



## Investments

- E&E sector secures bulk of local...
- Kulim to build oleic acid plant in...
- techpark@enstek attracts Health...
- RTD to have ops centre in Cybe...
- Menlo sets up op in Malaysia.
- Netherlands keen on Penang.
- 2 biofuel plants planned in Kuan...
- Swiss MNC to make fresh inves...

## Transactions

- Regency Tower up for sale
- Padini buys land.
- LBI buying leasehold land in Sel...
- VTI Vintage purchases land.

## Retail section

- Robust December sales bring...
- AEON signs lease for 2<sup>nd</sup> J-One...
- A place that Harbours synergy.
- Bata keeps up with times
- Giant plans to open 7 more stor...
- Penang to have Hard Rock Café.
- Naza unit opens 4<sup>th</sup> Autohaus
- Bakerzin to open 7 more outlets...
- MPH to open 2 new outlets.
- Central market gets facelift
- More Cold Storage outlets comi...
- Mid Valley market value jumps...
- Largest IT concept store opens...

## Know your neighbourhood

- HFM cases rise in Sarawak.
- Putra Heights-Vistaria and Asta...
- City status for PJ in June.
- Work on delayed Penang road...
- Bird flu detected in two areas in...
- Low cost terminal opens for busi...
- H5N1 virus detected in Seberan...
- Mukah-Naim Cendera gets Mar...
- TRC gets deal worth RM222m...

## Economic Overview

Key statistics	Latest release	Previous rate
Quarterly GDP growth	5.2% (4Q2005)	5.3% (3Q2005)
Annual GDP growth	5.3% (2005)	7.1% (2004)
Consumer Price Index (CPI)	3.2% (Feb-06)	3.2% (Jan-06)
Industrial Production Index (IPI)	137.3 (Mar-06)	123.8 (Feb-06)
Base Lending Rate (BLR)	6.47% (Mar-06)	6.34% (Feb-06)
Exchange rate: RM to US dollar	RM3.69 (31/03)	RM3.70 (28/02)

Source: Department of Statistics Malaysia & Bank Negara Malaysia

- Maybank raises Base Lending Rate (BLR) to 6.5% from 6.25% effective 28<sup>th</sup> February 2006.
- The reduced number of working days due to festivities has lowered the growth of Malaysia's January exports to 11.7% year on year, a level that came in below market expectations
- Singapore's real gross domestic product (GDP) grew by a strong 8.7% year-on-year in the fourth quarter (Q4) of 2005, after recording 7.6% rise in the previous quarter. It has recorded growth in almost all sectors in relation to the third quarter's performance.
- 1.43 million tourists arrived at Malaysia in November, a record high for the country, attributed to the aggressive marketing. The figure was 7.7% higher compared with that in the previous corresponding period.
- The sales value of the manufacturing sector for January increased by 9.3%, or RM3.3bil, to RM38.6bil from RM35.3bil in the same month last year.
- 11 of the 17 road projects throughout the country planned under the Eighth Malaysia Plan have been completed to date. 5 projects have yet to be completed whilst 1 project has been cancelled. The cancelled project was the new 120 km Tenom-Beaufort road in Sabah
- Builders and developers say there has been a 5% to 10% increase in the prices of raw materials such as timber, plywood, bricks, sand and stones. They attribute this to the recent fuel price hike which has led to higher transportation costs



## INVESTMENTS

### **E & E sector secures bulk of local investments in Penang (New Straits Times-4<sup>th</sup> March 2006)**

Investments from electronics and electricity (E&E) manufacturing firms of over RM340 million formed the bulk of RM717 million domestic investments ploughed into Penang last year. This was followed by basic metal products sector with RM91 million worth of investments

[Top](#)

### **Kulim to build oleic acid plant in Pasir Gudang (New Straits Times-3<sup>rd</sup> March 2006)**

Plantation firm Kulim (Malaysia) Berhad plans to build a RM17 million oleic acid plant to cater for the overseas market demand. At the moment, there are only two companies producing oleic acid, with a combined capacity of 20,000 tonnes. Construction of the plant will commence in April in Pasir Gudang, Johor and is expected to be completed and operational by November this year.

