

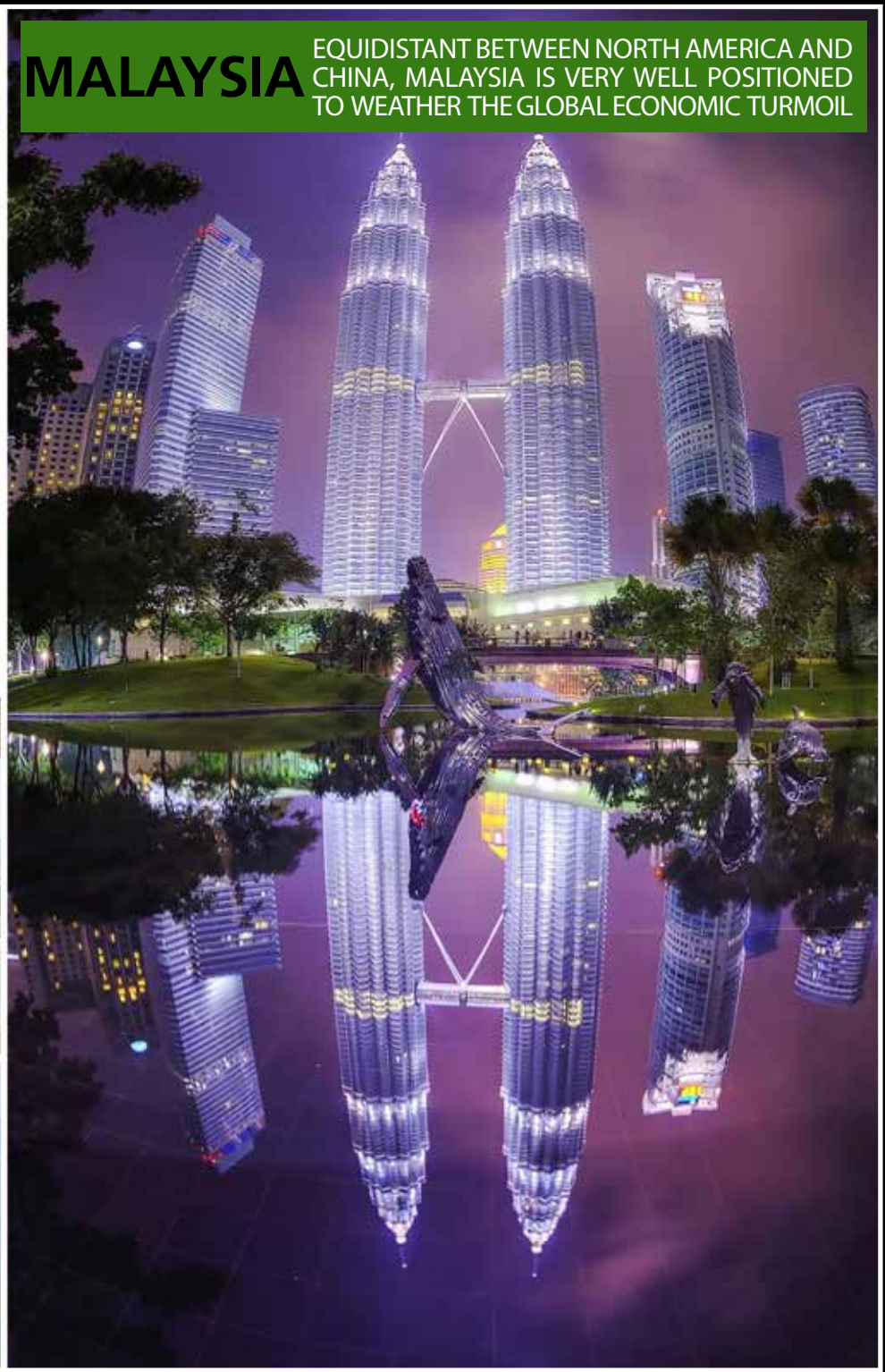






MALAYSIA

EQUIDISTANT BETWEEN NORTH AMERICA AND CHINA, MALAYSIA IS VERY WELL POSITIONED TO WEATHER THE GLOBAL ECONOMIC TURMOIL



EURO EUROGROUP MALAYSIA
FUTURE OF INVESTMENT

Building strong sustainable companies shaping their industries



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MALAYSIA'S MODEL IS CHANGING RAPIDLY

CHEAP ENERGY, STRATEGIC LOCATION TO MAKE A GOOD SPRINGBOARD FOR ASIA



Malaysia is fast becoming a cutting-edge business powerhouse in Asia and increasingly across the rest of the world.

According to the International Monetary Fund, its strong and diversified economy is the third largest among its Southeast Asian neighbors in terms of GDP per capita and ranks as number 34 in the world.

And it can only get better as the country embraces high-tech manufacturing, transforms into a major data center and cloud computing base and attracts multinationals in diverse sectors as local entrepreneurs invest in their own domestic market.

Of special interest to potential foreign investors looking for an efficient, stable and safe country to put their money, Malaysia's labour productivity is much higher compared to others in the region.

Political stability is ensured in Malaysia and it is one of the top ten countries in global terms in adopting a digital legal framework based largely on British law.

In addition, Malaysia boasts an educated and highly-skilled work force, English is the lingua franca from the Thai border in the north to Borneo in the southeast and other languages are widely spoken. Its banking and financial systems are solid, responsible, regulated and world class.

And for those investors looking at a lucrative domestic market, Malaysians are solidly middle class, blessed with an affluent lifestyle ranked third in the region after bustling Singapore and oil-rich Brunei, and rank high in disposable income.

Despite being multicultural, there is racial and ethnic harmony and on the foreign policy front, Malaysia has few if any quibbles with any of its neighbors and is one of the 11 members of the Association of Southeast Nations which works to increase economic, political and cultural cooperation.

At the same time, its geographical position in the center of Asia and on major global maritime trade routes make it the perfect choice for investors with plans to export, especially technology which is playing an ever larger role in the buoyant economy.

Malaysia is also quickly becoming a key player in the global data center market with the country undergoing transformative growth driven by its strategic initiatives, rising demand for digital and AI services.

Small and medium enterprises, making up close to 100 per cent of businesses in Malaysia, increasingly rely on cloud computing, fueling demand for those local data centers.

The country boasts cheaper land prices and energy fees than nearby competitors and companies like Google have recognized the potential with the U.S.-based tech giant investing $2 billion in a data center and cloud computing facility.

In short, Malaysia is well on its way to a very bright future in the 21st century.

Competitive Advantages

Green energy is also taking off in Malaysia with solar farms, hydro power plants and wind farms on the government's agenda. One company involved in all these endeavors is Redivivus Solutions.

"We started out as a consultancy very close to state and local agencies in charge of environmental sustainability with one of our associates possessing a license to recycle," Managing Director Sivan Umapathy recalls.

"So we became part of the e-waste supply chain buying defective chips from semiconductor manufacturers, extracting the precious metal then selling it back to those companies like Intel and AMD."

Over the past year the executive became the managing director of a data center company, Centropia Technologies, but because of obstacles regarding land acquisition, the center has yet to begin operations.

Despite that hiccup, Sivan remains active in the sector with clients coming to him for his technological knowledge on building data centers and solar farms providing them with what he calls "the road maps".

Sivan has advised on the building of a data center and providing cloud computing solutions for the largest telco in the country while consulting with other operators whose data centers are now coming online.

"There has been quite a lot of advancement in Malaysia concerning data centers and solar farms compared to our neighbors-for three main reasons. The first is that land is still very affordable when you compare it to Singapore," he says.

"Secondly, Malaysia has a definite advantage regarding energy and water. The government is going heavily into solar and other renewables with hydro power service providers coming up.

"We already have 110 per cent of energy in our grid and we're actually selling it to Brunei and other neighboring nations, while





SIVAN UMATAPHY

MANAGING DIRECTOR OF REDIVIVUS SOLUTIONS

"MALAYSIA HAS A DEFINITIVE ADVANTAGE WHEN IT COMES TO THE COST OF ENERGY AND WATER"

with water, which is vital to data center operations, we have much more available fresh water than these other countries," he says.

According to the executive, Malaysia's third advantage is the government's solid backing of the tech industry specifically to drive IT, AI and the data center sector providing generous incentives and other support.

Besides its involvement with data centers, Redivivus Solutions' other high-tech services are its specialization in IT, ESG innovation and enablement, cybersecurity, and professional training programs.

Another key activity is resource augmentation providing highly-skilled professionals across IT, digital, and business functions to fortify client teams, ensure agility, and accelerate delivery.

"Many people are looking at Malaysia as an opportunity in data centers and renewables," Sivan explains. "But there are challenges here like obtaining all the licensing, certifications, etc. and it can be bureaucratic.

"The advantage we provide is that after years in this business we have all the contacts with the officials in the government and we can more easily manage the red tape.

