

# Property market improving

## I-Bhd will sell RM700mil worth of residential and office units this year

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**SHAH ALAM:** I-Bhd, which will be selling RM700mil worth of residential and office units this year, says the local property market is improving.

Deputy chairman Datuk Eu Hong Chew said the ratio between the number loan submissions and sale and purchase agreements signed over the past three years had improved.

"The property market is cyclical. But looking at the data that we have, things are slowly moving back to when the property market was vibrant," he said after the company's AGM.

At the launch of its Property Market Report 2017 in April, the Valuation and Property Services Department's revealed that transactions had improved by 4% in the first two months of the year compared with the same period a year ago.

Separately, Eu said the property developer's sales this year would be from its I-City and 8 Kia Peng@KLCC projects in Shah Alam and in downtown Kuala Lumpur City Centre, respectively.

"We are not launching new developments

for this year. Sales will be generated from our existing projects. Over RM200mil will be from I-City and about RM400mil from 8 Kia Peng," he said.

Executive chairman Tan Sri Datuk Lim Kim Hong said I-Bhd is very different today compared with five years ago, when it embarked on its first five-year growth plan.

"Back then, the group's turnover was only RM66.7mil with property development contributing about 37% of turnover.

"In 2017, this segment accounted for 90% of turnover. We expect this profile to be maintained over the next five years," he said.

As at the end of 2017, Lim said I-Bhd had invested about RM490mil, with many of its properties entering the market over the next two to three years.

"Our mall and first convention centre are expected to open at the end of this year, while the Double Tree Hotel will be opened in 2020," he said.

I-Bhd, best known for its 72-acre I-City development in Shah Alam, registered a 16.6% net profit growth to RM24.49mil for the first quarter ended March 31, 2018, compared with the corresponding quarter last year.

It recorded a revenue of RM159.3mil which



**Top management:** (from left) I-Bhd executive director Puan Sri Tey Siew Thuan, Lim and Eu at the company's AGM.

was 47% higher compared with the corresponding period last year.

In terms of segmental performance, property development remained the largest contributor for the quarter with RM147.9mil, making up 93% of the group's revenue, while the lei-

sure segment came in at 6% or RM9.7mil.

The group's unbilled sales as at March 31 stood at RM272.8mil and is expected to grow in tandem with the sales of the 8 Kia Peng @ KLCC project, which is expected to contribute positively in a year or two.

## MRCA targets 30% growth for retail franchise industry by 2020

**PETALING JAYA:** The Malaysia Retail Chain Association (MRCA) is targeting a 30% growth for the retail franchise industry by 2020, to be driven by the expansion of local brands across the globe.

President Datuk Seri Garry Chua said Malaysian brands are growing through franchising.

"These companies are forming joint ventures and partnerships with international partners to enter into new markets," he said at a briefing held in conjunction with MRCA's upcoming council installation night.

"For example, bubble tea chain Tealive is entering China, India and Australia while fast-food brand Marrybrown is establishing outlets in the Middle East, Iran and Dubai," he said.

He added that the government's initiatives like tax breaks as well as support from the International Trade and Industry Ministry and Malaysia External Trade Development Corp are vital in promoting the growth and overseas promotion of local brands.

Meanwhile, Chua expects the retail sector to grow by more than 4% this year compared

with a 2% growth last year.

"The sluggishness of the retail sector was evident last year and consumers were cautious in their spending.

"We hope the sales and services tax that is due to be announced in September will be more conducive for consumer spending," he said.

The retail franchise growth target is set by the new line-up of MRCA council members, who will serve for the term of 2018 to 2020.

Apart from focusing on the retail franchise

segment, MRCA will highlight the promising future in the digitalisation of the retail and franchise industry during the new term.

Chua was re-elected as MRCA president for the second term, as a result of his achievement and contributions to the retail industry.

The new line-up will also see faces like Datuk Vincent Choo of Subway, who assumes the mantle of MRCA deputy president.

MRCA will expand its reach by engaging with its members via the creation of chapters in states such as Penang, Johor and Sarawak.

## RHB Bank offers online solutions for SMEs

**PETALING JAYA:** RHB Bank Bhd targets to get 2,500 more registrations in the next 12 months for its SME e-Solution.

The product offers the first total cloud-based solutions as the group seeks to provide greater connectivity and efficiency for small and medium enterprises (SMEs).

Originally targeted at the retail industry, RHB SME e-Solution has been expanded to cover SMEs from all segments.

It now includes Financio's accounting software that manages accounting records and provides intelligent business insights, as well as Kakitangan.com's human resource and payroll solution aimed at reducing cost and improving efficiency in managing payroll services.

This is apart from a business current account and REFLEX online cash management system that enables low-cost Internet banking.

The RHB SME e-solution also includes two selections of electronic point-of-sale systems powered by Storehub and ARMS that provide back office analytics and customer relationship management for better management by the business owner.

With the expansion in place, RHB becomes the first financial institution in the country to offer the first-of-its-kind, all-in-one hassle-free solution for Malaysian SMEs looking to digitalise their business.

To complement the SME eco-system, RHB SME e-Solution offers credit and debit card terminals to enable card transactions, and customised

SME insurance packages specifically for SMEs to protect their businesses.

It also offers business credit cards to help them with expenses and payment plans. With this solution, businesses have the opportunity to start their operations within eight days upon obtaining approval.

RHB Banking Group's head of group business and transaction banking Jeffrey Ng Eow Oo said: "We are proud to be the first financial institution in Malaysia to offer total connectivity solutions for SMEs.

"With the expanded offering, the RHB SME e-Solution provides SMEs a holistic solution for seamless connectivity. With this, SMEs are able to achieve cost reduction and increase efficiency in their businesses," he said.

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## More downside risk seen for CPO going into Q3

**PETALING JAYA:** OCBC maintains bearish outlook for palm oil prices in the second half of the year as supplies expected to rise in the third quarter (Q3) amid lacklustre demand, analyst Barnabas Gan said in report.

Prices in Q3 is seen dropping to RM2,250 a tonne, before slightly recovering to RM2,400 toward the year-end as supplies dwindle during that period.

Demand has been "surprisingly weak" into June, a key driver of falling palm oil prices, he said.

Demand was also weak pre-Ramadan due to lower demand from India, the European Union and the Netherlands.

Crude palm oil supplies are expected to further rise into October due to seasonal factors, which could "keep palm oil bulls at bay" for now.

Trade tariffs and China's threat to restrict US soybean imports should drive palm oil prices higher.

Gan said normal weather is expected for now; any swings in palm prices due to weather is highly unlikely at this point.

Movement in palm oil prices would also hinge on other growth-related commodities, including copper and crude oil, he said. — Bloomberg