[Top](#)

### **techpark@enstek attracts Health Ministry, Jakim (New Straits Times-3<sup>rd</sup> March 2006)**

Techpark@enstek has attracted two major investors, namely Health Ministry and the Malaysian Islamic Development Department (Jakim) with investments worth RM400 million. The Health Ministry will occupy an area of 25.2 hectares while Jakim will take up 18.4 hectares at the park. Launched in 2002, techpark@enstek also houses five other investors namely Stevian Biotechnology Corp, Felda Biotechnology Centre, Tropical Botanics Sdn Bhd, YHI Manufacturing and Eden Enterprises (M) Sdn Bhd.

[Top](#)

### **RTD to have ops centre in Cyberjaya (The Star-06<sup>th</sup> March 2006)**

The Road Transport Department will construct a data and IT operation centre in Cyberjaya to ensure transportation matters are dealt with greater efficiency. The new centre is expected to facilitate the administrative systems within the government agency to ensure transportation related matters are dealt with efficiently to meet the requirements of the public. The new data and IT operation centre is expected to be ready by 2008.

[Top](#)

### **Menlo sets up op in Malaysia (The Sun-13<sup>th</sup> March 2006)**

Global logistics provider and supply chain management services Menlo Worldwide has set up its Malaysian operations to service customers in Kuala Lumpur and Penang. Operating as Menlo Worldwide (Malaysia) Sdn Bhd, it offers a wide range of logistics capabilities.

[Top](#)

### **Netherlands keen on Penang (The Star-18<sup>th</sup> March 2006)**

The Netherlands is interested in exploring business opportunities from the medical and electronic industries in Penang, said its ambassador to Malaysia, Lody Embrechts. According to the ambassador, Penang is strong in the electronics and medical industries and it is also interested in fostering growth in these two sectors.

[Top](#)



### **2 biofuel plants planned in Kuantan (The Star-20<sup>th</sup> March 2006)**

Two companies have expressed interest to set up biodiesel plants in the Kuantan Port Industrial Area (KPIA), with production expected to begin next year. Kuantan Port Consortium Sdn Bhd (KPC) chief operation officer Wong Soon Fah said the companies' decision to locate their businesses in KPIA was partly due to their wish to be close to an export point to save on logistic costs

[Top](#)

### **Swiss MNC to make fresh investments in Penang (New Straits Times-30<sup>th</sup> March 2006)**

A multination company (MNC) from Switzerland is expected to make fresh investments in Penang by next year, Switzerland's new envoy to Malaysia announced yesterday. Business ties between Switzerland and Malaysia date back to 1887 and were spearheaded by Swiss trading firms such as Diethelm & Co, Nestle, and FE Zuelling. In 2003, over 120 companies with Swiss equity are known to be operating in Malaysia, such as Asea Brown Boveri, Roche, Novartis, Contraves, Swiss International Airlines, Swatch, Hiestand, Escatec, Credit Suisse, UBS and Swiss Reinsurance.

[Top](#)

## **TRANSACTIONS**

### **Regency Tower up for sale (The Sun-08<sup>th</sup> March 2006)**

Regency Tower, a luxury condominium block owned and managed by Paramount Corp Berhad through its subsidiary Wangsa Merdu Sdn Bhd, is up for sale at RM62.5 million. The property, which is located at Jalan Ceylon in the city, has a net book value of RM48.95 million as at end of December 2005. Paramount bought the building from Global Force Sdn Bhd in November 1990 for RM59.5 million.

[Top](#)

### **Padini buys land (New Straits Times-27<sup>th</sup> March 2006)**

Padini Holdings Berhad has agreed to buy a 0.7 hectare industrial land located in Klang, Selangor, from Amtek Garment Sdn Bhd for RM4.72 million to meet future expansion for the headquarters's administration building and warehousing.

[Top](#)

### **LBI buying leasehold land in Selangor (New Straits Times-29<sup>th</sup> March 2006)**

Property developer LBI Capital Berhad is buying a 3.7 hectare land in Selangor for RM11 million to sustain the company's real estate business. LBI plans to build 65 zero boundary bungalows with a development cost of some RM19.5 million (excluding land cost) on the site located in Taman Pinggiran Putra.

