MALAYSIA COUNTRY REPORT

INSIDE: 7-PAGE SPONSORED SECTION IN COOPERATION WITH DISCOVERY REPORTS

Major deals to give economy a boost

Establishment of Asean Community and Trans-Pacific Partnership will help exports. Reports by **Richard Warren**

Malaysia's economy will be boosted by two large trade deals, analysts say. Greater economic integration between the 10-members of the Association of Southeast Asian Nations (Asean) was agreed last month, while another initiative that will help the country's exporters – the Trans-Pacific Partnership (TPP) – was signed in October.

At its summit last month in Kuala Lumpur, Asean's rotating chair Malaysia's Prime Minister Najib Razak announced the Asean Community would be established on December 31. Intra-Asean trade has been liberalised over the years, with tariffs removed, and the creation of this single market that will encompass major regional economies such as Thailand, Indonesia and the Philippines will ease this process further.

Malaysian exporters, already benefiting from a weak ringgit, will gain from the country joining TPP. The deal, which opens up trade between 12 Pacific-Rim countries, including Singapore, the United States and Vietnam, was completed after seven years of negotiations.

According to HSBC analysts, a wide range of Malaysian exporters will find it easier to sell inside and outside Asean following the TPP announcement.

"Think electronics, rubber and palm oil exports. The chemical sector should also receive a boost," says Su Sian Lim, an economist at HSBC.

Kuala Lumpur is expected to benefit from a visa waiver for Chinese citizens until the end of March next year. Photo: Thinkstock

Malaysia accounts for 44 per cent of worldwide palm oil exports, with companies such as Sime Darby among the top producers.

While traditional industries such as rubber and palm oil continue to be important contributors to GDP, the country has diversified its economy since the 1970s, with electronic products, such as semi-conductors, making up one-third of the nation's exports.

The TPP agreement follows a 4.1 per cent jump in exports over the 12 months to August 2015, the Malaysian government reports. With imports falling, the country's trade surplus widened to 10.19 billion ringgit (HK$18.5 billion). Increased sales of palm oil and electronic goods more than counter-balanced declining demand for petroleum oil and other mining products.

Exports to China, Malaysia's largest trading partner, leapt 32.4 per cent year-over-year.

Exports overall have been aided by the weak ringgit, which hit a 17-year low against the US dollar earlier this year. The Malaysian currency had depreciated in value by nearly a third against the dollar in the 12 months to November, falling from 3.34 ringgit to US$1 to 4.26 ringgit to US$1.

Sime Darby's Elphil estate and mill in Perak help it maintain its standing among the world's leading palm oil producers.

Malaysia's tourism industry has also benefited from the fall in the ringgit. As the country's second largest foreign currency earner, tourism contributes 5.7 per cent of national GDP. The country has attracted leading luxury hotel chains, such as Mandarin Oriental, which has premises in Kuala Lumpur, and more hotels are being built across the country.

According to Thai stockbroker, Maybank Kim Eng, Malaysian casino operators such as GENM and GENT – with US and British operations generating income in dollars and pounds – will benefit from the ringgit's decline. Another group of beneficiaries were the country's glove-makers whose revenue was almost entirely in US dollars compared to only half their costs, the brokerage said.

While economic diversification, a weak ringgit and new trade deals are good news for Malaysian businesses, the government has taken additional steps to protect the economy against the global commodities slump and other international challenges, principally easing Chinese demand, the effects of changing monetary policy in the US and possible future financial crises.

In October, Kuala Lumpur announced plans to inject 20 billion ringgit into key sectors of the economy via its ValueCap investment fund, which was set up in 2002 to support shares in firms affected by the 1998 Asian currency crisis. Among other smaller measures announced by the government, the tourism industry would receive a 80 million ringgit cheque for promotional campaigns in Asean, China and India.

In addition, Kuala Lumpur granted visa exemptions for Chinese tourists from October 1 to March 31. Several tourist destinations will be developed or upgraded, including the capital's KL Sentral shopping centre, where connections with the city's other visitor attractions, such as Perdana Lake Gardens, will be improved.

Another beneficiary of increased spending is the Domestic Investment Strategic Fund, which was set up in 2012 to help companies transform themselves into higher value-added, hi-tech, knowledge-based industries.

However, Lim says the new measures will have a "limited" impact overall. "Aside from the ValueCap injection, the measures aren't exactly 'big bang' and target the supply rather than demand side of the economy," she says. "The measures are not enough to change our view that growth will slow to 4.6 per cent this year from 6 per cent in 2014, and to 3.6 per cent in 2016."

Lim is concerned the government's increased use of public funds to stimulate the economy might undermine efforts to narrow the fiscal deficit, which the authorities forecast will fall to 3.2 per cent of GDP in 2015 from 3.4 per cent last year.

"We remain wary of fiscal slippage," Lim says, "while the ValueCap injection will not come from the budget, it is hard to get a definitive grip on how much the measures will cost the government in aggregate, and over what time period."

Malaysia's finances will be given a boost by China, which announced last month that it would buy Malaysian government bonds and provide the country with a 50 billion yuan (HK$60.5 billion) quota for purchasing Chinese stocks and bonds under its Renminbi Qualified Foreign Institutional Investors plan.

Kuala Lumpur's focus on building up economic resilience in 2015 will continue next year, according to the finance ministry's Economic Report 2015/16, which stated the 2016 budget would help ordinary Malaysians cope with a challenging international environment with a series of "peoples" initiatives, including cash handouts for low-income households, raising the minimum wage, higher income tax rates for high earners and new investment in various industrial sectors.

Malaysia's central bank, Bank Negara Malaysia. Photo: Reuters

World Bank office is a sign of success

Over the past 60 years, Malaysia has transformed from being an international aid recipient, with high levels of poverty, to one of Southeast Asia's leading economies and a mentor for other developing nations.

Recently, however, Malaysia has encountered economic turbulence, but its international importance is demonstrated practically and symbolically by plans to open a new World Bank office in the country's capital, Kuala Lumpur.

The World Bank Group Office in Malaysia will be an operational hub where the country's rich development experiences will be shared with developing countries around the world. In addition, Malaysia will have access to international knowledge and expertise to help it transition into an advanced, high-income economy.

Housed in Sasana Kijang – Malaysia's centre of excellence in knowledge and learning in central banking and financial services, which was set up by Bank Negara – the office will carry out innovative development policy research and analytical work on regional and global issues, including assessments of business and investment across countries.

After signing the agreement to set up the office, Johari Abdul Ghani, Malaysia's deputy minister of finance, said: "Malaysia is globally recognised for its progress and achievements in economic planning and development, poverty reduction, provision of modern financial services, as well as public sector performance. We look forward to working closely with the World Bank Group to use this experience to benefit other countries."

Malaysia is one of 13 countries identified by the World Bank to have recorded average growth of more than 7 per cent per year for 25 years or more. Economic growth was inclusive, as Malaysia succeeded in nearly eradicating poverty, with the share of households living below the national poverty line falling from over 50 per cent in the 1960s to below 1 per cent today.

Economic development has been particularly rapid during the early years of the 21st century. Life expectancy in Malaysia has risen to 75, and Gross National Income (GNI) per capita almost doubled over eight years, from US$5,830 in 2006 to US$10,760 in 2014, World Bank figures show. Today, Malaysian GNI per capita is almost twice that of East Asia and Pacific emerging economies as a whole.

Classified as an upper middle-income country by the World Bank, Malaysia is the third largest economy in the Association of Southeast Asian Nations (Asean), with a GDP of US$326.9 billion in 2014.

Malaysia was placed 18th in the World Bank's Doing Business 2016 report of 189 global economies. The country was strong in several areas, such as starting a business and getting electricity, and was placed fourth best country in the world for protecting minority investors from corporate abuse.

Building on decades of rapid development, and despite a challenging global economic environment, Malaysia's government is confident it can attain its declared goal of achieving high-income country status by 2020.

"Malaysia is a remarkable success story that many developing countries look to for inspiration," says World Bank country director Ulrich Zachau. "The new World Bank Group office will allow Malaysia and the World Bank Group to work closely as partners to share Malaysia's extensive expertise and experience in building prosperity and reducing poverty with countries around the world."

Malaysia's importance as a regional economic power is also reflected in it chairing Asean, where it has taken a pivotal role in coordinating efforts to bring about regional integration in the US$600 billion Asean Economic Community, during 2015. And, in 2014, Malaysia became a full partner and contributor to the International Development Association, the World Bank's fund for the poorest nations.

The development of Malaysia as a financial centre features high among the government's list of priorities as part of its transition into an advanced economy. The country's central bank, Bank Negara Malaysia, is midway through implementing the Financial Sector Blueprint for 2011/2020, which aims to develop a "financial ecosystem that will best serve a high value-added, high-income Malaysian economy, while also having an increasingly important role in meeting the growing financial needs of emerging Asia", according to its website.

Airlines are seeking to restore confidence after three tragedies

Amid tough international trading conditions, Malaysia's airline industry is successfully rebuilding itself after the loss of three planes last year.

Malaysia's flag carrier has since been rebranded and restructured. Its new name is Malaysia Airlines Berhad (MAB) and it will be equipped with new aircraft following the tragic loss of two planes flying under its old Malaysian Airline System Berhad (MAS) banner.

Flight MH370 is believed to have crashed in the Indian Ocean with the loss of all passengers and crew in March last year, while flight MH17 was shot down over war-torn Ukraine four months later, with all 298 people aboard killed.

Christoph Mueller was appointed as the new group chief executive of Malaysia Airlines in May to push through a wide-ranging programme of restructuring that has included cutting the company's workforce by one third. Other measures introduced by the company since he took charge include changing its name, placing orders for new aircraft and upgrading passenger seating in a bid to re-establish the airline's position in a competitive market.

Malaysia Airlines has signed agreements with leasing company Air Lease Corporation for four Airbus A350s. Powered by Rolls-Royce Trent XWB-84 engines, the planes will be delivered by early 2018, and the airline has also taken out an option to lease four additional aircraft from the leasing company.