"And we can also help out in obtaining land. There is a lot of land available but again you have to go through local government, the owners and others and that is not easy unless you have someone to assist you," he says.

The managing director explains that has already become a conduit for many investors from the Middle East and Taiwan and points out that their interest is sparked by the fact that data centers can be built in Malaysia at a cost of $10 million per megawatt which is much cheaper than in other locations.

"Malaysia is very centered around moving towards becoming a technology center and hub in this region with the advancement in AI already underway," he says. "We have the regulations, proper governance, cybersecurity and personal data protection all in place. It's the perfect place to invest in tech."



Growing Demand

Small and medium-sized enterprises play an outsized role in the Malaysian economy and the founder of one such company, Gan Chin Huat, is proud of his firm which despite its size works for some of the country's biggest banks, insurance firms and other business.

"Even though we are small we work all over the country making all types of signs for all types of businesses from your big financial institutions to your neighborhood shop. No job too big, no job too small," he says.

After obtaining a degree in civil engineering at a Canadian university Gan Chin Huat returned to Malaysia but was unable to find work in his field eventually taking a job at a sign making firm in a number of roles including service engineer and sales engineer.

In 1989, he left the company and struck out on his own, setting up Sign Masters which produces and maintains signage not only for companies and other businesses but also for named buildings including the many high rises dotting the country.

"We had a little bit of a slowdown when the Asian financial crisis of 1998 hit which for us lasted around six months. Then it picked up until the Covid pandemic which lasted about a year and a half. Since then business has been steadily growing," he says.





GAN CHIN HUAT

MANAGING DIRECTOR OF SIGN E'PRODUCTS (SIGN MASTERS)

"WE ARE A FULLY ACCREDITED G-3 COMPANY, WITH TECHNICAL AS WELL AS PROJECT EXPERTISE"

"We have really seen a spurt from 2023. In the past, our main clients were some of the major banks in the Malaysia, as well as insurance companies and others."

"Now, we're getting a lot of work for hotels many of which are upgrading or renovating or changing their names so they need new signage and signs have a lifespan of around ten years. We recently completed a project for Hilton, for example. So I think 2025 is going to be a good year," he says.

Sign Masters' signage solutions include 3-D LED, light box, neon, building identity, shop front signage, architectural signage, inkjet print and brochure display stands.

It also provides and installs interior wall coverings using Dupont Tedlar materials for high traffic areas in hotels, hospitals and other service buildings which are very strong, long lasting, washable, very easy to maintain and perhaps most importantly, stain resistant.

Its high-tech signage tools include a computer numerical control cutting machine, fiber laser machinery, flatbed laminators and industrial-sized inkjet printers capable of handling any size job order.

"Our biggest challenge right now is to figure out how to cut costs but still maintain the quality we have a reputation for because in this market everybody wants cheap and quality," Gan Chin Huat explains.

"I am always thinking about how I can do this so I visit all the technology trade shows to see what products might help us."

Sign Masters is already using technology to move towards more automation and less manpower as a way to not only improve its products but also to reduce payroll costs.

"Here in Malaysia, the whole information technology industry is moving very fast and I think the wise investor would get into that sector as the potential is enormous," the managing director says.



SIVA KUMAR KALUGASALAM

EXECUTIVE DIRECTOR OF ZEN TECH INTERNATIONAL

"MALAYSIA'S NOT A BIG MARKET SO WE ARE EXPLORING OTHERS IN THE SOUTHEAST ASIA REGION"



Fintech Pivot

Returning to one's roots but with added value is the business model for Zentech International which started as an IT company, moved into the rubber and nitrile gloves at an opportune time and now plans a future in fintech, says Executive Director Siva Kumar Kalugasalam of Zen Tech International.

"We started out as INX Technologies in 2012 then changed to the current name a decade later," he recalls. "Under both names it was always a technology-based company specializing in websites, software and related businesses."

"I was appointed to my actual position in 2019 just as we were getting into the Covid phase when our IT business wasn't doing very well. So in 2020 we acquired a latex gloves factory and since then we've also been involved in manufacturing those items."

Glove production has now become Zen Tech's core business with IT as a sideline and with around a total of 150 people working in the group. Gloves contribute 95 per cent of the company's annual revenue of $9 million.

But the executive explains that the glove sector is very difficult at the moment after being what he describes as "great for a couple of years" when during the pandemic the whole world was begging for gloves triggering an undersupply and prices soared.

"Then post-Covid there was an oversupply and China got into the industry on a huge scale which has, of course, affected our pricing. Every selling price has actually been reduced by almost 30 to 40 percent compared to what it was before.

"And with the new tariff regime in the United States that means a new problem for us to get into the American market," he says. "At the same time, the price of raw materials, especially for our latex, fluctuates on a weekly basis as does the U.S. dollar exchange rate.

"So it's difficult for us right now to have a higher margin compared to what we were enjoying previously. One last thing having a negative impact on us is the short supply of entry level production staff. This has become a very challenging industry."

Zen Tech's IT business also hit rough waters and failed to generate sufficient income which Kalugasalam blames partly on new competition from a surge in tech companies opening in Malaysia which were ahead of his company in developing solutions like apps and payment gateways.

The influx of new operators in the sector has set off a surge in salaries for tech-savvy employees making it much more expensive to hire the necessary talent.

But the director is not deterred and now the company plans to move into financial technology, or fintech, to deliver financial services and products, such as mobile banking, digital payments, and online lending.

"So we were stuck in the old school and we're moving away from our conventional business model of software development, storage, etc. I think that right now the fintech sector is more viable than what we've been doing with the fundamentals," he explains.

"We've actually gone into a memorandum of understanding with one of the fintech companies here in Malaysia. It just feels like it's the way to move right now especially with electronic payment and related systems booming in the IT industry.

"It's a good time to make this move and Malaysia is a good place for tech."

Chinese Partners

Combining a background in farming with experience in the high-tech sector led to the creation of Aerovation Asia, a Malaysian company which distributes Chinese-made unmanned aerial vehicles (UAV's), or drones, for the country's vital agricultural sector.

"Back around 2020 I had been involved for ten years in a project funded by the government to help in community building for small and medium-sized enterprises," recalls co-founder and CEO Michael Chang.

"But then the pandemic came and all our activities were halted so I went back to our old farm in Johor state and with a partner we began clearing land and planned to raise cash crops. But we found it was hard to get the labor needed because young people now don't want to work on farms."

The executive, who had experience in tech and AI, was approached by a Chinese manufacturer of drones, EAvision, and brought them to its factory in China asking Chang and his partner to be regional distributor for their products.

A short time later Aerovation was established with the rights to EAvision brand in Malaysia and the rest of Southeast Asia. After







MICHAEL CHANG

CEO OF
AEROVATION ASIA

"WE WANT TO BE PART OF THE LOW-ALTITUDE ECONOMY, AND CONCENTRATE ON AGRICULTURE"

the election of Donald Trump as U.S president which brought in high tariffs for Chinese-made goods, Chang convinced his supplier to manufacture the drones in Malaysia.

"Our company's strategy is to convince those in the agriculture industry to use our drones," the executive explains. "But it goes beyond just the purchase. You need skilled people to operate these highly technological flying vehicles and perform their tasks correctly."

"We're facing a foreign labor issue here and therefore we have to develop our own talent in Malaysia. So with an endowment we created a program for an advanced master class in agricultural drones combining drone tech knowledge, chemical usage knowledge and agricultural knowledge.

"At the same time, we signed an agreement with our Chinese partners to train pilots and they are now all certified by the Chinese civil aviation authority. Our idea is to manufacture in Malaysia and market our products throughout the region," Chang says.

Agricultural drones can play a variety of roles in farming such as inspecting for crop diseases but their main purpose is to spray pesticides with the operator able to easily target specific acreage with different types of chemicals from a low altitude.

"Our biggest hurdle is selling to the average farmer because they may be nervous about the technology or can't afford the $25,000 price tag. So we're looking at corporate agricultural entities and assistance from the government which is keen on boosting the number of drone operators," Chang says.

The CEO adds that serving the agricultural sector is just a start and he has big plans to expand UAV's for other purposes.

"We want to be part of a larger drone industry, part of what's called 'the low-altitude economy'. Agriculture is our focus now but in the future we could be active in air taxi services and package delivery, for example.

"And we have a number of markets here in Southeast Asia that have a lot of potential just in agriculture for our drones like Vietnam, Thailand and the Philippines," he says.

"And Malaysia is a good place to do business as we are stable, we have a fair legal system based on British law, we all speak English and we're neighbors of Singapore which has the most vibrant economy in the region. Being based in Malaysia makes a lot of sense."

One Stop Shop

As a rising manufacturer and international hub for trade, Malaysia's logistics sector is a linchpin for the economy and family-owned and operated Integrated Logistics Solutions has been in the business for more than three decades.

