Quek's son takes bigger role

Kon Sean may head Hong Leong group's property ventures

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PETALING JAYA: Quek Kon Sean, the youngest son of tycoon Tan Sri Quek Leng Chan, could be taking on a bigger role in the Hong Leong group's property ventures, sources say.

Last Friday, 36-year-old Kon Sean resigned from his directorship positions in Hong Leong Financial Group Bhd (HLFG) and Hong Leong Capital Bhd to assume "a new position within the Hong Leong group", but the announcements did not reveal anything more.

"Quek (Leng Chan) is said to be making a big foray into real estate and Kon Sean could be the one heading the venture," said an industry source.

There has been recent speculation that Leng Chan would be investing in Eco World International Bhd (EWI) and the Bandar Malaysia project.

Meanwhile, another significant development is that Leng Chan's Singapore-listed GuocoLand Ltd has won a tender for a prime residential site in the River Valley area, which was announced on July 1 by Singapore's Urban Redevelopment Authority.

GuocoLand had put in the highest bid of S$595.1mil (RM1.8bil) for the 99-year leasehold private housing site. The bid price works out to S$1,239 per sq ft per plot ratio.

Leng Chan owns about 76% of Hong Kong-listed Guoco Group Ltd through Hong Leong Group. Guoco Group, in turn, owns about 65% in GuocoLand, which undertakes property development, property investment and property-related activities on behalf of Hong Leong Group.

GuocoLand's property development activities are mainly concentrated in Singapore, Malaysia, China and Vietnam.

GuocoLand is currently helmed by Raymong Choong, who is the former president and chief executive officer of HLFG.

Leng Chan's family investment in EWI would expand GuocoLand's property development projects in developed countries.

EWI is currently en route to an initial public offering to raise money for development projects in mature overseas markets such as the United Kingdom and Australia.

It is also speculated that the Quek family could emerge as a substantial shareholder in unlisted Iskandar Waterfront Holdings Sdn Bhd, the master developer of Johor Baru's waterfront properties, and recently won the mandate for the Bandar Malaysia project.

Bandar Malaysia is a huge development spanning 486 acres, where the plan is to have an integrated underground city modelled after the Montreal underground city in Canada.

Meanwhile, GuocoLand itself is embarking on several ambitious projects such as the Tanjong Pagar Centre in Singapore, a 290-metre tower which is set to be Singapore's tallest building when completed.

Via its GuocoLand Malaysia Bhd, the group is also embarking on an integrated development with an estimated gross development value of RM2.5bil, comprising two office blocks, two residential blocks, a 4.5-storey mall and a hotel with more than 300 rooms known as the Damansara City project in Malaysia.

Meanwhile, another source said that Kon Sean may want to focus on his brainchild project GEMFIVE, an online shopping website.

GEMFIVE is operated by GuoLine eMarketing, an independent new private entity owned by the Hong Leong group.

MSM makes Amri president, group CEO

PETALING JAYA: MSM Malaysia Holdings Bhd, the country's leading refined sugar producer and a unit of Felda Global Ventures Holdings Bhd, has appointed Mohamad Amri Sahari@Khuzari as its new president and group chief executive officer with immediate effect.

In a statement, MSM said Amri, who currently serves as the company's deputy CEO, succeeds the late Datuk Sheikh Awab Sheikh Abod who passed away on April 14, 2016.

"Amri, notably known for his strong core values, has a 27-year career with Felda and the MSM group and has led successful roles with the company on areas of operations, policies, strategies, growth and profitability," it said.

Amri said he was honoured by the appointment, adding that it would be his utmost priority that the vision of the late Sheikh Awab is fulfilled. "I believe in the power of MSM's people, brand, products and values. It is a privilege to lead MSM in becoming a faster-growing, more profitable company and subsequently increase shareholder value."

Amri began his career as a mill engineer with Felda Palm Industries Sdn Bhd in 1989 and rose to acting general manager of procurement and supply services within the same company. He was later promoted to CEO of MSM Perlis Sdn Bhd in 2004.

"He played a vital role in realising the listing of MSM Malaysia Holdings in 2011 on the Main Market of Bursa Malaysia and was appointed deputy CEO prior to being promoted to president and group CEO," said MSM.

Amri graduated from Universiti Teknologi Malaysia and South Dakota State University, the US, with a Master of Business and Administration (strategic management) and Bachelor of Science (mechanical engineering), respectively.

Mexter appoints Lim as director

PETALING JAYA: Mexter Technology Bhd has appointed Datuk James Lim Cheng Poh (pic) as its independent and non-executive director with immediate effect.

Lim, 67, currently AmBank (M) Bhd's managing director (MD) and chief executive officer, was also made Mexter's audit committee chairman as well as a member of its remuneration and nomination committees.

In a filing with Bursa Malaysia, Mexter said Lim, who has an MBA from Harvard University, joined AmBank on June 15, 2004.

"After the merger of the business operations of AmBank Bhd and AmFinance Bhd (renamed as AmBank (M) Bhd) on June 1, 2005, Lim was appointed as MD of business banking."