Last month, Malaysia Airlines unveiled its new A330-300 business class seats at the World Travel Market in London. These will be retrofitted to existing planes, with a phased introduction scheduled to start from April next year. The new seats are 193 centimetres when fully flat and are equipped with a Panasonic 16-inch touchscreen inflight entertainment system, making them one of the best available, says the airline. The seats will be configured to give all business class passengers aisle access, while there will be extra storage space.

Rebranded Malaysia Airlines seeks to regain market share.

"The new seats and configuration have been designed to give a superb space for work, play or sleep. All of our A330 business class seats will now feature fully flat beds, allowing our guests the ultimate in comfort and versatility," Mueller says.

"This product will make us more competitive against other full-service carriers and is part of the airline's push to be more customer-centric, offering new, personalised and innovative products."

The latest initiative under consideration at Malaysia Airlines is whether to introduce a premium economy option for long-haul business travellers. It expects to make a decision on this in the next few months.

Another leading Malaysian carrier, AirAsia, also suffered tragedy last year when one of its planes crashed into the Java Sea off Indonesia in December, killing all 162 people on board. This has not dented the airline's standing within the travel industry, however.

AirAsia has been named Asia's Best and the World's Best Low Cost Airline by consultancy Skytrax in its airlines and airports rankings for seven consecutive years from 2009 to 2015. What's more, it became the first low-cost airline to be awarded Asia's Leading Cabin Crew at the World Travel Awards, Asia and Australasia Gala Ceremony 2015.

AirAsia continues to open new routes to grab market share. It launched daily direct flights from Kota Kinabalu to Wuhan, China, in October, while it is the only airline to fly direct from Kuala Lumpur to Maldives capital Male.

Group chief executive Tony Fernandes and his team have shaken up the Asian aviation market since he bought the loss-making airline for one ringgit (HK$1.80) in 2001, taking on its 40 million ringgit of debt.

Starting out with two old aircraft flying only one route from Kuala Lumpur to Langkawi in 2002, the airline has grown to carry more than 220 million passengers to 88 destinations across the continent today.

Offering low fares aboard the no-frills airline has been the secret of its success, the company says. Continuing this approach, AirAsia offered three million free seats to passengers in a promotion launched last month.

SPECIAL REPORT
Sponsored section in cooperation with Discovery Reports

BFood offers taste of success with restaurant franchises

Reports by **Stacey Wilkinson, Manasi Joshi, Susie Pedersen** and **Sarah Israr**

Asian cuisine is a rich melting pot of food from different cultures. With a penchant for flavourful dishes, Asians have one of the most diversified palates – shaped by the creative use of spices, grains and meat. Berjaya Food (BFood) takes pride in further enriching Asian tastes with food and beverage establishments that treat customers to a different kind of gastronomic experience.

Berjaya Corp, a conglomerate that has made a mark in Malaysia and the rest of Asia since 1984, has brought renowned franchises to Malaysia such as Kenny Rogers Roasters (KRR), Starbucks Coffee, Jollibean Foods, Wendy's, Papa John's Pizza and Krispy Kreme Doughnuts.

As part of Berjaya, BFood has extensive knowledge of the markets where it is present. This has enabled BFood to successfully adapt international brands to suit Asian eating habits.

Listed on the Main Market of Bursa Malaysia on March 8, 2011, BFood is primarily engaged in developing the KRR chain of restaurants in Malaysia, Indonesia and Cambodia. It also develops Starbucks Coffee stores in Malaysia and Brunei and Jollibean Foods outlets in Singapore and Malaysia.

Stringent quality control measures play an important role in helping BFood safeguard the original premise of its international franchises. In KRR, BFood ensures that its menu consists of healthy and tasty offerings such as its signature rotisserie-roasted chicken with a variety of hot and cold side dishes, home-made muffins, pasta and sandwiches.

Berjaya holds the worldwide franchise of KRR after acquiring it from New York-based fast-food chain Nathan's Famous. KRR was well-received in Asia but growth slowed in 1998, prompting the company to re-evaluate its business strategy. After revamping the menu and transforming the dining concept from self-service to table-service restaurant, Berjaya turned KRR around.

"People are willing to pay extra for the convenience of having fresh and hot food delivered to the table. This is Asia after all, people want warm food," says BFood CEO Francis Lee.

Today, BFood operates 100 KRR restaurants in Malaysia, 25 in Indonesia and one in Cambodia, with plans to expand the KRR brand in Thailand and Vietnam via the franchise route through Berjaya. Through franchisees managed by Berjaya, KRR is also present in Singapore, the Philippines, Bangladesh, Dubai and selected territories in China. It will soon establish its presence in India.

Berjaya applied the same localisation principles when it brought Starbucks to Malaysia in 1998. Instead of a takeaway place where customers quickly grab a cup of coffee or pastries for breakfast like in the United States, BFood factored in the social nature of Asian customers when it built Starbucks stores. The company furnished the stores with comfortable sofas where people can relax. BFood is operating more than 200 Starbucks stores across Malaysia and recently spread its wings to Brunei, where it has opened three stores within the span of one year.

Behind BFood's success with KRR and Starbucks is its people. The company believes in cultivating a nurturing environment where people strive to excel. By providing intensive training to its employees, BFood ensures that its staff are well-equipped to serve customers.

Francis Lee, BFood CEO

"It all starts with our people. We make sure they are happy to be working with the group and that they share our passion because they are the ones who make our stores work," Lee says.

BFood's exemplary employment practices have earned Starbucks Malaysia the Best of the Best award in the Aon Hewitt Best Employers - Malaysia 2015 Awards.

As much as BFood and Berjaya look forward to growing their restaurants across Asia, the companies also welcome partnerships with companies seeking to enter the Malaysian consumer food service market.

"Berjaya is a well-known and respected company in Malaysia. We can leverage the group's strength to help them build a profitable business here," Lee says.

Shama serviced apartment to rise in UMCity Medini Lakeside

Hong Kong's premier serviced apartment brand, Shama, will soon transform the landscape of Medini Iskandar Malaysia in Nusajaya. The 20-storey Shama Medini will rise within United Malayan Land's (UMLand) UMCity Medini Lakeside – a world-class commercial hub that will showcase business, hospitality and retail components.

"Shama Medini is a lifestyle and an investment," says Dennis Ng, UMLand's executive director. "We're excited to market it."

The upscale serviced residence offers spacious apartments that come fully furnished with modern amenities. Apartment sizes range from 54-square-metre studios to 187-square-metre three-bedroom units. With the availability of other facilities such as a gymnasium, swimming pool, children's play area, outdoor pavilion and rooftop restaurant, Shama Medini is an ideal "home away from home" where residents can live, work and play.

A pillar in the Hong Kong serviced apartment market, Shama's varied portfolio of properties is spread across prime commercial and residential districts in Shanghai, Hangzhou, Hong Kong and Bangkok. Shama Medini is Shama's first property in Malaysia and the 11th property under the Shama brand. Business travellers, residents and expatriates across Asia can enjoy an unparalleled level of luxury and comfort, as the lifestyle serviced apartment will be managed and operated by ONYX Hospitality Group. ONYX is renowned for its Amari brand of hotels in Thailand and the Middle East.

"It's great planning from the beginning," Ng says. "We work with first-rate partners to enhance our products and to return value to our customers."

Dennis Ng, executive director

UMLand considers the development of Shama Medini at UMCity Medini Lakeside as a significant milestone that will cement its spot as a lifestyle developer of high-quality projects

UMLand considers the development of Shama Medini at UMCity Medini Lakeside as a significant milestone that will cement its spot as a lifestyle developer of high-quality projects. It has commissioned award-winning builder Samsung C&T to carry out the construction work for the project. Samsung C&T is also well-known as the contractor for some of the world's finest buildings such as the Burj Khalifa in Dubai, one of the Petronas Twin Towers, and KL118 Tower – Malaysia's tallest building that will be ready in 2019. Samsung C&T has already commenced the construction of UMCity.

"We plan to always be at the forefront of innovation and quality in the development industry," Ng says. "We push boundaries by working with notable partners to construct fully integrated spaces while creating quality lifestyles and communities."

UMCity will be built on two hectares of land fronting a sprawling five-hectare lake. Featuring amenities that can be linked and controlled via smartphones, the modern community will also offer significant investment benefits such as tax incentives and foreign-worker perks. It is a 10-minute drive from the Malaysia-Singapore Second Link and 25 minutes away from Johor's Senai International Airport. Situated across from Legoland, UMCity is also just a 15-minute drive from Johor Bahru via the coastal highway.

On completion, UMCity will be home to other esteemed property brands including Citadines from the Ascott Group, OZO and Regus. UMLand has also sealed strategic alliances with companies such as S-1 Corp, Samsung Malaysia Electronics, Neverland Group and MCAT Box Office to bring their businesses to UMCity Medini Lakeside.

Pursuing strategic cooperation with retail, corporate, and food and beverage companies to complete its mixed-use projects, UMLand is also keen on working with green technology experts. These collaborations embody UMLand's push towards creating lifestyle solutions for the future. With several township projects in the pipeline including Seri Alam, Seri Austin, J-Biotech Park and Seri Putra, UMLand seeks to transform the burgeoning Malaysian property landscape.

"We are open to partnerships to enhance and speed up our developments," Ng says. "We're in for the long haul. We consistently reinforce our reputation of being a trustworthy and reliable developer that delivers innovative, high-quality projects."

Tune Protect focuses on making insurance simple, convenient and affordable

Technology is the single most impactful force that is shaping how the world is doing business today. A formidable friend or foe, it remains the bridge that connects customers who require information on the go in the most convenient manner. Riding this wave of change, Tune Insurance has realigned its business focus and refreshed its brand proposition by reintroducing itself as Tune Protect.

"Customer demands are pushing change. Demands for easier access to information, simplified processes and personalised experience are just among some of the most prevalent influencers of change," says Junior Cho, CEO of Tune Protect Group. "The all-new Tune Protect is catering to these demands by making its product more relevant to the diverse lifestyle needs of customers in an easy, convenient and simple manner."

Tune Protect makes its debut in the digital insurance business with four lifestyle products on its website tuneprotect.com – Tune Guard, Tune Drive Care, Tune EZ Term and Tune TrIP. Specially targeted at Malaysian consumers, the niche products are customised to meet people's most basic requirements.

