

MALAYSIA BUSINESS REPORT

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TIMBER LAND TO REVOLUTIONISE SARAWAK RETAIL

Timber Land Group has big plans to revolutionise the retail experience in the state of Sarawak.

Leveraging Malaysia's landmark Digital Free Trade Zone (DTFZ) project due for completion at the end of 2019, Timber Land Group intends to employ the boundless potential of e-commerce to revitalise the future of brick-and-mortar retail therapy.

The DTFZ is touted to play a crucial role within the ambitious Electronic World Trade Platform (eWTP). However, some economists have warned that the platform will signal the gradual demise of retail shopping malls.

Led by managing director Kevin Choo, Timber Land Group is confident that far from curbing shopping malls, the gateway provided by the DTFZ and eWTP will provide a platform of infinite possibilities for the evolution of retail.

"Although the change may mean a positive increase in online transaction volume, it does not necessarily suggest a fatal disruption in traditional supply chains if we are ready and equipped to utilise the opportunities such a network will bring," Choo says. The entrepreneur known to push boundaries was awarded the Asia Pacific Entrepreneurship Award 2017 for the property development category in September for his broad-based experience in the development of



Kevin Choo, managing director

residential and commercial projects, and his skill in navigating the uncertain terrain of property development in Sarawak.

Malaysia's e-commerce market size for this year is pegged at about 24 billion Malaysian ringgit (HK\$44.3 billion). From this figure however, about 20 per cent comprises products-only online sales. Although online shopping has undeniably

changed the way people fulfil their shopping needs, the nature of the digital world still poses sensory limitations to consumers concerned about product ergonomics.

Choo believes that there is a win-win way to boost online sales and in-store purchases. He hopes to achieve the balance through his latest brainchild, The Galleria, an integrated shopping



The Galleria shopping and hotel hub at City Square

and hotel complex component of Timber Land Group's multi-phased urban revitalisation project, City Square, set on prime land in Kuching, the heart of property investment in Sarawak.

Envisioned as Kuching's lifestyle mall of choice, The Galleria will complete the emerging golden triangle shared with Kuching's new central business district, The Isthmus, and Borneo744,

Malaysia's first blue ocean entrepreneur township and arts district strategically located at the second bridge linking Kuching North and Kuching South.

Now at the design stage, the architecture of The Galleria is centred on a yin-yang balance between the digital and natural worlds. Choo understands that widespread use of e-commerce

will change the landscape of trade operations and consumer patterns, which in turn will affect the types of buildings required to cater to new demand. As such, The Galleria will be purpose-built to cater to this shift.

Interested investors who appreciate that the one-of-a-kind combination of these factors will contribute to the success are invited to be a part of this flagship project. Sarawak boasts many distinctive advantages for foreign investors, namely an English-speaking state government, available workforce and natural resources. In addition, the state government is proposing new direct-flight routes to Australia, mainland China, Hong Kong and Taiwan.

Through The Galleria, Timber Land Group aims to create a springboard to launch a highly customised, surround-sound shopping experience through synthesising the best of online and offline retail therapy; an evolutionary "smart" shopping mall where algorithms can be set to personalise, propose and predict each shopping experience based on recognised buyer patterns and preferences.

"We are not seeking to replace traditional market channels or trying to create new market segments," Choo says. "However, we do intend to drive and expand the boundaries of consumer enjoyment."

ELCO JUMPSTARTS CLEAN, EASY AND EFFICIENT TRANSMISSION OF ENERGY IN REGION

Arguably the most dynamic and fastest-growing region on the planet, Asia constantly requires tremendous electrical power that is stable and reliable to sustain its growth. In Malaysia, Electrical Components (ELCO) ensures the transmission of this energy even as it looks towards leading the industry for power capacitors in Southeast Asia by 2019. It now exports electrical products to Myanmar, Thailand, Taiwan, the Philippines, Indonesia, Bangladesh, Vietnam and Dubai.

"We are looking to be an industry leader for power capacitors," says Christopher Wong, managing director. Capitalising on its strong research and development and having a profound knowledge of customer requirements, ELCO is strengthening its Southeast Asian operations while preparing for future growth in China.

ELCO's key strength has been in transmitting energy without hindrance by using reactive power compensation products and keeping harmonics in check. It possesses the necessary industry



Christopher Wong, managing director

accreditations, raising its reputation for quality and reliability to previously untouched levels.

The competitive advantage of ELCO is its relationship with customers and its focus on

uncompromising quality. Invested in building a strong workforce, ELCO keeps itself ahead by being constantly prepared for technological advancements. For instance, it is studying developments and growth prospects in the transmission of power from various sources, such as solar power to grid.

ELCO is partnering with a Finnish company that specialises in providing efficient ways of generating power and rendering smooth energy flows from different power producers. It is looking at forging joint ventures in China with companies that are passionate about growing their business and expertise.

"We started teaming up with other partners that are more established players in power quality," Wong says. "There is a need for us to learn from industry experts from all over the globe as we are taking steps to expand regionally."

ELCO has also partnered with academia. This partnership exposes students to new trends and developments, while allowing the company to be close to groundbreaking research initiatives.

MINOX'S VALVES AND TUBE FITTINGS STRENGTHEN SOUTHEAST ASIA'S FOOD AND BEVERAGE BACKBONE

Valves, tubes and fittings—these humble items form the backbone of food, beverage and pharmaceutical factories.