[Top](#)

### **VTI Vintage purchases land (New Straits Times-28<sup>th</sup> March 2006)**

Roofing tile maker VTI Vintage Berhad has bought a RM2.2 million land in Sabah to set up a concrete roof tile plant in the East Malaysia. The land is located in Tuaran, Sabah, measures about 2.24 hectares.

[Top](#)



## RETAIL SECTION

### **Robust December sales bring joy to retailers (New Straits Times-2<sup>nd</sup> March 2006)**

Retailers have fared better in 2005 than initially projected, boosted by stronger sales during the month of December. Malaysia Retailers Association (MRA) had earlier projected sales growth of 5% to 6% in 2005, as a result of cautious spending due to inflationary pressure. In line with the improved sales, MRA now expects sales growth of between 6% and 6.5%.

[Top](#)

### **AEON signs lease for 2<sup>nd</sup> J-One supermarket outlet (The Star-2<sup>nd</sup> March 2006)**

The Jusco retail chain owner, AEON Co (M) Berhad, has signed a nine year lease with the operator of Pearl Point Shopping Mall at Jalan Klang Lama, Kuala Lumpur for its second J-One supermarket outlet. The opening is scheduled for end June 2006, following a RM6 million refurbishment exercise on the mall by operator Sit Seng & Sons Realty Sdn Bhd. According to AEON, its investment in J-One Pearl Point, measuring about 2,000 square metres is around RM5 million.

[Top](#)

### **A place that Harbours synergy (The Star-4<sup>th</sup> March 2006)**

A new shopping mall, known as Harbour Place will be opened near to Bandar Bukit Tinggi, Klang. Developer Chestar Properties Sdn Bhd said the nine-storey mall, inclusive of a two-storey car park, would redefine shopping for the town of nearly one million people. Harbour Place is scheduled to open in July next year (2007). Located at Persiaran Raja Muda Musa, the RM115mil development will be catering to its immediate population. Besides the various townships in Klang and its vicinity, Port Klang itself, being the focal point of cruise ship landings and other marine tourism activities, will be able to generate out-of-town visitors for Harbour Place. According to the developer, there are 1,200 to 2,000 passenger landings per week from cruise ships and there is potential for these numbers to grow.

Harbour Place, about the same size as Lot 10, will be leased. None of the lots will be sold to enable Chestar to have control over the management and maintenance of the building. Chestar will both build and manage the place. Food and beverage (F & B) outlets will occupy about a third of its net lettable space of about 280,000sq ft. Shopping and services take up the rest of the space. It will sit on a site of about 4.3acres. It is currently about 30% finished

[Top](#)

### **Bata keeps up with times (The Star-06<sup>th</sup> March 2006)**

Bata (M) Sdn Bhd has made dramatic changes its operations to compete in an increasingly sophisticated market. The company, which has been producing footwear in Klang since 1935, had previously put a strong focus on manufacturing. At its height, it produced up to six million pairs of shoes per year. But by 2000, production was downsized to 1.8 million pairs. Bata has developed several brands for different markets, namely *Power* sports shoes, *Bubblegummers* children shoes, *Marie Claire* for ladies, *Weinbrenner* for men and *B-First* school shoes. In order to capture the middle to high class market, Bata has acquired Primavera in 2004, which its stores have increased from 16 to 24. The company will relocate 60 of its stores in the next three years, which are not attracting enough retail traffic. In 2006, Bata will open 15 new stores and close 10 existing outlets. About RM10 million will be spent to upgrade and refurbish the outlets.

[Top](#)



**Giant plans to open 7 more stores this year**  
(New Straits Times-11<sup>th</sup> March 2006)

Dairy Farm Giant Retail Sdn Bhd, which runs the Giant supermarket and hypermarket chain, plans to invest RM230 million to open seven more stores this year. This will bring the total number of stores throughout the country to 78. According to the company, the new Giant outlets will be located in Malacca, Alor Star, Butterworth, Segamat and Sandakan. The Malacca outlet is scheduled to be opened in July this year.

[Top](#)

**Penang to have Hard Rock Café**  
(New Straits Times-09<sup>th</sup> March 2006)

Malaysia's second Hard Rock Café will open on Penang Island this September. The Hard Rock Café Penang is expected to be as big as, if not bigger than the first café located on Jalan Sultan Ismail in Kuala Lumpur. The company has narrowed down to two to three locations on the island for the café.