"Over many years I worked in the oil and gas industry as a consultant for Shell, Petronas, Chevron and Petrobras in places like Scotland, here in Malaysia, Rio de Janeiro and Paris," explains Executive Director Wan Abdul Halim Wan Ahmad.

"During all this time my wife, who has a background in finance, handled logistics, warehousing, and all of that. In 2019 we came up with the idea to combine our expertise and open a warehouse and logistics operation for the oil and gas industry in Labuan on Borneo."

The project was launched with the cooperation of a major multinational for a high-tech warehouse facility and a long-term contract was signed.

"It's one of Labuan's biggest warehouses and is dedicated to one client for servicing, repair, maintenance and overhaul," Wan says.

Along with its Labuan operations, Integrated Logistics Solutions has warehouses in Port Klang, Shah Alam, Penang, Johor Bahru and Kota Bharu as well as distribution hubs along the west coast of Peninsular Malaysia.

The firm currently has its own fleet of 70





trucks and another 70 contract drivers who own their vehicles. Total employees number 350 with annual revenue of $35 million.

"Right now there is a slowdown in the Malaysian oil and gas sector because of the legal problem between Petronas and Sabah," the executive director says. "But Malaysia has many petroleum brownfields which have a long lifespan and greenfields too so I think this industry will be around for many years."

"Therefore, I do believe we will be doing very good business for a long time to come," he adds.

Integrated Logistics Solutions can, as the company boasts, offer itself as a "one-stop-shop" for clients moving goods across the country or across the world.

It's transportation fleet and computerized management systems ensure that cargo will be delivered door to door safely, economically and on time and also provide on-line information on cargo status for customers to effectively plan their operations.

Storage is available at Malaysia's largest public bonded warehouse with over 1.52 million square feet of available space with storing of perishable and temperature-sensitive products, order picking, container stuffing and unstuffing, bar coding, scanning, labeling and other services.

Wan's next project is too turn his operations green through installing solar power panels on all his warehouses and making them "smart" through efforts to reduce the usage of electricity and water

And he is also looking to economize operations through consolidating the workforce by having drivers and those involved in the more basic operations able to perform more than one task.

"All of this is certainly possible because of Malaysia's unique position as a transport hub, the support from the government for new and innovative initiatives, the cheap land that is available. It's perfect for foreign partners to come here and join us."

CONSTRUCTION STILL LEADS THE GROWTH

IN REAL ESTATE, FIT-OUT AND MAJOR PROJECTS ARE LEADING THE WAY

Malaysia's growing number of middle class citizens eager to become home owners, a host of new transport infrastructure projects, government programs to boost affordable housing and a growing need for factories and warehouses is fueling the country's vibrant construction and real estate sectors.

According to analysts, the construction industry is forecast to grow by more than 6 per cent in 2025, propelled by civil infrastructure investments, a burst of private sector confidence, and targeted government policies.

Last year, construction values rose by more than 20 per cent, proving the dynamism across civil engineering, residential, and special trade sectors and there are clear indications this year of a solid recovery for the property sector.

Much of the civil projects' growth is thanks to big ticket government infrastructure schemes such as a major rail link on the east coast, the much-awaited roll out of the 5G digital network and improvements to the Klang Valley Double Track rail link.

Regarding real estate, there is the ongoing rapid urbanization of Kuala Lumpur, Johor Bahru and Penang with the growing middle class demanding mid-income houses, condominiums and apartments in these cities as well as in other urban centers across the country.

There are also clear opportunities for developers in the luxury real estate sector.

Analysts add that they expect expanded demand for non-residential buildings as manufacturing increases while construction will be additionally fueled by the government's affordable housing projects.

But analysts caution that challenges remain such as manpower concerns and the increasing cost of construction materials.

On the plus side, Malaysian construction companies, their suppliers and real estate developers are largely optimistic, foreign investors are taking an interest and the new government's policies indicate expanding sectors at least for the rest of the decade.



ANAND RAJA

GROUP CHIEF EXECUTIVE OFFICER OF EURO GROUP

"OUR RAIL PROJECT WOULD FIT THE GOVERNMENT'S PLAN TO REDUCE COSTS AND SAVE LIFES"

Partners Welcome

Construction and real estate development has become the main focus of Euro Group Berhad, a conglomerate founded in 2002 by Group CEO Anand Raja originally as a finance and investment firm and which now is active in several fields.

"At one point we were involved in the food and beverage sector with operations in China and Thailand but when Covid happened, it was difficult to travel to manage and maintain these activities and so we sold them off," he says.

"So these days we are basically doing residential and construction developments and participating a lot in government projects. We are a G7 company which means we are considered by the CIDB to be able to take up unlimited value projects."

Euro Group is currently building bungalows in a gated community in the Cheras community of Kuala Lumpur and is proposing another such development in the southern state of Johur where it is also constructing a warehouse.

The company also owns a tract of land in Perlis state where it is considering a project involving mid-cost homes and retail property and another in the city of Sungai Petani in Kedah state which is experiencing phenomenal growth with the site suitable for a mega-mall surrounded by bungalows.

"We are definitely growing because we are not doing large-scale developments or mega-projects like some companies. Also, getting financing for these big developments is getting difficult because the banks are now stricter regarding eligibility requirements," Raja explains.

"So what we are doing is developing small and medium-sized ventures catering to niche markets and doing our own financing. Maybe 30 to 50 bungalow units customized and catering to the upper, elite people who we have identified as our target market. We've identified this as the sweet spot for us.



"Last year we did approximately $20 million in revenue in the group and this year we're looking at $35 million so that's almost double," he says. "Over the next three to five years with our current focus on medium-size developments we should be doing at least triple or quadruple of what we're doing now."

The executive notes, however, that the cost of cement has risen from $50 to $90 per cubic meter and there has been a rise in other materials across the board since the Covid pandemic.

"Another difficulty for the sector is hiring qualified people and this is getting more complicated. The government has a policy of not allowing in more foreign workers and the ones already here illegally can now pay a penalty to legalize their stay," he says.

"But these people are already used to their current employers and if they want to switch from farm work to construction they don't have the skills that we need in our sector. And when we apply to bring in staff from outside Malaysia, they are not allowed."

The CEO is still optimistic about the group's fortunes and is now looking to expand its development activity abroad, specifically in India where it is setting up an office.

"We are planning on bidding on some government projects there and we've identified an interesting opportunity in Chennai to build luxury condominiums, the market for that type of residence is booming," Raja says.

Closer to home, the executive is eager to try the group's hand at building railways.

"We had a project building a railway station in Kota Bharu and I saw that not many contractors in Malaysia specialize in railway works, the few companies that exist share the work among themselves," he explains.

"I want to propose a project to the government that fits their plan to shift transporting goods from road to rail in which entire trucks would be loaded on to trains. This would reduce petrol, tolls, costs and most importantly, cut the number of traffic

accidents which is very high."

"There is huge potential as the government wants newcomers and alternatives in the industry. Malaysia is a peaceful and harmonious country and with the right policies it will be a fantastic place to invest in the coming years," he says.

"If any foreign partners are interested in joint ventures, we are open!"

Cyclical Sector

In its 20 years of existence, Mizan Grand Holdings has gone from strength to strength focusing on a range of prestigious infrastructure development and construction projects and is about to venture into a new subsector.

"We concentrate on building roads, school complexes, urban communities and we are a fully-accredited G-7 company with an official license recognizing our financial capacity, technical expertise, and extensive project experience," says Executive Director Dr. Ahmad Tarmizi Mukhtar.

"This allows us to undertake construction projects of unlimited value and handle mega-projects like highways and other significant civil engineering jobs."

Along with construction of buildings and housing, the group carries out bridge building, road works, landscaping, drainage, water reticulation and sewage treatment plant works, piping, maintenance and monitoring, industrial building systems, refurbishment, upgrading and electrical works.

"Our projects include the Mahkamah court complex in Temerloh which is budgeted at around $22 million, and we're also doing road upgrades in the northern part of Peninsular Malaysia that is going to cost around $30 million."

"These are both government projects and governance is very strict in this country. Officials know that Mizan Grand Holdings always complies with all the requirements



in terms of operations and procedures."

Mukhtar is very familiar with quality requirements concerning the construction industry as he also serves as executive director of the Global Construction Certification Centre which coordinates with its foreign Chinese counterpart to guarantee standards of building materials imported from China.

"This is an important issue in our industry because some Chinese building materials coming here are not qualified to be used in Malaysia and a project owner can incur stiff financial penalties as well as rental and disposal costs if that owner is discovered to be using substandard materials," he explains.

Mizan Grand Holdings' next step is to move into healthcare construction with the building and upgrading of the country's hospitals and clinics and the group is currently negotiating with the Ministry of Health.

Along with the actual construction, the company is also planning to provide the state healthcare system with state-of-the-art IT networks for improving and speeding up the patient medical records procedures.