Tune Guard is a customised plan catering to victims of snatch theft and robberies, while Tune Drive Care provides car passenger coverage. Tune EZ Term provides affordable and simple life insurance protection for a fixed five-year term, and Tune TrIP is standalone travel insurance that provides "before, during and after" benefits across all countries.

A key player in the field, Tune Protect initially gained rapid popularity as the exclusive insurer of low-cost airline leader AirAsia. It has since expanded its footprint to collaborate with other airlines and travel partners across the globe, gaining a reputation among the region's fastest-growing insurers.

It is the same brand of consumer trust that allowed Tune Protect to carve a client-focused niche in the insurance industry. Core to the group's operations are its general insurance business through subsidiary Tune Insurance Malaysia.

Since its incorporation in 2011, Tune Protect has grown to serve more than 25 million policyholders worldwide, with more than 12 million policies issued in Malaysia alone. Today, Tune Protect is present in more than 50 countries and territories, with general insurance entities in Malaysia and Thailand. It is also represented with a joint venture in the Middle East.

"Insurance has long been thought of as a complex, costly and intangible product; that is why many people are still reluctant to spend on it," Cho says. "The key is finding innovations to make the product not only tangible to the consumer, but also relevant, accessible and indispensable."

Among Tune Protect's innovative campaigns is the 10 baht (HK$2.16) insurance plan launched in Thailand last year through popular top-up machines called Boonterm kiosks. With coverage of 10,000 baht, the plan features simple and affordable insurance packages targeted at low- to middle-income customers aged between 20 and 60 – a market consisting of nearly 1.8 million individuals.

More recently, Tune Protect launched Thai Rice Insurance, offering farmers protection from losses suffered due to floods, drought, storms, pests and diseases. It also established a collaboration with Advanced Info Service, Thailand's leading mobile phone network operator, providing travel personal accident coverage to customers who sign up for the network's international roaming services.

"Rather than driving profits, these campaigns focus on building brand awareness among the young generation – and the results are highly promising," Cho says. "More consumers are discovering affordable policies that match their lifestyles. The next stage will be to cover similar markets such as Indonesia, the Philippines and the Middle East, which remain untapped by such innovative campaigns."

Last year, Tune Protect claimed the top award as Forbes Asia's "Best of the Best" among 200 outstanding listed companies in the Asia-Pacific with annual revenues under US$1 billion. Today, it is on its way to becoming Asean's leading digital insurance franchise.

"We are about making insurance simple, easy, convenient, relevant and affordable – giving customers the kind of peace of mind they are looking for wherever in the world they are headed," Cho says. "We want to break geographical boundaries and empower consumers to set the trends for the insurance industry."

Open to diversifying into other complementary sectors, Tune Protect aims to grow with potential partners in Asean, and ultimately have a ubiquitous footprint globally.

Junior Cho, CEO, Tune Protect Group

FAM delivers great value through diversified offerings

For FAM Holdings, property development is more than constructing buildings. It is about maximising the potential of a location to its fullest and creating welcoming environments – transforming it into a venue that serves several purposes, whether residential, commercial or industrial.

Since transforming the once-underdeveloped area near Malaysia's tourist hot spot Batu Caves into a thriving estate bustling with activity, FAM has continued to uphold its belief in value creation.

Established in 1981, FAM develops lifestyle properties, including mixed-use developments, affordable housing and entrepreneurial parks, that offer more value to clients. Its project, Taynton Harmoni, offers city dwellers their own private sanctuary as a respite from their fast-paced routines. A gated community in Klang Valley in Kuala Lumpur, Taynton Harmoni features 16 boutique bungalows amid pockets of lush greenery.

"Taynton Harmoni differs from apartment building developments because it embodies community living," says Liew Hoong, CEO. "People seek human interaction and happy environments nowadays, which is what Taynton Harmoni offers."

Building on its track record in Malaysia, FAM has forayed into international property development ventures. In cooperation with the local government, FAM is in negotiations to plan for a HK$374 million mixed-development project in the central business district of Heyuan.

Property development is only one of FAM's many crown jewels. It also specialises in investment holdings, operating and managing palm oil plantations, timber extraction, trading, travel and leisure, and information technology. FAM also helped the Democratic Republic of the Congo to sustainably commercialise its resources. The initiative resulted in infrastructure development, creation of jobs and livelihood opportunities in the country.

With deep ties in Congo, FAM opens doors for international investors to support the growing mining, construction and plantation industries there.

"We want to help Congo expand its network to Asia. We welcome partners who want to take part in this exciting phase. Opportunities await," Liew says.

Liew Hoong, CEO

AE fortifies PCB manufacturing as it expands into other markets

Taiwanese Yang Wu-hsiung founded Amallion Enterprise (AE) in his homeland at a time when the local electronics industry was booming. Though there were a number of industry players, the printed circuit board (PCB) manufacturer stood out with its remarkable dedication to customers.

First, AE relocated to Malaysia in 1987 when clients moving there invited the company to come along. Today, AE also has a factory in Thailand to support relocating customers.

"We have to be where our customers are," says Yang Chao-tung, managing director of AE Multi Holdings, the investment and management arm of the AE group of companies comprising five subsidiaries. "We have to truly understand what our clients need and improve on ourselves to fulfil their requirements."

AE is the first Malaysian PCB maker to fully automate production lines. The resulting higher capacities have ensured competitive pricing and consistent quality. This is why big players such as Philips, Sony, Samsung, LG Electronics and Panasonic have stayed with AE for decades.

These companies have relied on AE's technical capability, especially with the miniaturisation of electronic devices. Some clients request circuit lines as narrow as 0.005mm when the PCB manufacturing industry finds 0.01mm already difficult to manufacture.

To support its expansion into Southeast Asia, AE welcomes research and development partners so it can also offer circuit design. The company will dedicate its expanding Thailand base to PCB manufacturing, while the Malaysia headquarters is looking for electronics, mechanical and machine tooling engineers as AE explores new verticals such as the vehicle industry.

The company is already involved in ink cartridge manufacturing with 51-per-cent-owned subsidiary Trend Vision Technology based in Zhuhai.

"We are very confident of our future as we are always looking for opportunities," Yang says. "We assure investors of generous returns on their investments."

Sabah's agro-industry crucial to attain food security in Asia

Sabah is creating an expanded and diversified agricultural sector to ensure stable food supply to its domestic and export industries, and to provide quality food products to Malaysia and across Asia. This is according to Sabah's deputy chief minister, Yahya Hussin, who also heads Sabah's Ministry of Agriculture and Food Industry (MAFI).

MAFI sees great potential for Sabah to play a crucial role in achieving food security and optimising food production processes in the East Asean Growth Area (BIMP-EAGA) – the subregional economic cooperation comprised of Brunei, Indonesia, Malaysia and the Philippines. Strategically located, Sabah can easily reach markets in mainland Southeast Asia to promote the agro-industry trade and speciality sectors such as the halal food trade.

"Products from Sabah are accepted in the Muslim states, and our halal certification is world-recognised," Yahya says.

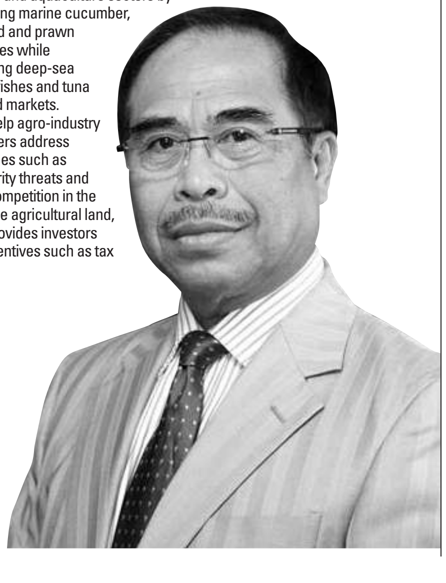
Leveraging its strength in rice production, Sabah is expanding its farmlands to accommodate investments in fruit tree plantations following the demand for exports such as pomelo, mangosteen, durian and avocado, among others. MAFI has put in place modernisation programmes to improve the eastern state's cocoa and food processing systems as it continuously develops its duck- and chicken-rearing activities. It seeks to bolster its fisheries and aquaculture sectors by developing marine cucumber, seaweed and prawn hatcheries while harvesting deep-sea pelagic fishes and tuna for world markets.

To help agro-industry developers address challenges such as biosecurity threats and fierce competition in the use of the agricultural land, MAFI provides investors with incentives such as tax exemptions and allowances on capital expenditures.

"We welcome investors to work with us in developing our food production sectors to achieve food security," Yahya says. "We also initiate cooperation with other relevant agencies and district councils. It's challenging, but we continue to improve our self-sufficiency level by increasing productivity and by expanding our plantation and marine culture areas."

Products from Sabah are accepted in the Muslim states and our halal certification is world-recognised

Yahya Hussin
Deputy chief minister of Sabah



Diversification to mould DENKO's sustained growth

Looking to boost sales and market competitiveness, Malaysian plastic component manufacturer DENKO Industrial is strengthening its foothold in Indonesia. Through wholly owned subsidiary Winsheng Plastic and Tooling Industry, DENKO operates a sophisticated plastic injection moulding and mould fabrication factory in Jakarta to satisfy increasing volume demand. Incorporated in May last year, the subsidiary caters to DENKO's existing multinational customers who have relocated their operations to Indonesia.

"Indonesia is our first step to extend our footprint abroad," says Tan Chen Wei, group CEO. "We intend to duplicate the strength of our operations in Malaysia and in Indonesia, which we consider our future growth market. This is in line with our diversification initiatives aimed at sustaining profitability."

In the industry for more than 25 years, DENKO is a renowned best-in-class manufacturer of plastic injection mouldings and high-precision plastic components. Operating through its subsidiaries, the Bursa Malaysia-listed investment holding company also engages in the wholesale and retail of food and consumer goods. Its supply network reaches Southeast Asia, Japan, China, Australia, New Zealand, Europe and the United States.

With our state-of-the-art tool making facilities and collaborative approach, we are able to deliver products that our clients visualise at a competitive cost

Tan Chen Wei
Group CEO

DENKO caters to a diverse customer base comprising multinationals in the automotive, consumer electronics, information technology and industrial product sectors. Known for keeping its clients ahead of the curve, DENKO has gained the trust of such leading names as Dyson, JVCKENWOOD, Pioneer, Panasonic and Schneider Electric.