Lim had also served as a director of AmAssurance Bhd and AmIslamic Bank Bhd. Prior to AmBank, he was with the Hong Leong group for 21 years.

"Lim joined the Hong Leong Group Malaysia in 1983 as the MD for Hong Leong Credit Bhd. Over the next 11 years, he served the group in various capacities.

"At various times, he was in charge of the group's insurance, finance, computer services, property and securities division. In January 1994, he was appointed senior group MD of Hong Leong Bank."

From 1972 to 1976 and from 1978 to 1983, Lim worked in Malaysia for Osborne & Chappel International, a mining engineering and consultancy firm, in various capacities.

"He started as a mining engineer and eventually was made a shareholder and an executive director. He has also worked in various consulting assignments both in Malaysia and overseas (Myanmar, New Zealand, Brazil, etc)," said Mexter.

Mexter is involved in e-manufacturing, computing and electronics, enterprise and mobile services.

Shares of the company have been rallying recently after HSC Healthcare Sdn Bhd co-founder Lim Yin Chow emerged as a major shareholder in the company in late May with a 28.4% stake via his vehicle, LYC Capital Sdn Bhd.

Mexter shares hit an 11-year high yesterday when they closed up half-a-sen at 24.5 sen.

For its latest quarter ended March 31, 2016, the company reported a small profit of RM148,000 on a revenue of RM11.2mil, indicating that its current business is in need of a revamp. It has a healthy balance sheet, though, being in a net cash position of RM5.35mil.

Brokerage cuts GDP growth forecast on weak external environment

PETALING JAYA: The weak external economic environment, which means subdued exports and investment growth prospects, has prompted AllianceDBS Research to cut its growth forecast for Malaysia.

The brokerage said yesterday it would now expect Malaysia's 2016 gross domestic product (GDP) to grow 4.1%, compared with its earlier forecast of a 4.5% growth.

"In light of expectations of weak net exports and investments going forward, we revise our full-year GDP forecast to 4.1% in 2016 from 4.5% previously," AllianceDBS chief economist Manokaran Mottain wrote in his report.

"Net exports contribute around 10% of total GDP and a slowdown in the sector has material impact on overall GDP growth," he explained, noting that as of May, Malaysia's gross exports growth rate remained weak at only 0.8% year-on-year (y-o-y).

According to AllianceDBS, the weaknesses in the export sector had been largely due to negative spillover effects from low commodity prices and subdued global demand.

It pointed out that Malaysia's exports to key trading economies such as Singapore, China and the United States – which collectively account for about 40% of the country's total exports – had been registering consecutive negative growth since early 2015.

"Even with the weak ringgit exchange rate, it has failed to deliver a competitive boost to the Malaysian export performance, which reiterates that a weak global demand situation is at play," Manokaran said.

Slower demand: Westport in Port Klang in operation. Malaysia's exports to key trading economies such as Singapore, China and the United States have been registering consecutive negative growth since early 2015.

Nevertheless, AllianceDBS continues to see resilience in private consumption, expecting the sector to support overall GDP growth.

"We upgrade our private consumption growth forecast to 4% (previously 3.3%) on expectations of a positive spillover effect from the fiscal measures," Manokaran said, pointing to the various initiatives under the revised Budget 2016 to boost household disposable income such as the voluntary cut in the Employees Provident Fund contribution rate to 8% and a special income tax relief.

Despite the upcoming mega infrastructure and public transport investment plans in Malaysia, Manokaran said foreign investment growth prospects would likely remain subdued in the near term.

He noted that in the first quarter of 2016, public investment declined by 4.5% compared with a growth of 0.4% in the preceding quarter, while private investment growth moderated to 2.2% from 4.9%.

Malaysian Investment Development Authority data, for one, showed that approved foreign investments in the manufacturing sector totalled RM5.3bil in the first quarter of 2016, compared with the RM5.9bil recorded in the corresponding quarter of last year.

"Weak business confidence remains a dampening factor," said Manokaran.

"On the other hand, there is limited upside to public expenditure growth, as the federal government remains committed to achieving a balanced budget by 2020," he added.

AllianceDBS' revision of the 2016 growth forecast for Malaysia followed the release of May industrial production index (IPI), which grew at a slower pace of 2.7% y-o-y, compared to 3% y-o-y in April.

"May IPI growth came in slightly above the *Bloomberg* consensus of 2.5%. However, the underlying growth trend still shows signs of weaknesses," Manokaran said.

Year-to-date, Malaysia's manufacturing output growth had eased to 3.9% compared with a 4.8% expansion in the corresponding period of 2015.

"The mining sector output continues to be dragged by weak global crude oil prices. While the manufacturing sector remains resilient, with the electrical and electronic exports growth continuing to register positive expansion in the past 12 months, we remain cautious of the downside risks, as evident in the contractionary Purchasing Managers' Index and weak global demand," Manokaran said.

No interest rate cut is expected in Malaysia despite the downgrade in the country's growth outlook, AllianceDBS said, unless the full-year GDP performance fell significantly below the 4% official lower bound target.

The brokerage expects Malaysia's inflation to grow to 3% in 2016 from 2.1% last year.