"When you go to the doctor at a public hospital or clinic in Malaysia you can easily spend half the day waiting to be attended by a physician and get a prescription for the doctor. But this only takes maybe 30 minutes in other countries because they have proper IT systems," the executive says.



AHMAD TARMIZI MUKHTAR

EXECUTIVE DIRECTOR OF MIZAN GRAND HOLDINGS

"WE ARE A FULLY ACCREDITED G-7 COMPANY, WITH TECHNICAL AS WELL AS PROJECT EXPERTISE"

"Only one-third of this country's 150 or so hospitals have up-to-date IT systems and a thorough upgrade will not only improve service but will also cut costs saving the government a lot of money."

"So this is part of our plan to diversity. As I told the board of directors, construction is not a sustainable business as the real estate sector goes up and down. We saw during the Covid crisis that businesses can get hit hard when unpredictable things happen and diversifying will shield us from any bad times."

Mukhtar is a cheerleader for doing business in Malaysia, noting that the government sponsors what is called the "Malaysia My Second Home" initiative which welcomes foreigners to establish in Malaysia.

"But even more important for potential investment here is the fact that this country is the best place in the Association of Southeast Asian Nations to set up a hub for operating throughout the region."

"At the same time, in Malaysia we speak so many languages – English, Chinese, Urdu, Arabic and, of course, Malay which is easy to learn and also spoken in Indonesia, Brunei and Singapore," he says.

"So communication is easy and that's just one more reason to choose Malaysia when industry leaders are looking for a smart investment destination in Asia. You'll be warmly welcomed and glad you came."







JEI CHEW

CEO OF
CHESTER GROUP

"WE'RE LOOKING AT GATHERING MORE COMPANIES INTO THE GROUP AND GOING FOR AN IPO"

International Expansion

In a city of filled with skyscrapers and which boasts several of the tallest buildings in the world, it makes sense that business would be on the rise for companies supplying, installing and maintaining elevators in the Malaysian capital of Kuala Lumpur.

That is certainly the case for one such firm, AKK Alliance, which is soon to celebrate 25 years in the sector and is now moving into manufacturing its own elevators as competition increases from foreign suppliers.

"When we started out in 2001, Kuala Lumpur was still going through this boom in high-rise structures which began in the 1970's and 1980's, "recalls Managing Director Ang Kam Keong.

"So initially there was huge potential in the market but as the years went by more and more foreign companies in our industry took notice and invested by setting up branches in Malaysia."

This led to more competitive tendering and Malaysian developers began searching for cheaper prices at the expense of quality with most of the competition coming from China and Taiwan.

Currently, AKK Alliance provides a comprehensive range of services including supply and installation of new passenger, freight and observation lifts, escalators, genuine spare parts supply, upgrading existing lifts, and maintenance and repair.



It also installs elevators in homes and installs intelligent, steel structure automobile parking systems.

Currently, the company employs around two dozen people and posts an annual revenue of close to $2 million. The executive says he hopes to improve that figure as the company seeks out new contracts abroad.

"Malaysia is not a very big market so we're exploring others in the region like the Philippines, Vietnam, Indonesia and Thailand," the executive says. "In fact, we're setting up an office in Philippines as the market there has a lot of potential with lots of high-rise buildings going up, almost like what happened over the last decade here."

Keong says that the strained relations between the Philippines and China because of territorial disputes is also an advantage as contractors there tell him they are looking for elevators from any country except China.

"Our plan is to open these new territories by marketing our own products, our own brands but using local agents to represent us rather than investing in those countries."

The AKK Alliance-branded elevators will come from its own manufacturing and assembly facility now being set up in the Penang Technology Park in Batamwith the initial production set to begin in late 2026.

There are challenges, however, such as costs, the managing director explains.

"It's tough because of the price of land on which we're building our factory and labor costs there are also quite high. So because of this problem we're planning on using lots of AI technology and robots to handle production," he says.

"We're hoping our strategy to market in other neighboring countries will be successful especially if we are granted tax-free status as an exporter from a fellow Association of Southeast Asian nation.

"And I firmly believe that made-in-Malaysia products like ours are competitive in the region."

Securing Relationships

After almost two decades in business, Chester Group property consultants has expanded from one office to 15 full branches nationwide and is now planning on diversifying into exciting new endeavors including developing its own projects.

"We carefully match our clients with the right property according to his or her individual needs and lifestyles, then handle the sale and purchase process advice and guidance garnered from our decades of experience," says CEO Jei Chew.

"Our policy is to walk our clients, whether the buyer or the seller, all along the way to make sure that each sale is according to expectations and without unwanted surprises.

"We see our business as developing and securing relationships, not just negotiating properties," he explains.

Established in 2006 as Chester Properties, its founders saw that real estate consultancy would be a major business sector as Malaysians' income took off and more and more people were looking to purchase homes in the expanding market.









"Our business is running very well from year to year, we're among the top five real estate consultancies in the country and our annual income from the commission we earn from transactions is now around $17 million," the executive says.

Before Covid, the Chester Group was planning to develop its own properties but the pandemic and resulting business shutdown put that scheme on hold. The project was revived resulting in the Tulip Residence, a 619-unit serviced apartment building with one story of retail space in Kuala Lumpur.

Ninety-eight per cent of the units have already been sold and plans call for two more similar projects in Kota Kemuning and Selayang. "These two developments will be our priority for now," Chew says.

Another arrow in the group's quiver is bulk purchasing in which the consultancy buys a certain number of units from developers in advance and then sells them on to the final owner within a short period of time.

"This has two benefits for those involved," the CEO explains. "On the one hand, the quick sale provides the developer with finance and when we buy in bulk we can bargain a better price. Plus, we get more commissions."

Chew lauds the new government for its strict policy regarding proper structural planning of new developments to avoid the shoddy work done in the past on small developments resulting in abandoned projects and angry wannabe home owners.

"Unlike neighboring Singapore, housing is relatively affordable here in Malaysia although demand is falling slightly probably because of inflation and the job market here. But if someone can't buy a house now, they'll eventually get tired of renting and we'll still be around to sell them a home," he says.

The CEO says one problem facing the real estate sector in the capital at least is the availability of land. And nationwide, there are more and more real estate consultants, both local and foreign, hanging out their shingles competing with Chester Group.

"This market is changing all the time but we're looking at gathering more companies into our group and perhaps in three years we can do an IPO. So things are looking good."

Growing Market

Malaysia, boasts countless beautifully-designed buildings and one company largely responsible for those is Stone Empire Marketing, a division of fit-out company Jalex which provides services for hotels, offices and commercial spaces, according to CEO Chan Chin Keong.

"Jalex operates in high-end spaces which means it requires superior-quality materials like timber, metal and stone and that's where we come into the equation," he says.

Established in 1993, the division was intended to supply Jalex but as it has grown it now secures its own clients. With an office staff of 120 and a workforce of 200 spread across three factories, Stone Empire Marketing posts annual revenue of $25 million.

The company imports, crafts and installs more than 400 types of marble, granite travertine, limestone, sandstone and quartzite and also supplies fabricated stone to meet any architectural need.

"Malaysia is extremely competitive in the international market because we are located between the two sources of natural stone between China which is the world's warehouse and Europe from where high-end luxury stones are quarried," the executive explains.

"So we have access to these two important sources, not to mention our local stones in Borneo, Vietnam, Indonesia and Langkawi in Malaysia. Because we are so conveniently situated consumers are spoiled by choice and hence the competition is very fierce."

Stone Empire has six showrooms around the country and Malaysia's largest flat display area for it products earmarked for some of the country's most prestigious projects.

The CEO says he is particularly proud of working on Suria KLCC, the country's first luxury shopping mall for which it supplied five types of Iranian marble. It is now currently installing stone for the refurbishing of the Waldorf Astoria Hotel in Kuala Lumpur along with other projects.

As any smart management team would do, executives keep their eye on trends in their sector business to ensure they stay









ahead of the curve.

"Right now we're facing a change in customer demographics," Chan says. "The baby boomer generation was our main clientele and they appreciated the good things in life like natural stone.

"But we now see younger clients preferring natural stone less and going for cheap alternatives and synthetic materials. So we're betting on new synthetic stone from Spain called NeoLith, as one example, which is still a luxury item for which we've secured quite a few projects."

Another challenge is finding and keeping skilled foreign labor. In Malaysia, workers from other countries are given temporary residence and when their time is up they must return home before applying to work there again.

"The renewal process can take a long time so once they go back home they often decide to stay or pursue other lines of work. Our industry can't rely that much on automation because 80 per cent of our work is artisanal and done by hand."

The CEO says that despite the problems Stone Empire Marketing is set for growth and he plans to expand its network of sales branches further across the country before venturing abroad.

"Malaysia is a growing market and if one wants to invest here they should find a vigorous and dynamic partner because a lot of companies are still run by the older, more conservative generation not daring enough to take the leap and bring in new blood."