Apart from its recent venture into printed circuit board assembly, DENKO is in negotiations with certain clients to manufacture final products as it seeks to become a turnkey contractor. By consolidating production under one roof, DENKO reduces its customers' costs by minimising packaging, shipping and inventory maintenance outlays.

"With our state-of-the-art tool-making facilities and collaborative approach, we are able to deliver products that our clients visualise at a competitive cost," Tan says. "Not only do we bring in technical know-how, we provide just-in-time moulding solutions and practical tools that help our clients realise production excellence."

BookDoc mobile app improves patient-doctor connection

The rise of application-based disruptive innovations such as the transport booking platform Uber and navigation tool Waze demonstrates how technology continues to improve everyday life. Building on this megatrend, BookDoc harnesses technology to improve health care access in Malaysia and the rest of Southeast Asia through a medical-focused application.

Among the first online health care platforms in the Asia-Pacific, BookDoc was founded in July by two young Malaysians – Chevy Beh, the former CEO and managing director of BP Healthcare, and Joel Neoh, founder of Groupon Malaysia and former CEO of Groupon Asia Pacific. The company developed a mobile app – also named BookDoc – that gives patients greater control in choosing a medical practitioner or a hospital.

"Providing transparency in health care spells the difference between life and death," Beh says. "We want to remove the 'black box' system in health care, wherein not enough information is available to the public about the availability of medical service providers. We are a technological enabler of a platform that will make the health care ecosystem more efficient."

By making information readily accessible to anyone, BookDoc also helps paint Malaysia as a more attractive destination for medical tourism. With a commitment to patient safety, BookDoc will list legally registered medical practitioners who comply with local laws and in good medical standing to protect patients from fraudulent doctors.

The first phase of the app will enable patients to book appointments using simple steps. For the second phase, patients will have access to real-time doctor availability, hospital bed availability, telemedicine, home care and more.

Aside from the timesaving benefits it offers, the application also eliminates unnecessary extended exposure to other sick patients in waiting rooms – adding a measure in controlling the spread of contagious diseases.

With plans to make the service available in Hong Kong, Thailand, Singapore, Indonesia and the Philippines before the end of the year, BookDoc eyes partnerships with telecommunications companies to ensure the smooth operation of the app. The company also seeks to work with health care players and insurance companies.

BookDoc's management team, strategic partners, advisers and initial investors are comprised of a diverse and seasoned group of industry leaders. They include accomplished entrepreneurs and professionals from various fields such as health care, banking, insurance, and information and communications technology. Their combined wealth of experience and track record are recognised locally and internationally. This has significantly driven investor confidence, resulting in BookDoc securing one of the highest pre-seed valuations in the history of technology applications in Asia.


Chevy Beh, founder

By making information readily accessible to anyone, BookDoc also helps paint Malaysia as a more attractive destination for medical tourism

Mallek Rizal Mohsin, group managing director and CEO

Handal Resources brings offshore crane expertise to Southeast Asia

Being an industry pioneer is an edge that distinguishes a company among competitors, but more importantly, it represents a high degree of expertise. When it comes to offshore crane servicing and manufacturing, Handal Resources stands out as a home-grown company that has won the trust of major players in the oil and gas industry through its reliable Seacrane brand.

"There is no single offshore crane service provider in the region that can execute the same methodology that we do," says Mallek Rizal Mohsin, group managing director and CEO. "We are one of only eight companies in the world that really focus on offshore cranes."

This specialisation and its ability to foresee problems before they arise are what makes Handal Resources a successful, one-stop solution provider in Southeast Asia. Offering 24-hour service, the company's crane specialists emphasise preventive maintenance, allowing clients to realise a longer lifespan for their cranes.

"After our first contract with ExxonMobil resulted in a great performance, things started moving rapidly," Mallek says. "Petronas was impressed, and we have been in contract with them for four consecutive terms since 2000."

The company has worked with various industry players since then, including Hess, Talisman and Petrofac – all of which attest to the standard-setting qualities that make Handal Resources a trusted partner in the region. Aside from providing reliable crane rentals, refurbishment and maintenance, the company is involved in downstream and upstream activities today.

Handal Resources is determined to grow further in Southeast Asia, setting its sights on Thailand and Myanmar, to truly become the partner of choice for offshore cranes in the region.

"We are even prepared to have our own office or operational yards in these countries," Mallek says. "Potential clients and partners must understand how we do our crane maintenance and how a long-term contract with us will benefit them."

Handal Resources is determined to grow further in Southeast Asia, setting its sights on Thailand and Myanmar

Sarawak Cable powers up via acquisitions, diversification

The Sarawak Corridor of Renewable Energy (SCORE) is making significant progress towards becoming the state's primary economic powerhouse, shored up by heightened investments from energy-intensive industries. Playing a vital role in advancing the SCORE programme is Sarawak Cable (SCABLE), a home-grown cable manufacturer that provides a full range of power cables, wires and conductors used in the transmission and distribution of electricity.

"We have a clear target – to become a one-stop house for power solutions, offering competitive rates and just-in-time delivery," says Aaron Toh, group managing director and CEO. "This is our part in ensuring consistent supply of inexpensive power to help accelerate Sarawak's industrial growth and improve people's quality of life."

With its acquisition of Universal Cable and Leader Cable Industry, SCABLE has emerged as the leading cable manufacturer in Southeast Asia in terms of product range and revenues. Primarily serving utility companies, SCABLE has a broad array of offerings, topped by the 275kV underground high-voltage cables and TACSR (thermal resistant aluminium alloy conductors steel reinforced) conductors. The company is also renowned for its turnkey transmission line projects and specialised cables for the oil and gas, automobile, housing, and telecommunication industries.

Overseas, SCABLE sells its products via distributors and is keen on forging more of this type of partnership to expand its international customer base. It has distributors in Hong Kong, Singapore, Australia and the Middle East.


Aaron Toh, group managing director and CEO

In Indonesia, SCABLE has ventured into the renewable energy segment, lured by the market's strong growth potential and supportive government initiatives. It is slated to commission its first mini-hydropower plant in north Sumatra in the first quarter of next year.

"Indonesia is our upcoming growth market and Sumatra is our first step," Toh says. "In addition to more mini-hydro projects, we aim to increase the market penetration of our cable products in the country via domestic acquisitions or strategic tie-ups with local experts. Furthermore, we are exploring opportunities to participate in transmission line projects in the country."

EA Technique's regional growth buoyed by shipping and shipbuilding expertise

Building on increased shipping activity buoyed by Asia's rich import-export sector, EA Technique is primed to make an impact on regional maritime trade with its emphasis on quality marine services and human development.

"We strive for quality," says managing director Abdul Hak Mohamad Amin. "Our strength has always been in our focus on human development."

Starting as a family business 20 years ago, EA Technique has grown into one of Malaysia's top shipping companies, offering shipping services to upstream and downstream clients such as Petco, Petronas Dagangan, Vestigo Petroleum and Northport, to name a few. While its downstream activities present plenty of opportunities for the company, the upstream sector comprises 60 per cent of EA Technique's business.

Combining excellence and versatility, the company excels in providing FPSO (floating production storage and offloading) vessels, FSO (floating, storage and offloading) vessels, work barges and crew boats.


Abdul Hak Mohamad Amin, managing director

Starting as a family business 20 years ago, EA Technique has grown into one of Malaysia's top shipping companies

From humble beginnings to its public listing in Malaysia last year, EA Technique has expanded its range of competencies as a shipping company to also venture into shipbuilding, ship repairing and offshore fabrication work.

With a shipyard capacity now expanded to 10,000 tonnes, EA Technique is focused on maintaining its track record of timely deliveries and cost effectiveness. The company prides itself on its first-rate service, safety measures and invaluable experience – qualities that make it the partner of choice for oil and gas majors in Malaysia.

EA Technique has found success in an organic growth strategy that maximises the company's shipping and shipbuilding expertise. To support its geographic expansion, the company is seeking investors and like-minded partners in Southeast Asia and the Middle East.

"We are looking at Indonesia and the Middle East to venture into areas that we are familiar with, such as FSO, tankers and port marine services," Amin says. "As you grow bigger, you need a strong partner."

IPMUDA builds legacy on lasting relationships

Malaysia is no exception when it comes to the ups and downs in the construction industry. This is why the phenomenal success of IPMUDA as one of the country's largest distributors of building materials is truly notable. Celebrating its 40th anniversary this year, the company goes beyond continuously strengthening its one-stop-shop reputation and excellent customer service. IPMUDA distinguishes itself by cultivating lasting business relationships with customers and suppliers, and by implementing a prudent risk management strategy rooted on an aggressive diversification programme.

"Through our employees, we've built connections from the first generation of contractors, developers and suppliers through to the second," says CEO David Chua. "We've groomed our talents well, making sure that succession planning is always in place."

Many of its employees have been with IPMUDA since the beginning. With the accumulated expertise, the company is able to advise customers on the best products to use. Comprising exclusive brands from regular suppliers and its own labels made by original equipment manufacturers, IPMUDA carries the complete range from structural steel and cement all the way to finished products such as tiles, sanitary wares, faucets and tap fittings, ironmongery, locksets, kitchen cabinets and wardrobes. Its product portfolio includes international labels such as the long-renowned French-German bathroom and tableware specialist Villeroy & Boch, Dutch bathroom expert Geesa and leading Italian taps manufacturer Ottone Meloda. These

David Chua, CEO

products complement the company's own brands such as Ipcera, Ortolani and Roset.

"We know our clients well and never compromise on the quality of service we provide them," Chua says. "We've won their trust by giving them support not just from a pricing perspective."

The company effectively assists customers with branches all over Malaysia, while its long-standing relationship with many manufacturers assures steady supply even during shortages. IPMUDA's robust financial position built on an excellent risk-management strategy also allows the company to provide clients materials even ahead of payments.

"We always try to look for opportunities within our segment, whether it's upstream or downstream," Chua says. "This approach is critical to our sustainability in this highly cyclical industry."