[Top](#)

**Naza unit opens 4<sup>th</sup> Autohaus**  
(The Star-14<sup>th</sup> March 2006)

NZ Wheels Sdn Bhd, a subsidiary of Naza Group of Companies, has set up its fourth Autohaus with the latest in Kuantan as part of its effort to provide better services to its customers nationwide. The other branches are in Klang, Labuan and Johor Baru. The Kuantan Autohaus is also the first in the east coast.

[Top](#)

**Bakerzin to open 7 more outlets**  
(New Straits Times-27<sup>th</sup> March 2006)

French teahouse operator Bakerzin plans to open seven more branches over the next five years at a combined investment cost of some RM7 million (RM1 million for each outlet). Singapore based Bakerzin at present owns two outlets in the Klang Valley and its master franchise holder in Malaysia is Billion Berg Sdn Bhd. Out of the seven outlets, one each will be opened in Penang and Kuching. The other five will either be owned by the company or franchised out.

[Top](#)

**MPH to open 2 new outlets**  
(New Straits Times-29<sup>th</sup> March 2006)

MPH Group Malaysia Sdn Bhd which owns bookstore chain MPH Bookstore Sdn Bhd will open a new outlet in City Square, Johor Bahru and is negotiating for another to be located within Kuala Lumpur. The new outlets will complement MPH's 27 branches in Malaysia under the MPH Bookstore chain and two under the Bookmark chain

[Top](#)

**Central market gets facelift**  
(The Sun-27<sup>th</sup> March 2006)

The Central Market, the wet market built in 1888 in the heart of the city and turned into a cultural and arts centre 98 years later, is being renovated to make it more attractive to tourists. The RM30 million renovation work is being carried out in two phases and will change its face and space to a fresher and bigger look. It will also get a new identity as the country's cultural, arts and handicraft centre in conjunction with its 20<sup>th</sup> anniversary next April 15.

[Top](#)



### **More Cold Storage outlets coming up in Klang Valley (New Straits Times-27<sup>th</sup> March 2006)**

GCH Retail (Malaysia) Sdn Bhd, which opened its 10<sup>th</sup> Cold Storage supermarket on Friday, is set to add two to three more outlets in the Klang Valley this year. One supermarket will be opened in the Subang area soon, the company is sourcing locations for the other two stores currently. The new store, which serves as Cold Storage's biggest outlet in the country, boasts a floor space of 24,000 square feet.

[Top](#)

### **Mid Valley market value jumps 14pc (New Straits Times-31<sup>st</sup> March 2006)**

The market value of Mid Valley Megamall, a shopping mall owned by KrisAssets Holdings Berhad, has jumped 14% to RM1.68 billion from RM1.48 billion as at December 2005. The revaluation of the five storey Mid Valley Megamall together with 6,394 car parking bays was done by Colliers, Jordan Lee & Jaafar Sdn Bhd.

[Top](#)

### **Largest IT concept store opens in Sabah (New Straits Times-30<sup>th</sup> March 2006)**

The Karamunai Complex in Kota Kinabalu, albeit being one of the oldest shopping and office complex, is likely to turn into an information and communication technology (ICT) haven for tech shoppers, with the opening of TECASIA Store here. The retail store, accorded the largest information technology (IT) concept store title by Malaysia Book of Records, covers an area of 10,580 square feet, showcasing and selling the latest products by its parent company FTEC Group of Companies, as well as Microsoft, Intel, HP, Canon, Aple and Sony, to name a few.

[Top](#)

## **KNOW YOUR NEIGHBOURHOOD**

### **HFM cases rise in Sarawak (The Star-08<sup>th</sup> March 2006)**

The hand, foot and mouth (HFM) disease outbreak in Sarawak has reached epidemic levels, said the Government, but it is hopeful the number of cases will drop by next week. The number of cases reached 3,087 by noon yesterday, based on reports from hospitals and clinics across the state. The worst affected areas were Sibul, Kuching and Bintulu. The number of fatalities from the disease remained at four, with two confirmed to be of the Entrovirus 11 (EV11) strain.