Market Pivot

A recommendation by a friend back in 2007 led to the first interior design job for 21-year-old university student Rabiatul Adawiyah Rasol who, along with her future husband Luqman Hakim, parlayed that job into Malaysia's premier ID studios, IDW Design.

"An acquaintance of a friend of ours had just bought a semi-detached house and wanted it transformed into a lovely bungalow," she recalls. "So our friend suggested that we could do it and that led to more commissions and our eventual success."

LUQMAN HAKIM & RABIATUL ADAWIYAH RASOL

CO-FOUNDERS OF IDW DESIGN

"IT'S ABOUT UNDERTANDING THE PSYCHOLOGY OF PEOPLE TO GIVE THEM WHAT THEY WANT"

But the first years were not easy as they continued their studies, got married and started a family. In order to make ends meet, they opened a print shop as a sideline which prospered and helped them fund their growing interior design business.

"Those first seven years were very difficult. We didn't really know what our target market was. In Malaysia interior designers either bid for tenders on big projects or go direct to home owners.

"We realized we weren't good at bidding for tenders so we chose the latter path and went direct to the consumer. And that's how we grew our B2C business," she says.

Success then came quickly with commissions arriving thick and fast, especially after Covid when people, the design director says, were spending time at home and realized they needed to renovate their living quarters.



"We grew from eight employees to nearly 80 as we were trying to accommodate this great demand and we lost control a bit. That's when we realized we didn't want to focus on everyone and restructured to fill what we saw as a niche market.

"Now we have 24 staff members," she says, "and this year we expect our annual revenue to be between $4 and $5 million."

IDW Design has totted up more than 11,000 projects mostly residential jobs but recently branched out into the commercial sector and has landed contracts for corporate headquarters, showrooms and other projects.

When the company first takes on a client, staffers schedule an initial consultation session, go through a 3-D design process, provide a design and build price quote to be agreed, complete the project and then hand it over.

Along with designing entire residences or other buildings, IDW Design also handles renovations such as transforming a bathroom into an elegant spa or refurbishing a home so as to let the natural world enter the living space.

Now that they have discovered what they are good at, the couple's next step is to work with real estate developers on larger projects and enter the development business themselves.

"We are now renting a small parcel of land in Kuala Lumpur and the plan is to build, operate and transfer a shopping mall and we're also putting up a bungalow," Rasol explains.

"This will generate a more sustainable income over the next 15 or 20 years which will come in handy as economies fluctuate. We think our success will continue along the same lines as it's just a question of understanding the psychology of people and give them want they want."

INDUSTRY GEARS UP FOR FAST GROWTH

MALAYSIA IS IN A GOOD POSITION TO BECOME AN INDUSTRY 4.0 ADOPTER

Malaysia has come a long way since the years when its economy was largely based on agriculture and today the country is well placed as a regional industrial powerhouse in many sectors that are driving the global high-tech revolution.

According to economists, manufacturing is the second largest business sector in Malaysia, contributing almost 23 per centto the GDP just behind the vibrant services sector.

And the government is encouraging industry titans and smaller business owners to embrace the plan known as "Industry 4.0" to incorporate automation, digitalization and sustainability in their manufacturing processes to ensure they remain competitive.

In fact, Malaysia is in an advantageous position and is among the top five countries that are the most prepared to adopt Industry 4.0 solutions across their industrial bases.

Malaysia is even seen as more than able to compete with its near neighbour, manufacturing behemoth China, thanks to its commitment to turning out quality goods as opposed to cheap ones.

The country already has a sterling reputation as a reliable producer of electronics, medical products and devices, machinery, aerospace parts and other high-value goods, and investors, both at home and abroad, are taking note of Malaysia's great potential.

Best Practice

Making sure that equipment at Malaysia's many manufacturers runs smoothly is Wear Technology's forte and has been for the past 18 years, according to founder and Managing Director K.K. Chiong.

"We actually are divided in two sections, one is the agent representative for a few products from overseas and the other produces our own product. We are specialized in protecting machinery from the wear



K. K. CHIONG

DIRECTOR OF WEAR TECHNOLOGY

"WE ARE BRINGING THE BEST PRACTICES AND PRODUCTS TO OUR MARKET IN MALAYSIA"

and tear it undergoes during operations.

"Whenever a machine is running or a part is rolling, over time whether it's a few days or weeks or months there will be wear and tear and its efficiency is reduced which affects production and quality,"

"Those parts and components have to be repaired or even rebuilt and that's where our main business comes in," he explains.

The executive had been in the business for 14 years before striking out on his own to create Wear Technology with his first clients largely drawn from Malaysia's well-regarded woodworking and furniture industries.

Its main customer base within that sector at the time were wood-based panel and particle board producers who supplied the building industry. That work led to business from manufacturers of other construction materials such as bricks, roofing tiles and cement.

Its wear-resistant hardfacing engineering services repair, refurbish, fabricate, redesign or apply protective coatings on machine parts prone to corrosion, abrasion, damage from temperature extremes or impacts.

Among the company's products it distributes are sectional screw flights for augers and conveyors, wear resistant chrome





carbide metal plates and pipes, document and material security shredders, thermoplastic agglomerators, raw material multicrackers and other industrial items.

A partial list of its suppliers include Pallmann, Bauer, Evashred, Hammel, Gamma-Scout and GreCon.

Wear Technology's revenue is around $1 million a year.

"Right now, the market is a bit unstable. A lot of our former customers closed down after Covid and I think because of that a lot of changes are happening," Chiong says. "Before Covid there was steady growth but now you can see the demand is not there."

"We just don't see much investment going on by our customers. In Malaysia we don't have much of a market for what they produce so these manufacturers are relying on exports.

"Our furniture making clients, for example, are exporting to the United States even with the tariffs. There is still a lot of uncertainty about that situation and so I think a lot of companies are slowing down," he says.

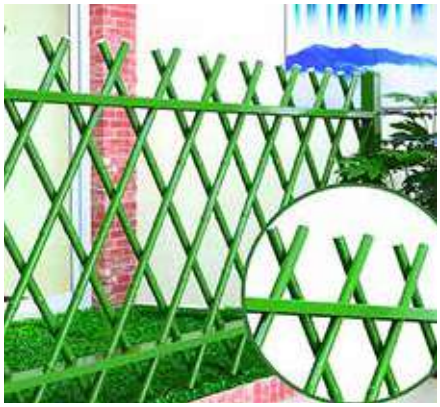
The managing director explains that while the company is able to sustain itself there are plans to expand by going into the food industry. At the same he is attending trade fairs to network and drum up business.

"We'll be marking our 20th anniversary in a few years and I'm sure we'll still be doing what we're doing which is bringing the best practices and products to our market here in Malaysia," he says.

"Every year we are learning something new and that helps us obtain more and more knowledge to provide better service and better support to our customers."

New Markets

Bringing new blood into a family business is a common tactic when the current leadership decides there is a need





for fresh ideas and innovation to keep the company going or for taking the next step towards growth.

This was the case at Yik Sing, a Malacca-based manufacturer of metal security fencing when Managing Director Nick Wong took over seven years ago from his father who had founded the company in 1987.

"My dad started us out with one chaining machine to turn out chain link and barbed wire fencing and I returned to Malaysia after 12 years in the construction industry in Australia to run the company with the knowledge that I had gained there," he recalls.

"So I was in charge when the Covid pandemic hit. During the lockdown we were allowed to continue working because we were only doing the security fences for military bases and the police. Still our production was reduced by about half."

Now with the return to normality, Yik Sing and sister company WT Wire Mesh trading are producing fences for just about every need, from high-security barbed wire, razor barbed tape and security blade tops, to chicken mesh, cyclone fencing and anti-climb fencing.

Other specialty products include corrosion-proof welded fencing, PVC welded mesh and fence posts and fittings.



Along with the Malaysian security forces, the companies' clients are schools, businesses of all types, utility operators, highway and rail transport systems, farms, shopping centers, housing complexes, single residences and many more.

"We have around 70 employees at our two companies and I'm proud to say all our workers are local so we haven't had to seek labor abroad and annual revenue is between $7 million and $8 million, give or take," the executive says. "We're doing well but there is a lot of competition out there so we have to continue to be strong and innovative.

"That's because there are other companies turning out similar products to ours but perhaps not with the same careful workmanship and overall quality. So innovation is key," he argues.

"One project we're thinking of and which has already received good feedback is making outdoor garden furniture from mesh. Chairs and tables, for example. So if we go ahead with this we'll be branching out into new markets and that will make us stand out."

At the moment, Yik Sing focuses exclusively on the domestic market but Wong knows the company needs to get into the international market and has had some indirect enquiries from the United States.

"The Malaysian market is so small so we really have to go abroad as that is fundamental to maintaining the companies. This will help us to grow because we want to be large enough to eventually someday become a listed company," the managing director says.

"We could do that by appointing a representative or dealer for our fencing products in these other countries and also take part in more trade shows and exhibitions so we get more exposure.