Having investments within the industry value chain such as property development and manufacturing of kitchen cabinets and wardrobe, IPMUDA is able to achieve significant liquidity. The company is exploring to venture beyond the construction sector into medical glove production, prompted by the expertise of its subsidiary, which has been in the industry for more than 20 years.

"Although we've been successful in terms of revenues, profits and level of business diversification, we'd like to grow the company on a bigger scale in the Asean region," Chua says.

IPMUDA is seeking partners in markets such as Indonesia and Thailand, where there have been tremendous improvements in disposable income. While the company needs local help on issues such as licensing and trading requirements, it is eager to share its years of expertise in distribution and business strategy. IPMUDA is similarly inviting new suppliers as it expands its product offering.

In Malaysia, IPMUDA sees great opportunity with the government's focus on affordable housing and the good showing of the construction sector. The industry has been growing about twice as fast as the local economy over the past four years, and is expected to maintain brisk growth that is forecasted to reach 10.7 per cent this year.

Against this upbeat backdrop, IPMUDA wants to work with incoming Chinese and regional developers and contractors who want to partake in the upswing.

"We can provide investors, suppliers and manufacturers from the mainland the local expertise they need to succeed in Malaysia," Chua says. "We have access to a network of dealers, distribution houses, contractors, architects, interior designers and real estate developers throughout the country. We can also collaborate on other aspects such as marketing, finance and government compliance."

Evyap boosts Asia's oleochemicals supply line

Evyap, the forerunner in creating world-class brands that are popular among consumers in Turkey, envisions becoming a part of households in Southeast Asia. Moving towards its vision of building a global organisation and creating value for its stakeholders, Evyap has established a greenfield project – a state-of-the-art oleochemical plant in Malaysia.

The Johor-based facility boasts an annual production capacity of 350,000 tonnes of high-grade oleochemicals and soap noodles, which are the building blocks of major personal care products such as cosmetics, pharmaceuticals and other goods for ancillary industries. The facility's strategic location has an intrinsic advantage of being close to raw material suppliers, helping secure the basic ingredients for a range of consumer goods. The plant's proximity to the Johor Port also assures connectivity to major regions.

"There are many opportunities for Evyap to gain some shares in emerging economies in Asia, the Middle East and Latin America – markets where booming population and income will drive the demand for consumer goods," says Dr Martin Rudolph, executive committee member and acting managing director of Evyap Sabun Malaysia.

Adopting a diversified approach to growing outside Turkey, its home market, Evyap also offers contract manufacturing services, particularly for bar soaps and diapers. Having earned the confidence of many multinational companies, Evyap has been producing the well-known brands of its clients at its facilities for decades.

"Our customers trust us because we offer excellent quality. We are known for building reliable customer-supplier relationships," Rudolph says.

Evyap's products are marketed under flagship brands including Duru, Fax, Arko and Evy Baby. Aside from soaps and shower gels, Evyap also carries men's care products, such as shaving preparations, lotions and aftershaves, under the Arko brand. The Evy Baby brand offers diapers and baby soap.

The company's products have a loyal following in the greater Turkish, Russian, Middle Eastern and African regions. Under its new business strategy, Evyap 2.0, the company plans to strengthen its brand profile internationally. Evyap endeavours to position its four main brands alongside more renowned names in the personal care segment by strengthening its marketing and sales force in Asia.

"As a family-owned business, Evyap offers the best products at affordable prices. This has guided our company throughout the years and will hopefully be our selling point in Asia," Rudolph says. "Evyap is the company to call when looking for a reliable and consistent partner and supplier of quality oleochemicals, soap and personal care products."

Dr Martin Rudolph, executive committee member and acting managing director of Evyap Sabun Malaysia

Heng Huat Resources develops biomass products with global potential

Heng Huat Resources Group, one of Malaysia's leading manufacturers of biomass materials such as coconut fibre and oil palm empty fruit bunch (EFB) fibre, adds immense value to the global sustainability agenda with new applications. It has developed briquettes and fibre mats from oil palm EFB fibre, organic products that have groundbreaking potential in clean energy and disaster prevention.

"Palm fibre mats can be applied to prevent landslides and sandstorms," says Lim Ghim Chai, executive director. "Nowadays, a lot of cities are facing this problem. If they use palm fibre mats to cover the soil, grass would readily grow because this fibre mat could maintain moisture, unlike the conventional polymer-based geotextiles."

Meanwhile, palm briquettes can be used in coal-fired power plants as an eco-friendly and lower-cost alternative.

Heng Huat Resources is raising its annual oil palm EFB fibre production capacity to 130,000 tonnes over the next two years, adding seven lines to the existing 20 lines. The expansion includes setting up a new production factory equipped with a biomass co-generation power plant.

About 25 per cent of Heng Huat Resources' revenue comes from the sale of its own mattress brands, Fibre Star and Xiong Mao, distributed mainly in Malaysia.

In addition, it is one of China's leading biomass suppliers, shipping about 400 container loads monthly as it caters to the needs of mattress manufacturers on the mainland.

"They choose us because of our quality assurance and ability to educate them on mattress production," Lim says.

Heng Huat Resources is also actively exploring other export markets such as Australia, Japan and South Korea for its oil palm EFB fibre, briquettes and palm fibre mats.

Listed on Bursa Malaysia's ACE Market since last year, Heng Huat Resources is seeking approval to be transferred to the Main Market.

"It is our vision to establish a regional presence for our eco-friendly biomass products, particularly in the renewable energy segment," Lim says.

(From left): Lim Ghim Chai, executive director; H'ng Choon Seng, managing director; and Kee Swee Lai, deputy managing director

Local insurance gets an upgrade with Liberty's world-class services

As regional economic integration becomes an imminent reality through the creation of the Asean Economic Community (AEC) this year, opportunities abound for businesses looking to expand their global operations and forge cross-cultural partnerships across the Asia-Pacific's growing markets.

Liberty Insurance in Malaysia combines the high-calibre global expertise of multinational insurer Liberty Mutual Insurance Group and the 38-year tenure of Uni.Asia General Insurance serving Malaysia's local retail and auto industries. With economic prosperity fuelling the urbanisation and increasing affluence of Malaysia's growing population, the rebranded insurance company is in a strategic position to extend its portfolio as one of the leading providers of premier insurance services across the nation.

"We pride ourselves on being a one-stop shop for Malaysia's auto insurance needs," says CEO David Tan. "Our creed is to help people live safer and more secure lives by making auto insurance easily accessible to every man on the street through our well-entrenched, diversified and strategic distribution network."

David Tan, CEO

Liberty Insurance offers a variety of comprehensive risk protection services ranging from medical health insurance and personal accident plans to business protection packages covering extensive risks such as fire, burglary, plate-glass breakage and employer liability. Most significantly, the company specialises in complete motor insurance plans for motorcycles, large commercial vehicles and private cars – a segment through which it derives 80 per cent of its business.

Through its strategic local distribution network comprising five regional offices, 25 branches, 123 franchise holders and franchise dealers, and more than 1,800 agents, the company's widespread presence ensures easy insurance accessibility. Clients can rely on the high emphasis that Liberty Insurance puts on good customer service and stakeholder relationships. As an example of its expansive reach, Liberty Insurance encompasses a partnership with approximately 700 Malaysian post offices – ensuring that even Malaysians in rural towns can have direct access to insurance services.

"Helping people protect themselves and their possessions and being able to offer insurance at a fair price to the masses – I think that's a lot to be proud of," Tan says. "We are a business and thus want to reward shareholders with a good bottom line. But as a socially responsible company, we also want our business strategy to contribute something back to every person on the streets, and we do this by making our insurance plans as readily available as possible."

Liberty Insurance also maintains mutually beneficial relationships with business partners such as DRB-HICOM, owner of carmaker Proton in Malaysia; and United Overseas Bank. The company is also an insurance partner of Malaysian electronic government services provider MyEG Services and a bancassurance partner of Bank Simpanan Nasional.

In anticipation of the AEC, Liberty Insurance Malaysia has the advantage of adapting the best practices of other Liberty operations in Asia such as Thailand, Hong Kong, Singapore, Vietnam and China. As part of the Liberty Mutual Group – a diversified insurer headquartered in Boston with operations in 30 countries around the world – the company is prepared to abide by the AEC's catchphrase of "thinking globally, prospering regionally".

"We see ourselves as a leading Malaysian auto insurance company," Tan says. "We are now part of a global brand, and with a name like Liberty on our side, that glass ceiling as a local entity has been shattered. We see positive growth within the AEC such as synergies and cross-referrals of businesses, and welcome future opportunities."

MSC eyes Asian partnership to reach new industry frontiers

Malaysia Smelting Corp (MSC) has prospered in the tin industry by upholding a supply chain fundamental: consistency of high-quality supply regardless of market cycle. This is crucial in this highly volatile industry where price fluctuations and ever-changing regulations have global impact.

"When clients send materials to us, they are assured of the right price, accurate quality calls, and that they will get paid in full," says Chua Cheong Yong, CEO of MSC. "This is very important in the custom smelting industry where significant value tin materials are delivered for conversion at our plant. At the same time, we get paid by tin buyers prior to delivery of the tin metal. That speaks volumes about our credibility and reputation in the industry."


Chua Cheong Yong, CEO

A technological frontrunner with seasoned experts, MSC operates Rahman Hydraulic Tin, the oldest and largest open-pit hard rock tin mine in Malaysia, and the world's biggest custom tin smelter in Butterworth, Penang.

With more than 100 years of smelting operations, MSC is globally renowned in the industry and is a preferred supplier among major tin users, which are buoyed by the booming electronics industry.

A board member of International Tin Research Institute, the organisation connecting tin producers and consumers globally, MSC takes the lead in sustainability by exploring new frontiers to stabilise the supply and pricing of tin.

Given its rich natural reserves, the Democratic Republic of Congo (DRC), where MSC has existing trading and smelting operations, offers such an opportunity. Chua works closely with all DRC stakeholders to ensure a conflict-free environment and the development of a sustainable tin industry.

"We are actively engaged with Africa today, sourcing material responsibly and contributing to the overall development of the global tin market," Chua says.