[Top](#)

### **Vistaria and Astaria ready by June (The Sun-14<sup>th</sup> March 2006)**

Sime UEP is set to complete its Astaria and Vistaria homes in June. These 26 feet wide "designer homes" are located in the Putra Heights township and have take up rate of 75% since launching in June 2004. Astaria and Vistaria come at a starting price of RM325,888 and have gross built ups of 1,990 square feet.

[Top](#)

### **City status for PJ in June (The Star-17<sup>th</sup> March 2006)**

Petaling Jaya will officially become Selangor's second city when the proclamation is made on June 20. State capital Shah Alam was the first city. According to Mentri Besar Datuk Seri Dr Mohd Khir Toyo the cabinet gave its approval in August last year after Petaling Jaya passed the city-status criteria set out by the Federal Government.



**Work on delayed Penang road projects to begin in May**  
(The Star-18<sup>th</sup> March 2006)

Work on the RM1.02bil Penang Outer Ring Road (PORR) project will take off in May, ending years of delays due to public protests and legal tussles. The Cabinet gave its nod two months ago and an agreement would be signed next month between the Works Ministry and developer Peninsular Metro-Works Sdn Bhd to kick off the project. Minister Datuk Seri S. Samy Vellu said work could take off within a month of the agreement signing. He added that all problems relating to the PORR project had been solved.

[Top](#)

**Bird flu detected in two areas in Perak**  
(New Straits Times-17<sup>th</sup> March 2006)

Tests on dead birds found at Ecopark, at the Bukit Merah Laketown Resort, and at Kampung Changkat Tualang, Kota Baru about 100 km away, showed the presence of the deadly H5N1 avian influenza. The Veterinary Services Department and the Health Ministry began culling more than 38,000 chickens and ducks in Perak following the discovery of the bird flu virus in the two areas.

[Top](#)

**Low cost terminal opens for business**  
(The Star-24<sup>th</sup> March 2006)

The region's first and largest low cost carrier terminal opened for business yesterday, receiving its first flight just minutes after Prime Minister opened it. Transport Minister said the 35,290 square metre terminal was equipped with 72 check in counters and had enough parking bays for 30 aircrafts at any one time.

[Top](#)

**H5N1 virus detected in Seberang Prai**  
(New Straits Times-21<sup>st</sup> March 2006)

Bird flu has appeared in mainland Penang, with samples from six dead chickens in Kampung Permatang Bogak Penaga, Seberang Prai Utara here, testing positive for the H5N1 virus. The discovery prompted the authorities to order the culling of some 200 chickens within one kilometer radius of the village. The exercise began last month.

[Top](#)

**Naim Cendera unit gets Mara job**  
(The Star-23<sup>rd</sup> March 2006)

Naim Cendera Holdings Berhad has received a letter of award from Majlis Amanah Rakyat for the construction of the proposed Maktab Rendah Sains Mara in Mukah, Sarawak for RM48 million.

[Top](#)

**TRC gets deal worth RM222 million**  
(New Straits Times-30<sup>th</sup> March 2006)

Construction firm TRC Synergy Berhad said its unit has won a RM222 million contract for a road project in Kuching, Sarawak. Trans Resources Corp Sdn Bhd has received a letter of acceptance from the Jabatan Kerja Raya, Kuching, for the project, known as "Proposed Jalan Sibul/Bawang Asan/Seredeng/, Sibul/Mukah Division". The project will take 42 months to complete.

[Top](#)



---

The information contained herein is available to the public and have been derived from sources which we believe to be reliable. This publication is on the basis that the information made available to us is accurate and complete. However, we cannot guarantee its accuracy or completeness. JS Valuers Group accepts no responsibility if this should prove otherwise. No liability can be accepted for any loss arising from the use of this publication.

For more information, please contact:

Mr. Chan Wai Seen  
Director, Research & Consultancy  
Tel: 603-2162 4133  
Fax: 603-2162 4188

Email: [wschan@jsvaluers.com.my](mailto:wschan@jsvaluers.com.my)  
Website: [www.jsvaluers.com.my](http://www.jsvaluers.com.my)

All Rights Reserved  
Copyright© 2006 JS Valuers Research & Consultancy Sdn Bhd