"Yik Sing and WT Wire Mesh Trading are the biggest such fencing companies in Malaysia and we intend to stay there."

Efficiency Gains

Small and medium-sized enterprises, or SME's, are the backbone of the Malaysian economy with the government reporting that they account for almost 96 per cent of the country's business establishments and contribute $154 billion to the GDP.

Helping these companies navigate the constantly changing and often confusing world of the new digital technology is Neogenius Engineering Solutions which set up operations in 2014.

"Neogenius is a group of three companies which are offshoots of a Japanese company involved in computer numerical control machines and robotic arms," explains Director Alex Wong.

"We were clients of theirs and now we are partners. We try to give a turnkey solution to our Malaysian customers focused on software, systems, fabrication and robotic automation solutions."

According to the group, its engineers identified the fact that the SME's were struggling because of inefficiencies, outdated systems, manual processing and scant knowledge of how state-of-the-art tech could totally transform their current



ALEX WONG

DIRECTOR OF NEOGENIUS

"WE GIVE A TURNKEY SOLUTION FOCUSED ON SOFTWARE, SYSTEMS, AND ROBOTIC SOLUTIONS"

businesses.

But these small companies believed that investing in high-tech solutions was not only risky but beyond their financial abilities. In the view of Neogenius' engineers, the technology had to be easily accessible, affordable and impactful enough to reshape the SME's.

In overcoming these challenges, the engineers came up with a enterprise resource planning product, a type of software that integrates and automates core business processes, such as finance, human resources, manufacturing, and supply chain, into a single, centralized system.

It gets rid of data duplication and provides a single source of truth, which helps improve efficiency, provides real-time data, and supports better decision-making across an organization.

They also built automation solutions with both initiatives affordable, scalable, modular and designed for real-world practicality. Instead of offering one-size-fits-all products, the Neogenius systems are customized to fit customers' needs.

The group says that use of its enterprise resource planning, manufacturing execution system and automation software cuts production downtime by 30 per cent, boosts reporting by 40 per cent and can reduce operational overhead costs by as much as 25 per cent.



"In just over ten years in this industry, we are now posting an annual revenue of between $700,000 and $1 million and have increased our payroll to 33 employees," the executive says.

"Most of our customers are in the semiconductor sector mainly located in Penang and we have a client in Kuala Lumpur in the plastic injection industry so there is plenty of room for growth.

Malaysia's burgeoning semiconductor industry is a great reason for international investors to take a close look at Malaysia, along with its multicultural and multilingual environment and geographic location in the heart of Asia, he argues.

"Our main challenge in the Malaysian market right now is competing with Chinese solutions. In the past, most users preferred local solution providers but now with social media it is so easy to get contacts in other countries like China where prices are 30 to 40 per cent cheaper," he says.

"We ourselves work with partners in Finland and Taiwan. Right now we're in discussions with some partner companies and because we're focused on the high-tech industry in three to five years we could be listed not only in Malaysia but in the United States as well."

Malaysian Innovation

As in much of the rest of the world, green industries are taking off in Malaysia which is vital to nature there as it boasts some of the most beautiful countryside and seaside environments in all of Southeast Asia.

Of particular importance are the country's vast forests which, according to the environmental watchdog group Global Forest Watch cover 55 per cent of Malaysia but which are under threat from logging, agriculture and urban development.

Aiding in the fight to preserve these forests is ENV Engineering Enterprise, a Johor-based company which has developed an eco-friendly substitute for natural plywood which is used extensively in construction and furniture making.



LEE KIAT LI

MANAGING DIRECTOR OF ENV ENGINEERING ENTREPRISE

"WE CREATED A RECYCABLE PVC CONSTRUCTION BOARD TO REPLACE PLYWOOD IN 2016"

"After long efforts in carrying out R&D, we came up with a recyclable PVC construction board which was aimed at replacing plywood usage and in 2016 we entered the market," recalls Managing Director Lee Kiat Li.

"Everything was going great until the pandemic as many developers and contractors from China in particular were coming here to take up projects but then it all came to a stop with Covid."

Pre-pandemic the company was posting around $2 million in annual revenue and though ENV suffered for several years, business bounced back and this year the executive expects that figure to almost triple.

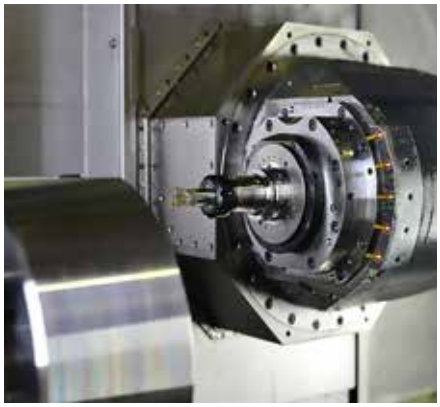
Operating out of Johor was also a key factor in recovery as the local property market and the construction industry came back strongly thanks to a new rapid transit system linking Singapore and the southern Malaysian state.

Both the company's construction board and its furniture board are composed of 70 per cent recycled PVC, 15 per cent polymer additives and 15 per cent new PVC,









demonstrating the commitment to zero-waste construction and furniture manufacturing.

Another division of the company makes steel modular bridges which are highly reliable, easily installed and require minimal maintenance.

"Along with Johor we're also working in Sarawak in East Malaysia where we set up an office because we saw a lot of infrastructure development coming and we already are supplying a lot of projects there," Li says.

Over the next three years, the managing director says the buoyancy of the market and planned expansion will help ENV reach his goal of doubling current revenue to some $12 million by 2028.

"Our next destination is Kuala Lumpur because as the capital it is definitely the biggest market in the country and next year we are looking at expanding regionally into the Philippines, Indonesia and Thailand."

The executive explains that these moves will be made through local partners and that he is also interested in working with foreign multinationals which may be thinking about investing in Malaysia.

"We have employees who can communicate in various languages and Malaysia is a natural destination for investment because of its educational system, our open market and our ability to produce top-quality goods."

"This country has a lot of potential and a long way to go in terms of the construction industry. I've been to trade shows lately and it is notable that there are more and more foreigners interested in Malaysian products," he says.

Steady Business

Spindles are a key component in the manufacturing process of many industries, especially high-tech and precision machine tools, and a leading company providing and servicing these vital instruments is Ornah Jeyah Engineering.

MANAGING TEAM OF

ORNAH JEYAH
ENGINEERING

"MALAYSIA IS CLEARLY CHEAPER, MORE COST-EFFICIENT BUT STILL OFFERS HIGH QUALITY "

"We started out as RSKS Engineering in 2006 and ten years later we changed the name to Ornah Jeyah Engineering," says Director Ravie. "Our main customers are the automotive sector, aerospace and industrial engineering for factories."

"Business right now is very stable even though the world economy is a bit shaky. But so far, so good, regarding our business for the civil engineering and services sector."

Spindles are used in everything from the weaving of yarn to machine tooling and depending on the type work well with softer materials like aluminum, while high-torque, low-speed spindles are better for tougher materials such as steel and titanium.

The executive says the automotive sector is the strongest and providing the company which much of its business while the aerospace industry is lagging at the moment.

"In general it's a slow market for us at the moment but as I said before, our business is holding steady and not really going up or down that much and we could be looking at getting into more services to boost income."

"We're specialized in spindles and mechanically we do maintenance and repairing but in other sectors we will only do the engineering services," he explains.

"We like to think of ourselves as the one-stop solution center to solve engineering constraints in so many industries active here in Malaysia.

"So we're pretty much fixed regarding what we do but we are planning on moving into fabrication and machine parts, then engineering in more and larger projects which we can handle without any problems."

In its domestic market, the company is working mostly in Kuala Lumpur and Penang and executives want to seek out more customers in other parts of the country opening up new channels of revenue and taking on more personnel.

Outside Malaysia, Ornah Jeyah Engineering has worked on large oil tanks, cooling machines, underground water tanks and piping. The director says the company wants to increase its client numbers in the region and is considering, Thailand, the Philippines and Singapore as promising market territories.

Thailand, he notes, has a lot of exciting potential in its automotive industry and closer to home the company would like to boost its presence in Malaysia's motor vehicle and aerospace sectors utilizing the new data technology becoming available.

"We feel that Malaysian manufacturing, those sectors that we work with, are very competitive in the international





markets. Comparing production costs with our neighbors, Malaysia is clearly cheaper, more cost efficient, but still of high quality and probably the best in the region," Ravie says.

"These factors should make potential partnerships with any foreign collaborators attractive. And there are other bonus points for Malaysia like the lack of friction among the three main ethnic groups, our political stability and the smooth relations we have with our neighbors.

"It's a win-win-win situation for foreign investors."

Customer Focus

In the more than 50 years since its founding, the family-owned business Tensioned Fabric Structure Sdn Bhd (TFSSB) has designed, manufactured and installed various projects of tents & canopies, architectural tensile membrane and similar solutions to Malaysian and now international customers.