MSC intends to provide long-term value through the cycles and sustain superior returns to shareholders. MSC will leverage on its global networking, especially with Asian partners, for future growth along the entire global tin supply chain.

JANS lays infrastructural blueprint for Sabah's growing economy

As Malaysia moves towards developed economy status by 2020, population growth, urbanisation, industrialisation and climate change continue to strain one of the country's most vital natural resources – water.

In line with government initiatives to guarantee the safety and availability of water resources, Sabah State Water Department, or locally known as Jabatan Air Negeri Sabah (JANS), is actively taking steps to supply adequate water for the population of Sabah. A local government agency under the Ministry of Infrastructure Development, JANS contributes to the infrastructural support needed to boost the local state economy.

"Our main objective is to fully organise and modernise the water supply system to provide full water coverage as efficiently as possible for the whole state," says Awang Tahir bin Mohd. Talib, director.


Awang Tahir bin Mohd. Talib, director

JANS was officially formed in 1988. It operates 78 water treatment plants throughout Sabah – pumping out 1.23 billion litres of water daily to meet the demands of more than 340,000 active water consumer accounts.

The agency has successfully extended its water coverage to 99.8 per cent in urban areas, and is working towards improving its rural water coverage, which presently stands at 69 per cent.

JANS plans to apply information technology to develop an efficient water supply system and welcomes research and development partnerships.

With two key projects in the pipeline and a potential major raw water source study underway in Kota Kinabalu, Sabah's administrative centre where water demand is the highest, the agency welcomes private and corporate funding.

JANS also works towards sustainable growth by educating the local community about the importance of saving water, building infrastructure and protecting water catchment areas.

"Every town already has a demand programme planned over the next 20 years," Talib says. "We want to ensure that the basic housekeeping is done on our part to guarantee modern and efficient service for our customers."

Evergreen's engineered wood helps conserve world's forests

Resorting to conventional logging to meet the world's ever-increasing demand for wood has put a strain on forest resources. Using advanced, environmentally friendly and sustainable practices, Evergreen provides an ideal alternative to solid wood and plywood with its medium-density fibreboard (MDF) and other quality engineered wood-based products. From its own sources of recycled and renewable raw materials, Evergreen also offers wooden furniture specifically designed to customers' preferences.

Starting as a veneering company in 1972 and becoming a pioneer in the MDF industry, Evergreen is now Asean's leading producer of engineered wood products for use in furniture and construction, supplying to more than 40 countries.

"MDF is more sustainable and renewable; ours comes from rubber plantations instead of tropical forests," says Kuo Jen Chiu, group vice-president and group chief operating officer. "It has become a trend, and our company has grown along with this trend."

Evergreen's Nilai plant has an annual production capacity of 250,000 cubic metres.

Evergreen is set to capitalise on the rising global demand for MDF, which is expected to reach 99.1 million cubic metres by 2017. There has already been a dramatic increase in MDF use across Asia, with China being the largest consumer, followed by Japan and Indonesia.

While MDF comprises more than 70 per cent of Evergreen's business, the company is working towards chiselling growth in the downstream segment. To do this, the leading panel producer is expanding sales in made-to-order furniture through hypermarkets, furniture traders and mail orders.

"You can buy furniture from any furniture maker, but what we offer is stability of supply since we control the raw markets and distribution channels," says Martin Leong, group finance manager. "When we say we will deliver, we will definitely deliver."

Evergreen is eyeing partnerships with established distributors to boost deliveries to the Japanese and Chinese markets. It has also been investing millions to upgrade its machines and increase its presence in the premium market by banking on its reputation as a reliable company with goodwill, stability and a reputable brand.

Matrix expands capacity to enhance flavours and scents business

With nearly 40 years of experience, Matrix Group is strengthening its position to become a global force in the food ingredients sector. To increase production capacity, it invested US$12 million to expand its facility in Malaysia with state-of-the-art technology. To meet the increasing demand for halal flavours in Asia, Matrix is doing contract manufacturing in Japan, South Korea, Indonesia and the Philippines.

Drawing on its technology developed in-house, Matrix manufactures and exports encapsulated flavours, speciality oleochemicals, and bleaching earth for the edible oils industry. Its strength lies in creating heat-resistant flavours for niche segments including baking, beverage and ice cream, and pharmaceuticals. Matrix serves clients for food and non-food applications, from a customer base of small- and medium-sized enterprises to multinationals.

The group stays on top of developments in the flavours market and combines the latest cutting-edge technical knowledge with up-to-date manufacturing processes.

"We help clients succeed by sharing our technical knowledge and expertise," says Dr Tan Chee Hong, group managing director. "We collaborate with them in developing new products to adapt to changing environmental laws. Being in the intellectual asset business, we are prepared to respond quickly to changes in technology, capacity and regulations in the food industry."

Possessing kosher and halal certifications including ISO 22000, Matrix's flavours are accepted in more than 55 countries across six continents.


Dr Tan Chee Hong, group managing director

Within Asia, it works with agents and distributors and has local partners in Myanmar and India, where it manufactures flavours and fragrances. Matrix intends to establish a similar manufacturing setup in China, where it has been selling flavours for more than 20 years.

The company is building up its regional distribution capacity and seeks partners with strong local networks and complementary expertise in the food industry. It also eyes joint ventures in Europe, Indonesia and China to enhance its logistics services and extend market reach.

Leveraging its competency in synthetic organic chemistry, Matrix has plans of including speciality flavour chemicals in its offerings.

Britz Networks at the forefront of oleochemical development

Rich in indigenous raw materials such as palm oil and palm kernel oil, Malaysia has built one of the largest oleochemical industries in the world. One home-grown company is playing a key role in further expanding the market for these naturally sourced chemicals, which are gaining significance over petrochemicals for their versatility, performance and sustainability.

"We're putting a lot of effort into research and development to create value-added, environment-friendly products," says Tan Loon Yee, CEO of Britz Networks. "Our goal is to find new uses for oleochemicals and progressively replace fossil-based materials."


Tan Loon Yee, CEO

Starting as a family enterprise in 1992, Britz has made a solid imprint in this flourishing sector through its consistent delivery of high-quality oleochemicals, speciality esters and intermediate chemicals, complemented by attentive client service. A member of the Roundtable on Sustainable Palm Oil, the company is one of the pioneer producers of palm wax, an eco-friendly substitute to paraffin wax. It is also renowned for its Polyfat animal feed additives and Krème cosmetic or Krème Britz food-grade emulsifiers.

Britz is primarily promoting its broad portfolio in China and the Asean, but is also carving a presence in Latin America and Eastern Europe through strategic partners.

In China, the company has been distributing basic oleochemical products for more than a decade, and started selling fatty esters and specialities in 2011.

"We are partners to our customers and suppliers," Tan says. "We strive to add value to their businesses through continuous innovations in terms of products, applications and service delivery."

As it expands its reach across Asia, Britz is open to business opportunities and partnerships with strong local players and the academia. With oleochemicals at its core, the company can provide industry and technical expertise in addition to its sustainable products to potential partners in growth markets such as China and Indonesia. Britz likewise welcomes investments into the company to sustain its growth strategy.

PDZ sets growth trajectory with turnaround, diversification

Malaysian marine, container and logistics company PDZ Holdings showed a turnaround in profitability in the fourth quarter of the financial year ended June 30 despite the persistent overcapacity and soft freight charges causing setbacks in the domestic shipping industry. "We attribute the turnaround to our asset optimisation strategy," says Amin Lana, group managing director.

Lana, who took the helm in early January, has spearheaded the company's rebound, which is anchored in cost-cutting measures, strategic alliances and aggressive marketing to improve productivity and efficiency. "Along with shortened transit times and expanded coverage, we deliver quality services and competitive market rates to solidify our position as the carrier of choice in the region," Lana says.

Using a fleet of three fully-owned and eight joint-service vessels, PDZ Holdings provides marine transport for containerised cargo covering East and West Malaysia, Brunei, Singapore and Myanmar. As an investment holding company, PDZ Holdings operates through its wholly-owned subsidiary PDZ Lines. PDZ Lines also serves as a feeder to mainline operators, including CMA CGM, OOCL and China Shipping, and as shipping agent for some major liners.

As part of its objective to strengthen profitability, PDZ Holdings is moving ahead with its planned diversification into the LPG business after gaining shareholders' approval in June. In cooperation with compatriot Ken Makmur, PDZ Holdings will produce LPG and hydrocarbon condensate utilising natural gas from the Rakushechnoye oil and gas field in Kazakhstan. The LPG plant is expected to be brought on stream by October 2018. The company will fund this business venture through the sale of new shares and a rights issue with warrants on Bursa Malaysia.

"In addition to our move into LPG, we're seeking joint ventures to become a provider of offshore supply vessels and marine-related services to the oil and gas industry," Lana says. "These diversification efforts are aimed at creating value for our shareholders."

Pahang offers some of the world's best tourist attractions

Pahang is a gold mine for tourists who love nature in all its forms.

About 125km northeast of Kuala Lumpur, Pahang is a gold mine for tourists who love nature in all its forms. From highlands and rainforests to islands and beaches, Pahang showcases the best of such attractions in the world. Home to many rare and endangered animals, the Taman Negara, for example, is one of the oldest rainforests in the world at 130 million years old. The water surrounding Tioman Island, on the other hand, is so clear that a boat moored on its shores seems to be floating on thin air.

"The unique geographical nature of Pahang allows us to offer a wide range of attractions," says Ishak Mokhtar, general manager of Tourism Pahang. "We've focused on eco-tourism, featuring the strengths of three nature themes – the highlands, rainforests, and islands and beaches."

Clever packaging of these attractions has caught the interest of a growing number of tourists from countries such as Singapore, Indonesia, Thailand, China and India. People worldwide are invited to join the Royal Pahang Billfish International Challenge, an annual offshore fishing competition held in Lanjut, Kuala Rompin.

The Start In Tioman programme, meanwhile, offers visitors the opportunity to acquire their diving licences in only three days, while other packages include a close encounter with the Orang Asli aboriginals, a home-stay experiential travel, a tour of an elephant sanctuary, and concerts and other entertainment events in Genting Highlands.

To meet the growing number of visitors, Pahang welcomes hotel developers and other tourism industry players. For one, the state expects to see the completion of the 20th Century Fox theme park by late next year alongside the establishment of surrounding premium outlets.

