

ISSUE 273

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WEEKLY INSIGHTS

HOSPITALITY INDUSTRY NEWSLETTER



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Penang and Melaka receive RM25mil each to preserve Unesco site

The Tourism, Arts and Culture Ministry has given RM55mil to Penang and Melaka for the preservation and management of their Unesco world heritage status.

Under the Budget 2023 funding, both states will get RM25mil each, with Melaka getting an additional RM5mil to promote its Visit Melaka 2024 campaign.

Penang's caretaker Chief Minister Chow Kon Yeow said the state has been working hard to strengthen the Universal Excellence Value of the site since being accorded the status on July 7, 2008.

He said there are 5,013 buildings (82 Category I and 3,771 Category II heritage buildings) within the Unesco World Heritage Site of George Town. "Over the last 15 years, Penang has spent at least RM150mil on conservation, preservation, upgrading, repair, documentation, promotion, community empowerment activities and site management," he said.

Melaka Chief Minister Datuk Seri Ab Rauf Yusoh, who was also present, said the Melaka World Heritage Site involves an area of 288.1ha. "Melaka remains a historic city in the Strait of Melaka built over 600 years ago. [READ MORE](#)



Visit Melaka 2024: Promote medical tourism, urges MAH

Tourism players in the state are hoping that the state government engages them in a bid to turn the medical sector into a niche travel market during Visit Melaka Year (TMM 2024).

Malaysian Hotel Association of Hotels (MAH) Melaka chapter chairman Khairulnizam Kasim said the state could promote medical and wellness tourism as its main product for TMM 2024.

"The state will significantly benefit from medical tourism with competitive pricing and quality medical treatment," he said.

"However, the stakeholders in the state's tourism promotion board should engage those in the related industry, private hospitals and media to boost this sector," added Khairulnizam in an interview on Sunday (July 30).

Khairulnizam said that no effort was made to engage the relevant players to promote medical tourism in the state.

"There is a need for us to sit and talk to turn TMM 2024 into a success as well as encourage the growth of the medical tourism industry and private hospitals. "Local hotels will benefit from the influx of higher-end tourists while generating steady income for the state," he said. [READ MORE](#)



YTL Hospitality REIT positive over long-term prospects

YTL Hospitality Real Estate Investment Trust's net property income (NPI) for the fourth quarter ended June 30, 2023 (4QFY2023) rose 5.6% to RM59.94 million, from RM56.76 million a year earlier, on improved performance from its hotel segment.

Also contributing to the higher income and fair value gain on its properties of RM66.69 million, quarterly revenue was 10.47% higher to RM117.56 million from RM106.42 million last year, according to the REIT's filing with the bourse on Monday (July 31).

The REIT's income available for distribution during the quarter jumped by over three times to RM42.7 million, from RM17.03 million, due to the rental normalisation following the end of the rental deferral programme on June 30 last year, and the billing of first rental differences in respect of the rental deferral programme.

YTL Hospitality REIT declared a final income distribution of 4.3833 sen per unit in the second half of FY2023, bringing its full-year distribution to 7.44 sen per unit versus 3.95 sen in FY2022.

On prospects, the REIT expects the hospitality industry to stay relatively buoyant amidst risks of higher inflation, interest rate hikes, and other economic challenges. [READ MORE](#)



Auditor raises doubts over Avillion's ability to continue as a going concern

Avillion Bhd said its auditor has raised concerns about the loss-making property and hospitality group's ability to continue operating as a going concern in its audited financial statements for the financial year ended March 31, 2023 (FY2023).

According to its filing on Monday (July 31), its external auditor Messrs Baker Tilly Monteiro Heng PLT said Avillion incurred net losses of RM5.4 million at the group level and RM4.84 million at the company level in FY2023, although the group's hospitality, property, and travel divisions have recovered after the Covid-19 pandemic.

"[This] thereby indicates the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to continue as a going concern," it said.

Meanwhile, Avillion said it has implemented certain measures to weather through the challenging time, including continuing to roll out its innovative and attractive packages to further improve the occupancy and revenue of the hotel division, disposal of low or non-yielding land bank, intensifying sales and marketing efforts to sell the remaining units from the current development project and completed properties as well as continuous financial support from the bankers.

Avillion's revenue jumped 108% to RM66.7 million in FY2023 from RM32.1 million in the previous year, while its losses before tax narrowed to RM5.3 million from RM10.8 million during the same period. [READ MORE](#)



AirAsia increases flights between Malaysia and China

AirAsia will increase flights between Malaysia and China in the coming months as it expects forward sales to continue to accelerate, following a significant rebound in demand for travel between both countries.

In July, the average load factor for both AirAsia Malaysia and AirAsia X Malaysia flights to/from China is about 80%, –strong performing routes include Kuala Lumpur–Shanghai, Kota Kinabalu–Guangzhou, Kuala Lumpur–Nanning and Kota Kinabalu–Wuhan, which recorded up to 95% load factor in the coming months.

