parcels comprise six existing double storey shoplots generating RM43,600 in combined monthly rental income, while two undeveloped parcels offer potential for additional shoplots. SCIB plans to retain the proposed units for its Sabah branch office, providing both immediate recurring income and future development potential. Importantly, the branch will also position the group closer to projects and opportunities it is pursuing in the state.

The RM15.2 million purchase price is supported by an independent valuation by Knight Frank Malaysia as at July 23. SCIB will fund the acquisition through a combination of bank borrowings and internally generated funds. The move builds on recent momentum, with the group securing four Sabah projects worth RM90.28 million since April. Its property development arm also signed a co development agreement for a 144 unit high rise residential project in Penampang with an estimated gross development value of RM83.19 million.

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## Shin Yang Expands Logistics Capacity With RM34 Million Kuching Acquisition


Shin Yang Group Bhd is acquiring an 8.316 hectare industrial site in Kuching, Sarawak for RM34 million through a related party transaction. The group has entered into a sale and purchase agreement with Forescom Plywood Sdn Bhd, which is ultimately held by Shin Yang Holdings Sdn Bhd, its largest shareholder. The site comprises a single storey office building, workers' quarters, workshop and other outbuildings.

Located within Kuching's industrial area and near Kuching Port, the property is currently leased by Shin Yang from Forescom Plywood. The acquisition will reduce the group's reliance on rental arrangements and related party transactions, while providing greater control over an industrial asset supporting its operations. This is expected to complement the group's broader expansion of its logistics business.

Shin Yang plans to use the site to support logistics activities, including the development of warehouses and container depots as it works towards providing end to end logistics services. The acquisition will be funded through a combination of bank financing and internally generated funds. Overall, the move strengthens the group's industrial footprint while providing a dedicated platform to expand its logistics capacity and support future operational growth.

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## Plytec Secures RM6.21 Million Olak Lempit Land for Future Expansion


Plytec Holding Bhd is proposing to acquire a 1.9551 hectare parcel of freehold vacant land in Olak Lempit, Selangor for RM6.21 million from J.P. Lim & Sons Sdn Bhd. The land is currently categorised for agricultural use and is strategically located near Plytec's existing facility and manufacturing plant. The proposed acquisition forms part of the group's long term expansion plans and strategy to secure land for future operational development.

The proximity to its existing operations is expected to support better coordination, more efficient resource deployment and stronger management oversight. Plytec also expects the land to appreciate in value following conversion to industrial use, supported by the price differential between agricultural and industrial land in the surrounding area. This provides both operational and potential asset value benefits as the group expands.

Following conversion, the land could be developed for additional manufacturing, warehousing or other operational facilities to meet future business requirements. The acquisition therefore provides Plytec with additional capacity for expansion while strengthening the group's existing operational footprint. Overall, securing the site offers a practical platform for future development and supports the group's longer term growth strategy.

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# KKR Acquires Minority Stake to Support Avisena Healthcare Expansion Plans


American investment firm KKR has agreed to acquire a minority stake in Avisena Healthcare, supporting the Malaysian hospital operator's plan to nearly double its bed capacity by 2029. While transaction details were not disclosed, the investment will fund the expansion of Avisena's multi specialty services in Shah Alam and the development of new hospitals across the Klang Valley. The agreement remains subject to customary closing conditions.

Founded in 1996, Avisena currently operates more than 250 licensed beds across Avisena Specialist Hospital and Avisena Specialist Hospital 2 in Shah Alam. The group aims to increase capacity to nearly 600 beds through new facilities in Shah Alam and Cyberjaya. Meanwhile, a new tower next to its existing specialist hospital is expected to begin operations in 2027, raising Shah Alam capacity to 418 beds.

Avisena Specialist Hospital 2 was recently renamed as the group expands into multidisciplinary healthcare services. In Cyberjaya, a planned 156 bed specialist hospital is targeted for completion in 2029. Overall, the expansion is expected to strengthen Avisena's clinical capabilities and reach more patients. KKR's regional healthcare expertise is expected to support this growth, building on its investments in Malaysian businesses including OMS Group, Weststar Aviation and Taylor's Schools.