"The opportunities are limitless," Mokhtar says. "We're very much open to new initiatives from the private sector investing into premium accommodations needed to attract international tourists."

Acson Malaysia sales and service headquarters

Acson brings home-grown air conditioners to Asia's hot spots

With Asia-Pacific leading in the world market for air conditioning, accounting for 58 per cent of global sales last year at US$56.5 billion, the outlook for Malaysian air con brand Acson looks bright. Since its incorporation in 1984, Acson has evolved from a home appliance business into one of Malaysia's three largest air con brands and a leading international provider of quality Malaysian-made products.

"Our people are key to our success and the reason behind our tripled turnover in the past 10 years," says general manager Lee Nam Chuan. "Our service-oriented mindset and emphasis on human resources differentiate us from the competition. The market has many good brands and products, but Acson focuses on what Malaysia truly needs."

Acson supplies unitary air conditioning units such as wall-mounted residential air con types and light ceiling cassette types for commercial use. Innovation-driven and grounded on its Malaysian brand philosophy, the company maintains a high level of customer service – with 80 per cent of client concerns resolved within eight hours.

In a move that has enhanced its global scope as a premium brand with top-notch product quality standards, Acson was acquired in 2006 by leading Japanese air con manufacturer the Daikin Group. With over 80 worldwide production bases and global air con sales in more than 140 countries amounting to US$10 billion, Daikin is a true industry heavyweight that values the cumulative growth of its members as the driving force behind the brand's development.

Late last year, the company expanded into applied air conditioning units under the Daikin brand – used for centralised cooling in high-rise buildings such as shopping malls. Acson celebrated its 30th anniversary early this year through a new venture with Daikin Applied – a member of the Daikin Group specialising in advanced heating, ventilation and air conditioning technologies such as magnetic-bearing chillers. Daikin is the pioneer and has 20 years' experience in magnetic-bearing chillers technology.

Acson products are designed to be fast-cooling with a strong airflow. Products in development include air conditioning units controlled by Wi-fi and customisable skins for aesthetically discerning consumers. As part of its commitment to the Malaysian business community and to its growing regional foothold across Asia-Pacific, Acson is open to partnerships of all kinds – specifically with companies in the air con industry that can provide complementary services.

"Our motto is 'we share, we care'," Lee says. "We aim to provide total market solutions and are open to partners who share our mindset."

Plus Three Consultants carves niche in project cost management

Contract management specialist Plus Three Consultants is in the business of protecting clients from commercial and contractual issues in complex projects.

Carving a niche in cost engineering within the construction and infrastructure industry, the international consulting firm has launched a risk mitigating software to make it easy for companies to comply with the implementation of the New Engineering Contract (NEC) conditions of contract. Named C-Com, the software can be customised to suit most forms of construction contract.

The C-Com software is expected to boost the business of Plus Three Consultants in its newly reopened Hong Kong office. The system fits well within the development of the NEC contract in Hong Kong.

"Accessed by all parties involved in a project, the platform can handle hundreds of notices and correspondences simultaneously, digitally and automatically," says regional director Steve Tennant in Hong Kong.

Michael McIver, director and CEO

Steve Tennant, regional director in Hong Kong

"C-Com serves as an early warning signal to those who need to respond immediately to both the client and the contractor," says Michael McIver, director and CEO of Plus Three Consultants. "It contributes strongly to the business – the management of the commercial side and compliance with the contract conditions."

Collaboration between contractors and customers has progressively become the norm within the construction and infrastructure industry since the first NEC contract was implemented in 1993. Endorsed by governments and industries, the NEC application is expected to grow in Asia-Pacific after the Hong Kong government's adoption of the new NEC3 rules.

"We continue to support Hong Kong because it is still a developing city and has a lot of potential," McIver says. "From our view in our Kuala Lumpur office, the foreign direct investment area in Asia is huge and Malaysia is a good place to build a factory from a global cost perspective."

With offices spread globally in Malaysia, Hong Kong and Britain, Plus Three Consultants specialises in civil engineering, hi-tech facilities, construction, oil, gas, petrochemicals and energy.

"Our solutions provide significant added value to contractors and owners," McIver says. "We serve local and international clients, bringing the benefit of our overseas expertise to in-country clients while providing contacts and perspective to our overseas customers."

Federal Furniture bolsters domestic foothold, steers towards Asia

Choy Wai Hin, managing director

As one of Malaysia's furniture industry pioneers, Federal Furniture upholds more than 50 years of expertise in creating tailored furniture and fittings for residential and premium commercial use.

"We bring concepts to life and consult with clients on what they want to achieve, and make it happen," says Choy Wai Hin, managing director.

Bursa Malaysia-listed Federal Furniture has three core operations – interior fit-out, manufacturing and export, and retail. Last year, its turnover rose by 22 per cent owing to high export growth and large-scale interior fit-out projects. To further increase production capacity and improve efficiencies, it invested 3 million ringgit (HK$5.27 million) to upgrade its manufacturing line with German technology.

For its interior fit-out division, Federal Furniture produces high-end architectural millwork, furniture, fixtures and furnishings. The company was the main fit-out contractor for Malaysian Petroleum Club in Petronas Twin Towers. Federal Furniture is also a supplier to top-calibre hotels such as The Ritz-Carlton, Kuala Lumpur, and The St Regis Kuala Lumpur.

Under its manufacturing and export division, Federal Furniture is an original equipment manufacturer of modular shop fixtures and casework. It counts international brands such as Coach, McDonald's UK and Starbucks across Asia-Pacific – including Japan and South Korea – among its clientele.

The company's retail segment – Kitchen Plus – is Malaysia's first kitchen superstore located in Damansara Perdana. With more than 12,000 sq ft of retail space and 36 kitchen displays, Kitchen Plus offers end-to-end design, supply and installation of kitchen components – from simple countertops to luxury kitchens and electrical appliances. The company is scaling up its retail footprint by opening a second branch in Shah Alam and three more branches across the country.

Aiming to bring the Kitchen Plus experience across Asia, Federal Furniture eyes venture partnerships with small-scale and export-oriented local furniture companies, particularly in Cambodia, Myanmar and Vietnam. It also seeks capital inflows from investors for the development of sustainable furniture design materials alongside technology transfer collaborations.

Design and expertise winning more markets for Emico's trophies

Having an outstanding track record that includes supplying souvenirs for sporting events such as the Fifa World Cup, the Commonwealth Games, the Southeast Asian Games and Sukan Malaysia, Emico is regarded as Southeast Asia's leading trophy manufacturer.

Gaining an unmatched expertise drawn from more than 40 years of experience as producer and marketer of medals, trophy components, souvenirs and custom-designed promotional items, Emico has expanded into providing end-to-end solutions and full-scale manufacturing, working closely with customers from concept to logistics. With a reputation for quality, safety and timely delivery, the company has collaborated with multinational manufacturers such as Mattel and Ikea as a plastic products supplier.

Emico specialises in trophies made of materials ranging from traditional chromed plastic to trendy metal and acrylic. The company boasts an assortment of up to 4,000 design moulds, making it one of the largest manufacturers globally.

Jimmy Ong, managing director

"We're developing the trophy business even more by increasing our exports and expanding our markets," says Jimmy Ong, managing director. "Our aim is to be the largest trophy producer in the world."

The Bursa Malaysia-listed group, which is also engaged in property development and trading of consumable products, exports to 45 countries primarily in Asia and Europe, where it is the third-largest trophy exporter. Seeing an increased demand in China for high-value products, Emico has set up a distribution office in Guangdong to bring its Italian-designed metal trophies, which are heavier in weight and targeted at more sophisticated customers.

With more than 200 dealers in China, Emico is in the process of expanding its network on the mainland through souvenir and trophy distribution partners in business districts such as Beijing and Shanghai.

"We can advise clients on how to set up trophy shops and become distributors," Ong says. "We are looking for people who share the kind of interest, the kind of passion that we have to distribute our products and be our partners."

SEDIA drives Sabah's rise as global connectivity hub

Dr Mohd. Yaakub Johari, president and CEO

Paradise may not even begin to describe Sabah, but it comes close. Home to Malaysia's highest mountains, dense tropical rainforests and some of the world's most diverse marine life, the state located in northern Borneo is one of the fastest-growing eco-tourism sites in the world – with tourists averaging more than 2 million annually over the last 10 years.

Today, the state is attracting more than international divers, golf aficionados, mountaineers and other adventurers. From small- and medium-sized enterprises (SMEs) coming from across the country to global investors and multinationals around the world, Sabah's new wave of visitors are discovering more rewarding reasons to stay.

"With the state's rapid development and rising recognition – not only for its natural beauty but also for its increasingly diverse investment opportunities – Sabah is set to embrace a new role as a hub for Asean and global connectivity," says Dr Mohd. Yaakub Johari, president and CEO of Sabah Economic Development and Investment Authority (SEDIA). "The goal is to provide improved air and sea linkages infrastructure and attract investment as well as increased trade, particularly between Sabah and the Asean region."

The Asean region's combined gross domestic product (GDP) is about US$2.4 trillion and its consumer base exceeds 640 million people, representing nearly 9 per cent of the global population. Sabah's strategic geographic position allows it to have direct connectivity to other key destinations including China, Singapore, Indonesia, South Korea and Japan.

This position is further strengthened by the Sabah Development Corridor (SDC) initiative launched in 2008, where SEDIA is tasked to transform Sabah into a prime business and leisure destination by 2025. In addition to positioning Sabah as a gateway for trade, investment and tourism, SDC aims to create job opportunities, make the state more technology-savvy and more comfortable to live in – and transform it into a harmonious state regardless of race or religion.

In the next decade, Sabah is envisioned to triple its GDP per capita and create more than 900,000 jobs.

Beyond facilitating permits and licences for local and foreign companies exploring SDC, SEDIA provides investment advisory and tailored incentive packages for various enterprises. More importantly for those venturing into the state or the country for the first time, SEDIA helps businesses find the right partners.

"The ultimate goal is to enhance the quality of life of the people by accelerating the growth of Sabah's economy," Johari says. "Promote regional balance and bridge the rural-urban divide while ensuring sustainable management of the state's resources."