Both airlines have sold more than 320,000 seats between China and Malaysia from March to early July this year, which is about 30% compared to the same period pre–Covid in 2019, with about 75% seats sold to Chinese nationals.

Based on the strong current and forecast demand, AirAsia Malaysia will resume another route from Kota Kinabalu to Hangzhou starting with three flights weekly beginning September 2. Meanwhile, AirAsia X Malaysia will be increasing services from Kuala Lumpur to Beijing (Daxing) from four to five flights weekly beginning September 1, from Kuala Lumpur to Shanghai from four to seven flights weekly commencing September 15 and from Kuala Lumpur to Hangzhou from three to four flights weekly starting September 30, this year.

AirAsia Malaysia CEO Riad Asmat said that it plans to increase the frequency of flights from Kota Kinabalu to Hangzhou to seven flights weekly starting in October based on demand. [READ MORE](#)



Sabah identifies 12 agro-based tourism products

Twelve agro-based products are set to highlight Sabah as a thriving rural tourism hub.

These unique products, carefully selected for their sustainable practices, are located in Kota Belud (Mount Kinabalu Coffee and Sunduan Pisompuruan Everything Pineapple); Kudat (Tampakan Fish Farm, and Gombizau Honey Bee Farm); and Kota Marudu (Saujana Hill).

Others are in Lahad Datu (Irunji Agro Tourism); Beaufort (Selagon Agro Farm); and Tenom (Sabah Agriculture Park, Padas Farmstay, Yong Farmstay, Yit Foh Tenom Coffee, and Fatt Choi Coffee); and Ranau (Desa Cattle Dairy Farm). These were identified by a state rural tourism joint steering committee involving five state ministries.

Presided by Sabah Tourism Board chairman Datuk Joniston Bangkuai, the committee comprises representatives from the Ministries of Tourism, Culture, and Environment; Agriculture, Fisheries and Food Industry; Industrial Development; Rural Development; and Local Government and Housing.

It aims to foster collaboration among the ministries and focus on devising effective strategies to boost the visibility of Sabah's rural tourism products and enhance the overall visitor experience. [READ MORE](#)



IHG Hotels & Resorts on track to be Geelong's largest hotel operator as it plans Crowne Plaza opening

IHG Hotels & Resorts (IHG) plans to bring its world-class Crowne Plaza brand to the Victorian regional city of Geelong, in partnership with Plenary Group.

The brand new 200-room Crowne Plaza Geelong will open in 2026, part of the Geelong Convention and Exhibition Centre precinct development project, which forms part of the Geelong City Deal, a collaborative plan by the Australian and Victorian governments and the City of Greater Geelong to transform the region. The redevelopment, which was unveiled last week, includes the construction of a purpose-built convention and exhibition space.

There will be a 1,000-seat venue, two large exhibition spaces, meeting rooms, conference facilities and flexible event spaces. New retail spaces will feature hospitality offerings, a large public plaza will become a feature of the Geelong waterfront and a new 200-room hotel under the Crowne Plaza brand will boost local visitation.

The striking Crowne Plaza Geelong will feature 200 rooms and is expected to include suites up to a spacious 57 sqm in size, an extensive restaurant and bar offering, as well as a pool and gym.

With the new 180-room Holiday Inn & Suites Geelong due to open in September this year, IHG is on track to be the largest global hotel operator in Geelong.

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IHG
HOTELS & RESORTS

CapitaLand Ascott Trust posts 31% higher H1 gross profit at S\$154.4 million

CapitaLand Ascott Trust's (Clas) gross profit for the first half ended Jun 30 rose 31 per cent year on year to S\$154.4 million.

Its results were boosted by contributions from new acquisitions and stronger operating performance as travel continued to pick up pace.

About 58 per cent of gross profit for H1 came from properties under master leases, management contracts with minimum guaranteed income, as well as rental housing and student accommodation properties.

The remaining came from sources including hotels and serviced residences under management contracts, Clas' managers said on Thursday (Jul 27).

Revenue shot up by 30 per cent to S\$346.9 million from S\$267.4 million previously, driven by contributions from the 14 assets Clas acquired last year and in the second quarter of 2023, which were largely longer-stay properties.

Revenue per available unit rose 44 per cent to S\$138 in H1 on robust lodging demand, with key markets such as Australia, Japan, Singapore, the UK and the US performing above pre-pandemic levels. [READ MORE](#)



CapitaLand Ascott Trust

	H1 2022	H1 2023	Y-O-Y % change
Revenue (S\$M)	267.4	346.9	30.0
Gross profit (S\$M)	118.2	154.4	31.0
Total distribution (S\$M)	76.7	96.3	-
DPU (c)	2.33	2.78	-