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# AOSIS Mont Kiara Offers Spacious Residences With Privacy and Nature


AOSIS Mont Kiara, a freehold residential development by Modern Plus Sdn Bhd, a wholly owned subsidiary of JKG Land Bhd, is positioned as a lower density residential offering in one of Kuala Lumpur's established residential enclaves. Located on Jalan Kiara 5, the 2.44 acre development comprises 236 residences and eight penthouses, with built ups ranging from 1,648 to 3,856 sq ft. The project targets modern and multigenerational families seeking greater space and privacy while retaining the convenience of high rise living.

A key feature is its "Semi D in the Sky" concept, with only two residences per wing and no long common corridors. Selected units also include private storage spaces at car park level, alongside two to four parking bays depending on unit type. Meanwhile, facilities are spread across the podium and rooftop, including The Green Heart landscaped retreat, pools, shaded trails, wellness spaces and family facilities. Level 39 adds fitness, dining, work and entertainment areas with views of the surrounding cityscape.

The development also benefits from Mont Kiara's established ecosystem of international schools, retail destinations, healthcare facilities and dining options. Connectivity through major highways further links the area with Kuala Lumpur city centre and the wider Klang Valley. As development land becomes increasingly scarce, AOSIS seeks to differentiate itself through generous residences, lower density planning and nature led communal spaces, balancing urban accessibility with privacy and a stronger connection to nature.

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# Kerjaya Prospek Strengthens Order Book With RM858 Million Data Centre Win


Kerjaya Prospek Group Bhd has secured an RM858 million contract for mechanical, electrical and plumbing fit out works at a data centre in Iskandar Puteri, Johor. The project, awarded by an undisclosed developer, marks the construction firm's first data centre related contract and is scheduled for completion within eight months. The company views the project as a starting point to establish its presence in the growing data centre sector.

The contract lifts Kerjaya Prospek's new contracts secured in 2026 to RM3.2 billion, while its outstanding order book reaches a record RM5.9 billion. Beyond the immediate addition to its order book, the project is expected to strengthen the group's capabilities, execution track record and industry expertise. This could support its pursuit of further opportunities in the expanding data centre market, where demand is being driven by advanced computing and artificial intelligence.

Meanwhile, Malaysia has attracted increasing data centre investment, with 187 facilities concentrated mainly in the Klang Valley and Johor, according to Baxtel. Kerjaya Prospek is currently valued at 15 times trailing earnings, below selected peers including Gamuda, Sunway Construction and Binastra. All nine analysts covering the stock have issued buy recommendations, with an average 12 month target price of RM3.36.

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## Pekat Secures RM57.18 Million Data Centre Subcontracts In Johor


Pekat Group Berhad secured three subcontract agreements worth a combined RM57.18 million for a hyperscale data centre project in Johor Bahru. The contracts cover the design, supply, installation and testing of earthing and lightning protection systems and related works. The agreements were secured by an indirect wholly owned subsidiary from a Malaysian private company involved in engineering, construction services and investment holding, while the client's identity remains undisclosed due to confidentiality obligations.

The largest subcontract is valued at RM27.21 million and covers the supply, installation, testing and commissioning of earthing and lightning protection systems. Meanwhile, a RM4.64 million contract covers similar systems for a substation, while the remaining RM25.33 million subcontract includes design, supply, installation and testing works, earth mats, associated cabling, copper tapes and related civil works. Together, the awards strengthen Pekat's exposure to data centre infrastructure demand.

In terms of execution, the RM27.21 million subcontract is targeted for completion by September 2027. The RM4.64 million and RM25.33 million contracts are scheduled for completion by February 2027, subject to any extensions or variations under their respective terms. The awards provide additional project visibility while supporting Pekat's order pipeline in Johor's expanding data centre segment.

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