And in the tropical climate of the country when the sun follows the rain and then sun again, such multi-purpose structures come in handy whether deployed for a trade fair, business gathering, garden party, café terrace, sporting event, product launch or even as a temporary warehouse.

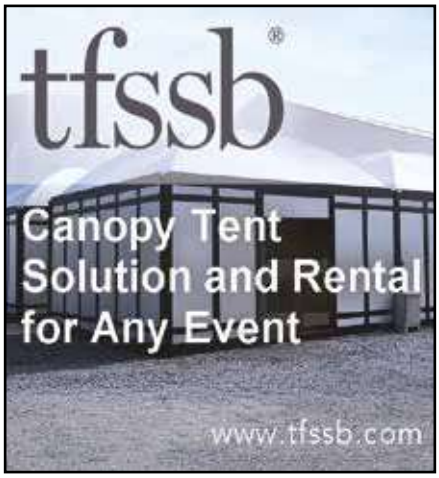
"Our business has evolved over the decades," says Executive Director, Henry Ng, the grandson of the founder. "Before the pandemic, we diversified from manufacturing and selling our products to getting into the rental business.

"And the pandemic helped the volume of rentals because the government used our structures for a range of emergency medical purposes, ºso our clientele is really a mix of the public and private sectors."

These customers have a wide choice of just about any size and shape of canopy or tent manufactured of durable PVC fabric of international standard and aircraft-grade aluminum with hot-dipped galvanized steel fittings.

Our TEGUH brand offers a wide range of tents and canopies such as Modular Tent, Frame Bell Tent , Polygon Tent , Galaxy Dome™ , Star Tent , Tensioned Tent TK2 , Pyramid Tent , and Marquee Tent along with Acoustage™, specially designed for concerts and other live entertainment events.

Just a short list of TFSSB's clients include such well known corporate names as Volkswagen, Netflix, Johnny Walker, Alstom, Formula 1, Toyota, Petronas, DBS Bank, Mercedes-Benz and Chivas Regal.





C.Y. NG

EXECUTIVE DIRECTOR OF TFSSB

"OUR SECRET OF SUCCESS IS TO FOCUS ON OUR CUSTOMERS AND OFFER QUALITY SERVICES"

done projects in Tahiti," the executive says.

We also have our TFS brand which offers pre-engineered Architectural Membrane Structures, Shade Sail, Textile Façade, and Biogas Membrane Cover. "I am personally proudest of our impressive project we did for Tabung Haji Putrajaya (IFiC) which still stands as an iconic landmark representing Islamic financial institution in Malaysia."

"It's an inverted cone membrane structure which took a lot of technical expertise. But that's what we're good at: doing excellent work and providing a quality product," he explains.

This adherence to quality and especially the emphasis TFSSB puts on safety differentiates the company's tents, canopies and other structures from competitors who may offer a cheaper but less reliable product.

"This is one of the challenges we're facing, the price wars with mainly Chinese companies. We will not lower our standards to meet their prices, so we have to educate our market that cheaper means bad quality and less safety," Ng says.

"Another clear advantage we have is that in Malaysia at least, we're a local company so we are always available to service our structures and that's been one of the secrets of our success: our focus on our customers.

"Last year was a bit unstable regarding business but for this year things are picking up as we met our target in the second quarter and it looks like we'll do the same the rest of the year," the Executive Director predicts.

"So with the domestic market on the up we're looking forward to new ventures abroad and widening our business in Europe where real quality counts and is appreciated."

INDUSTRIAL EXPORTS CONTINUE TO GROW

THE RIGHT PRICE-QUALITY COMBO PUTS MALAYSIA ON A GROWTH TRAJECTORY



Malaysia is doing very well, thank you. According to the International Monetary Fund, its robust and highly-diversified economy is the third largest among its Southeast Asian neighbors in terms of GDP per capita and ranks as number 34 in the world. And it is only getting better.

Analysts, both foreign and domestic, say that exports are a major driver for the economy with electrical and electronics products, machinery, equipment, parts, mineral fuels, palm oil and processed foods leading the list of Made-in-Malaysia goods selling abroad.

Last year, Malaysia's total merchandise exports were valued at almost $330 billion, the highest on record and up 5.7 per cent year-on-year from 2023, and economists predict that 2025 could set another record.

There are many factors contributing to this sterling performance including its well-educated workforce, political stability, a strong industrial base, increasing use of high-tech manufacturing methods, and last but not least, the country's privileged geographical location in the heart of Southeast Asia.

Indeed, nearby major global maritime shipping routes ease the movement of Malaysia's wealth of exportable goods, whether its petroleum products, tropical fruits, processed rubber, medical devices, semiconductors or so much more.

Transport logistics, whether by sea, land or air, are also highly developed in Malaysia with freight forwarding, warehousing and distribution, customs clearance, container haulage and specialized services, such as cold chain logistics for temperature-sensitive goods at world-class standards.

In addition, the government is improving transport infrastructure to boost the country's role as a logistics hub for not only Malaysia but for all of Southeast Asia and the world.

There is constant activity on the country's network of roads and rail, ports, and airports with the government pumping funds into new projects like the East Coast Rail Link joining the east and west of the country, and the Kuala Lumpur MRT system, all aimed to improve connectivity, ease the movement of goods and develop underserved rural areas.

And further upgrades are on the way under the government's 13th Malaysia Plan with billions of dollars to be invested between 2026 and 2030 for rural 2, 500 miles of new highways, almost 200 new trains and a host of other recent improvements.

A number of Malaysian industries are finding that the world markets are ready to be conquered with this advantages.

Superior Product

In existence for a bare three years PTM Water System is already exporting to two close neighbors and has ambitious plans to eventually serve all the Southeast Asian markets with its stainless steel pipes, tubes and other products.

"We actually created this company to supply clean water," says Managing Director J. Ravindran. "Plastic-based pipes actually cause harm because heat releases some chemicals. Plus, stainless steel is leak free so water, which is a precious resource across our planet, is saved."

"And our product is appreciated. In this short time in the market since our founding in 2022 we have managed to sign up many government entities and most of the country's hospitals use our pipes."

PTM Water System is a 75-per-cent owned subsidiary of K. Seng Seng Corporation, a listed entity. Within the group are other companies involved in steel processing, engineering, marine and industrial hardware and consumables trading, and other activities.

The company's pipes are manufactured in Malaysia with the fittings coming from China as local manufacturers do not have the capacity to produce volume. PTM Water System quality control engineers carefully examine the fittings to ensure there are no leakages.

"There is no compromise on the material itself," the executive explains.

"We set up this company to serve the Malaysian market and then we slowly moved into Singapore and now we are also active in Brunei. So it's a growing market but also a challenge because there are a lot of competitors in the pipe manufacturing sector.

"Here in Malaysia stainless steel pipes are a niche market so there is ample room for growth, easily as much as 20 per cent to 30 per cent. People have a better understanding of stainless steel and how good it is and are migrating from plastic-





based pipes," he says.

Another market the company is exploring is food and beverage. It has supplied Google Kitchen with stainless steel pipes for its kitchens and offices. Another client is a Chinese seafood company which uses the pipes for steaming their products.

"We may soon begin supplying all these branded coffee shop chains springing up everywhere, both local and international. They tell us they prefer steel pipes to copper because it is better and cheaper," Ravindran says.

Now with annual revenue of around $1.2 million and 30 employees, the managing director says the biggest challenge has been finding the right people to not only develop the product but also to market and sell it.

This will be even more important as PTM Water System expands abroad. Now firmly established in Singapore and Brunei, the company has Thailand and Indonesia next on its target list.

"We're looking also at India because it's a very big market for stainless steel and it hasn't really penetrated there as they're still stuck with plastic. Another important point is that our product is easy to use and people can install it themselves," he says.

"Our expansion will count on finding the right partners in these new territories who have an understanding of their local culture and market.

"It's always about the people because they're the ones who are responsible for the quality, the heart we put into making and selling our stainless steel pipes. And you could say that about all the Malaysian people whatever sector they're working in."



DR. ANUAR MOHAMED KASSIM

CEO & DIRECTOR OF ICES

"I'M CERTAIN THAT NOW IS THE TIME FOR MALAYSIAN IP AND KNOWHOW TO GO ABROAD"

Malaysian Innovation

Opening new markets in the East and West is in the sights of Ingeniouscity Engineering Solutions, or ICES, a company which describes itself as providing and commercializing "smart city" ideas and which has its roots in Malaysia's excellent university system.

"ICES is a spinoff company from the Melaka Malaysia Technical University where my principal work was as a lecturer," says CEO and Director Dr. Anuar Mohamed Kassim.

"At first we saw these solutions we came up with as a way to win international awards but then we realized that we could transform these innovations to be commercialized for use by the community, industry and even the government."



"We started in 2022 and since then I have been elected as the small and medium-sized enterprises expert for developing these solutions with the job of seeking out opportunities," he adds.