As the main supplier of sanitary and pharmaceutical-grade stainless steel valves, tubes and fittings to manufacturers across Southeast Asia, Malaysian company Minox Valves and Fittings continues to meet the highest hygiene standards of the food processing, medical and other industries.

Quality is paramount, and Minox has been ensuring that its products pass global standards. "We started 20 years ago as a trading company selling materials from Europe and Asia," says Minox managing director Cheong Chee Son. "So we understand the importance of branding and the significance of quality."

"We eventually started to create our own Minox brand and our own quality control department at our Malacca warehouse."

Food and beverage accounts for 80 per cent of the company's revenues, while pharmaceuticals make up 15 to 20 per cent. About 30 per cent of



Cheong Chee Son, managing director

total group revenues still come from Malaysia, while Indonesia is slowly overtaking markets such as Thailand and the Philippines. Minox is a

member of the European Hygienic Engineering & Design Group and the Food Processing Suppliers Association.

High inventory levels and strong local support are crucial for Minox, and the company has overseas branches to be near to customers. From Kuala Lumpur, the company has expanded operations to Thailand, Vietnam, the Philippines, Singapore and Indonesia. Its next branch will be in Myanmar as it plans to create an e-shop to serve Sri Lanka, Pakistan, Cambodia and Laos.

Minox is considering partnerships to serve the wider Asian market. It has received offers from various foreign companies that would like to build their presence in Southeast Asia. Among the company's major long-standing customers are Del Monte, Dutch Lady Milk, Heineken and GEA Process Engineering Group.

"Relationships and reputation are very important to us," Cheong says. "Our mission is to have a reliable brand name in Southeast Asia's food and beverage industry. We want to be the best."

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TRL BRINGS MUSANG KING DURIAN AND OTHER EXOTIC FRUITS TO GLOBAL MARKET

What started out as a side venture of sending fresh durian to Hong Kong by three friends of banking and investment background has now grown to a global enterprise. While providing consumers worldwide access to fresh and delicious tropical produce, TRL is also helping Southeast Asian farmers reap sizeable profits from their crops.

Harvested only seasonally, Musang King durian, dubbed the "King of Durian", will soon be bought in most supermarkets and enjoyed any time of the year, thanks to TRL's latest nitrogen freezing facility. The company's product is already available at grocery shelves from New York and Madrid to Shanghai and Jakarta. In fact, frozen durian and other frozen products such as paste/puree and pulp now account for 65 per cent of the company's revenues.

Specialising in the exportation of fresh produce such as dragon fruit, sourp, mangosteen and sweet potato, TRL sources its products from joint-venture partner farms in Malaysia, Indonesia, Vietnam and Thailand. In Malaysia, the company Nicholas Loh founded five years ago has recorded vigorous growth as it holds strong to its principles of professionalism and honesty.

TRL's foray into durian exportation began in Hong Kong, its second-largest market. "Around 65 per cent of our customers is from China, while 15 per cent is from Hong Kong and Macau," says Loh, who is also TRL's managing director. "We are aggressively working to introduce our products to other markets as enquiries come in steadily."

With demand for durian in China growing at about 15 per cent annually, TRL has started supplying to the country's major supermarkets and food and beverage players. The company is also watching developments in the e-commerce space amid the continuously growing international appetite for local delicacies. TRL deals mostly with importers and distributors and welcomes business partnerships.

"We are seeking genuine partners that know the local market," Loh says. "We also look for big-scale farmers with 40 to 100 hectares of land who can be long-term suppliers."

(From left): Nicholas Loh, founder and managing director and Adrian Yoong, marketing director

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PALM OIL MILLS BUILT BY BESTEEL OFFER HIGHER EFFICIENCY AND BIGGER PROFITS

With experience spanning 40 years in the construction of complete crude palm oil mills, Besteel has been a world leader as a turnkey contractor in the industry. From plant concept to on-site delivery, the company has world-class project management and engineering, procurement, construction and commissioning capabilities.

Over the past 30 years, Besteel has expanded its market presence in Southeast Asia with clientele in Indonesia, Malaysia, Thailand and Cambodia, including Papua New Guinea. The company has also made inroads to West Africa, Latin America and India in the last 10 years.

"We have modernised our complete plant design and we are proud of the proven performance of our patented Tilting Steriliser System," says Quah Ban Lee, CEO of Besteel.

The Tilting Steriliser System requires less maintenance and manpower, is easy to operate and possesses a more efficient and higher throughput. With its simple and brilliant design, the system has a reduced footprint and ensures the shortest steaming time in the industry. It promises minimum downtime due to lesser moving parts, and has low capital, operation and maintenance costs. The steriliser also has a highly efficient oil extraction method that makes it even more cost effective.

With this proven system, the total investment cost of a palm oil mill with a capacity of 30 metric tonnes of fresh fruit bunches per hour can be reduced by 20 per cent. Installing the system in palm oil mills can provide a return on investment within three years.

The Tilting Steriliser System has been awarded the International Invention, Innovation & Technology Exhibition (ITEX) Gold Medal, the ITEX 2008 Best Invention for Corporate Category, and the Malaysia Innovative Product Award 2008, among others.

"The Tilting Steriliser System is indeed the best and most effective process system out there," Quah says. "This innovative product proves Besteel's leading position in this niche industry."

Quah Ban Lee, CEO