Ensuring seamless movement of people, goods and services

As revealed in the 11th Malaysia Plan, SEDIA is set to intensify its efforts to enhance Sabah's global connectivity and smooth transformation into a diversified, knowledge-intensive and high-added-value economy.

"Such a vision entails seamless movement of people, goods and services," Johari says. "Competitiveness in the modern global economy has come to rely heavily on service efficiency and a competent workforce including talented entrepreneurs; that is why we are also putting emphasis on human capital and entrepreneurship development."

SEDIA is also focusing on improving broadband internet services and other relevant infrastructure and the integration of land, sea and air services to boost the efficiency of the logistics sector.

Through the Sapangar Bay Manufacturing and Logistics Cluster (SMLC), SEDIA aims to harness Sabah's geographical advantages to improve its manufacturing competitiveness. SMLC is home to the Kota Kinabalu Industrial Park, which focuses on manufacturing industries such as rubber, furniture and vehicles, and the Sapangar Bay Container Port, which is being developed as a regional transshipment hub.

Despite an assortment of local and global challenges in recent years, Sabah's economy has been resilient – and steadily improving. Last year, the state posted a historical record of container throughput of 398,000 TEUs from 292,688 TEUs in 2010. It also made 6.32 billion ringgit (HK$11.5 billion) from tourism and saw an improved competitiveness of Malaysian exports. From 5.2 per cent in 2013, the unemployment rate went down to 4.6 per cent last year, enhancing the overall growth potential of the state.

This year, SEDIA has launched two programmes to support the development of home-grown entrepreneurs, better known locally as the Bumiputera business sector. One is the Incubator Programme designed for start-up companies and the other is the Enterprise Accelerator Programme for existing SMEs.

Initiatives under the programmes will be implemented in collaboration with Bumiputera agenda-focused government unit TERAJU, Yayasan Sabah (Sabah Foundation), Universiti Malaysia Sabah and other institutions.

SEDIA has also been aggressive in promoting investment opportunities in the knowledge-intensive sector, such as in biotech-based industries. Among SEDIA's recent programmes is the Bio Borneo 2015 conference and exhibition held in Kota Kinabalu, organised in partnership with the Ministry of Science, Technology and Innovation, and BiotechCorp.

Harnessing Strategic Development Areas

For many years, the state's economy has been driven primarily by tourism, agriculture and manufacturing, with palm oil and petroleum as top commodities for export. SEDIA aims to strengthen these areas while creating new and exciting industries that will accelerate the state's development.

In line with Malaysia's Economic Transformation Programme (ETP) and National Key Economic Areas (NKEAs) that are designed to transform the country into a high-income nation by 2020, SDC focuses on key areas: agriculture, palm oil, tourism, logistics, manufacturing; oil, gas and energy; and higher education.

Sabah is also projected to excel in the services industry and resource-based business ventures, thanks to its rich natural resources and deep cultural heritage. Within these sectors, SEDIA has identified six Strategic Development Areas (SDAs) with corresponding fiscal incentive packages offered to investors.

Greater Kota Kinabalu leads the SDAs, followed by the Bio-Triangle, Agro Marine Belt, Interior Food Valley, Kinabalu Gold Coast Enclave, and Brunei Bay Integrated Development Area and Oil and Gas Clusters.

Each SDA is forecast to fuel regional growth, consisting of distinct economic clusters and projects. Greater Kota Kinabalu, for example, focuses on projects designed to modernise Sabah's biggest urban centre, covering the surrounding towns of Penampang and Putatan. These have opened up investment prospects not only in increased tourism but also in real estate, education and health care.

The Interior Food Valley, meanwhile, leverages the state's fertile land for innovative programmes, such as in integrated cattle farming and agro-based industries.

"This is one of the many projects that will benefit from close collaboration with partners in the Asean region and China. Brunei, for example, is keen to invest in the livestock industry," Johari says. "We know that more and more Chinese and Asia-Pacific companies are keen on global expansion – and Sabah is positioned as a key destination for high-growth industries, especially in knowledge-intensive, resource-based industries."

Another flagship project is the Sabah Agro Industrial Precinct (SAIP), which is an emerging centre of excellence in agro-biotechnology. With a vision of yielding more value-added food and speciality products based on plants and animals, SAIP provides support to entrepreneurs seeking to invest in food ingredients, pharmaceuticals, neutraceuticals, cosmetics and industrial enzymes.

Highlighted by a dedicated Halal Park, it also offers management services, post-harvest handling facilities, processing assistance and logistics, in addition to incubator support.

Green technology and environmental rehabilitation are other major development areas that are gaining wider recognition globally, and SEDIA seeks to attract international partners to explore other related ventures, including fruit, herb and livestock production.

With nearly a third of Malaysia's palm oil production coming from the state, Sabah presents various resource-based opportunities as well. These include wood- and marine-based manufacturing activities and biotechnology initiatives.

Sabah's oil and gas industry likewise holds immense potential, with about 25 per cent of the country's petroleum and natural gas under the state's waters. Reaping such a rich resource has always been hindered by downstream processing challenges – but this is now being addressed by SDC initiatives focusing on the oil and gas cluster.

Showcasing Sabah as a vibrant cultural and eco-tourism centre, the Kinabalu Gold Coast Enclave SDC aims to attract long-staying visitors, prime eco-adventure tourists and holiday home buyers. Projects include the establishment of leisure and creative industries alongside high-end resorts, stretching along more than 100km of waterfront and beaches.

"The number of tourist visits in Sabah doubles every four years, providing a lot of room for investments," Johari says. "By 2020, we expect total receipts from tourism to come close to 17 billion ringgit."

Fortifying public-private partnerships

Core to the realisation of Sabah's envisioned growth is a solid partnership between the public and private sectors.

"Rather than expecting the government to solely pump in funds, we are encouraging the private sector to come in and uncover potential investments that interest them," Johari says. "Let private institutions see whatever gap that they might observe to enhance their investment return – and allow them to address it while using it as a business opportunity."

SEDIA is also tapping the private sector to enhance Sabah's quality of human capital, welcoming educational and research institutions to establish facilities in the state.

One flagship project aimed to address this need is the 500-hectare Sandakan Education Hub, which is designed to support research and academic institutions through access to state-of-the-art infrastructure and well-equipped public facilities. By 2020, private institutions are projected to double their capacity to about 20,600, with more than 20 per cent of the population representing international students.

"This will complement the natural endowment that we already have, and improve our value propositions further by capturing more value through research and innovation," Johari says. "As a greenfield area, we welcome investors, tourists, visitors and students to discover the leisure and entrepreneurial opportunities that Sabah offers as the rising Asean hub for business, culture and nature."

Innovative metal ceilings and louvres set DML Products apart


Chong Kon Hee, group managing director

When it comes to metal ceilings and louvre ventilation systems, DML Products blows away the competition with its innovative designs and technologies that combine excellent quality, aesthetics and cost-effectiveness. Having solidified its market leadership in Malaysia, the company is looking to broaden its reach and bring its cutting-edge designs to the rest of Asia.

Led by founder and group managing director Chong Kon Hee, DML introduced sun louvres to the Malaysian market 15 years ago. Chong pioneered metal ceilings and louvres made from galvanised steel, an inexpensive and environmentally friendly alternative material. An example of DML's innovative design is its highly durable clipping system, which can withstand wind speeds of up to 126km per hour.

"DML's research and development department is focused on complying with specific engineering requirements," Chong says. "Our sun louvres even surpass expectations by not only providing ventilation, but also good air conditioning and reduced energy consumption."

DML's products are assembled at its 86,000 sq ft manufacturing facility in Rawang Integrated Industrial Park, where the company melds technology with design that adheres to strict safety codes to deliver high-quality, tailor-made products. "Our success hinges on producing fresh and unique designs," says Saiful Rahim, group general manager. "We also develop complementary products to deliver greater offerings to customers."

DML is on the lookout for Singaporean, Japanese and South Korean partners for construction projects across Malaysia, the Philippines, Vietnam and Bangladesh. Aiming to become Asia's leading manufacturer of metal ceilings and sun louvres, the company is working closely with local partners to build relationships with public- and private-sector customers. This approach will also support its expansion into Thailand, Indonesia and Cambodia. In Singapore, DML is strengthening its presence with plans for developing a state-of-the-art manufacturing site.

"With government and private-sector construction projects on high gear, our expansion plans are on track," Chong says. "Our drive for quality at the right price makes us the perfect partner."

Dong Sin Food's air-dried noodles offer healthy alternative

Traditionally prepared through high-temperature deep-frying in tubs of oil, instant noodles have struggled to gain wide acceptance among increasingly health-conscious consumers. Seeing this as an opportunity to market a healthier alternative, Dong Sin Food has branched into manufacturing noodles that are air-dried.

"Our noodles contain less fat and are therefore healthier," says James Ha, executive director. "They're 100 per cent cholesterol-free based on lab tests, which also confirm that our noodles are the healthier kind."

Dong Sin Food produces its noodles at specialised and customised manufacturing plants in Kota Kinabalu and Tawau. Made from imported Australian wheat, its products are known for their superior flavour, tender texture and elasticity.

An established brand in Malaysia, Dong Sin Food produces a range of products, such as Mi Kering, Cap Dong and Perisa Ayam, available in just about every supermarket in the country. Outside Malaysia, the Dong Sin brand can be found in Bandung, Indonesia, and the southern Philippines.

As noodle demand in Southeast Asia is expected to jump 40 per cent to 13.2 million metric tonnes by 2020, Dong Sin Food sees an excellent opportunity to further expand its private-label business and distribute its healthy noodles to more countries. The company has been producing noodles for other brands under private labelling arrangements to market its products in other parts of Asia, including China.

Using advanced technology and innovative manufacturing processes, Dong Sin Food expects a spike in production and may open a new manufacturing plant as it increases its focus on exports. The company hopes to take its air-dried noodles to bigger markets, not just in Asia, but also in the Middle East through Dubai, where it is looking to partner with reputable distributors.

"We see ourselves building more business partnerships and investments, and going more into exports," Ha says. "My vision is to increase our exports from 20 to 50 per cent within the next five years."


James Ha, executive director