The executive relates that ICES has developed a range of products for the "smart city" concept which include smart environments, smart buildings and even smart transportation or mobility.

He emphasizes that these innovations will be developed and manufactured in Malaysia, replacing similar solutions which are now coming from China and imported into the country by local trading companies.

"We see in the long term that it's very interesting and very useful in creating knowhow, experience and employment as everything is done here from research and development through production. And this will be easy for us," Kassim says.

"For the smart building, for example, we see a lot of areas which are crucial involving energy use like the level of produced CO2 which we need to monitor so as to increase efficiency."

ICES currently has three innovations on the market. The Siakap fire alarm system for smart buildings, an unmanned marine surveillance vehicle and a smart farm and aquaponics system.

Malaysia's state-owned Petronas oil company is one of ICES' client and the company works with other government



agencies. The executive says the company has a staff of ten people, revenue of between $500,000 and $700,000 and is benefitting from government incentives to hire more employees.

"I believe our products and future innovations will appeal to international markets because with digital expansion the technology can be used anywhere," he explains.

"And we are looking not only at Southeast Asia but also the Middle East and other many developing countries. We're also involved in smart agriculture and we've also started such a project in Belgium.

"We also have contacts in Japan and Turkey and there is a potential U.S. partner who is interested in our AI solution to detecting weeds and dispersing an herbicide to target the weeds," he says.

Plans call for developing a final prototype of this system through machine learning and in two or three years the technology will enable a robot to operate 24 hours a day applying the herbicide.

"I'm certain that now is the time for Malaysian technology, IP and knowhow to go international. The world is open and it's a great moment for us to be the pioneers to take advantage of the exciting changes going on in innovative solutions to the world's problems," Kassim confidently says.

Manufacturing Advantage

Moving from trading in goods to producing them is a common step for many now successful manufacturing companies as was the case with Usaha Dinamik Maju in Malaysia, which turns out polyethylene terephthalate, or PET resins, used in a myriad of packaging products.

"We started in 2020 in the recycling industry selling plastics to clients in Jordan and we were exporting between ten and 15 containers a month," recalls founder and Director Karthik Maya Krisenan.

"I would buy factory grade plastics and sell them on but the problem is that the buyer controls the price. Also here the domestic trade is controlled by a certain ethnic group and as an Indian it was hard to break in so I started exporting and eventually production.





KARTHIK MAYA KRISENAN

DIRECTOR OF USAHA DINAMIK MAJU

"MALAYSIA IS SUCH A GOOD FDI DESTINATION FOR ITS STRONG IP PROTECTION & GEOGRAPHY"

"The transition from trading to manufacturing was not easy. With trading you have a seller and a buyer and you get your commission. When you go into manufacturing you have to include manpower, licensing, etc. and these factors have an effect," he explains.

"But we went ahead anyway and so a year ago we began manufacturing PET resins making five to six containers a month of both flex and pellets for several different clients. The South Koreans, for example, require flex while the Chinese prefer pellets."

PET resins are clear, lightweight, and recyclable thermoplastic with superior moisture and gas barrier properties which makes them an excellent material for beverage bottles, food containers, and liquid packaging.

Being recyclable they are highly desired by clients who wish to reduce their increasingly harmful plastic footprint on the world's ecosystem.

The executive notes that Malaysia is not at the top of the process when it comes to the recycling of plastics and other countries such as Japan, Germany and Spain have much better recycling systems with around 70 to 80 per cent of plastics recovered.

"Another of our Asian markets is Taiwan. In 2024 we were also exporting to Spain and it was one of our major clients," the executive says. "But then the freight charges through the Red Sea went through the roof. Hopefully, that market will recover when the shipping situation improves."

Usaha Dinamik Maju's annual revenue is around $6 million and the director says he wants to increase that by moving into the final stage of the recycling process by making plastic cups, containers and other packaging for big multinational chains like Starbucks.





JIMMY LEE

MANAGING DIRECTOR OF MEGA-RACK INDUSTRIES

"MALAYSIA REALLY FOCUS ON QUALITY AND THAT'S OUR OWN STRENGTH AND ADVANTAGE"

These final use products would be targeted at the domestic market to avoid the headaches and hassles brought on by tariffs, customs duties and freight costs.

"We are fully open to working with foreign partners in these plans for the Malaysian market if the collaboration is the right fit and we could share technology, for example," Krisenan says.

"And I would tell them that Malaysia is a good investment destination because of its geographical location, that the government is very friendly to foreign direct investment, the legal system is strong to protect IP, and the licensing process is fast and easy"

Logistics Expansion

Five years ago, the boom in e-commerce triggered by the Covid pandemic set off a surge in warehouse construction in Malaysia which continued after border controls were lifted at the end of the crisis.

And according to real estate consultants, it still carries on fueled by an increase in semiconductor and other electronic goods manufacturing especially in Penang, now dubbed Malaysia's "Silicon Valley".

Perfectly positioned to supply the racks and shelving for these storage and logistics facilities is Mega-Rack Industries, a Penang-based company which has been in the business since 1997.

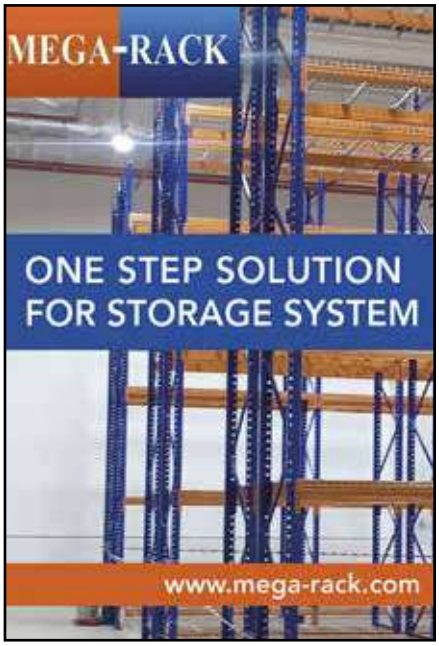
"We started out under a different name and originally all we did was service existing racks and do installations for different manufacturers," recalls Director Jimmy Lee.

"In 2002 we sold other manufacturers' racking systems under our new name, Mega-Rack, and a decade later we began designing and producing our own starting with standard heavy-duty racking systems for industrial use."

Light racking systems were next which could be used in homes as well as in industry and the company set up a showroom so customers, both warehouse operators and homeowners, could see up close Mega-Rack's myriad of offerings.

More showrooms were opened across the country and the first in Kuala Lumpur is set to debut next year. As the company expanded it began taking on large logistics clients and well as many of the country's biggest electronics manufacturers.

Mega-Rack offers a broad array of pallet racking systems including selective, double-deep, drive-in or drive-thru, very narrow aisle, multi-tier and heavy-duty long span, gondola shelving, mobile and others.



It also supplies material handling equipment such as platform hand trucks, hand trolleys, stackers, lift tables as well as pallet trucks.

"At the present we employ around 100 people and our revenue is about $9 million a year just from our sales in Malaysia, but we predict that will increase as we are ready to start exporting," the executive says.

"We have a team right now in Singapore where there are four projects we're working on which will be worth just shy of $1 million and later this year we'll be starting a project in the Philippines."

Twenty years ago Mega-Rack had customers in the Middle East but couldn't support them properly so that ended. Now, the company is looking at returning to the region because of the interesting opportunities there as the oil states begin to encourage their domestic manufacturing sectors.

Lee argues that Malaysian products can be very competitive on the world market not due to pricing but rather due to quality.

"We can't compete on price with China because they're cheaper, but Malaysians really focus on quality and that's our strength and our clear advantage," he says. "And besides, not every customer is looking for a lower price point but rather they want a product of high standard and that's what Malaysia provides."

Over the next five years, the managing director hopes to see the company's annual revenue triple to more than $30 million, three times the current figure.

"Our only challenge to reach that goal that I can see is that we have to get our brand name out there to let people know what Mega-Rack is all about and what we can do for them."

BOOMING TIMES FOR THE DEFENCE SECTOR

THE MALAYSIAN DEFENCE SECTOR IS SET TO GROW IN FOREIGN & LOCAL MARKETS

In this uncertain world with tensions rising between powerful adversaries and old alliances shifting, many nations around the world are boosting their military capacities to meet these challenges with smaller countries striving to make themselves as self-sufficient as possible when it comes to defense.

Malaysia is no exception. With government support and guidance, the country's aerospace, maritime, automotive, weaponry, IT and other industries within the defence sector are expanding, taking on new partners and coming up with cutting-edge products.

Last year, Malaysia's defence budget was estimated at almost $4.5 billion and plans call for it to steadily increase until at least the end of this decade with the country's army, air force, navy and other security forces undergoing extensive modernization.

The country's defense chiefs and military manufacturers are particularly keen to keep ahead of the curve in such fields as air power, air defense, weapons technology development and military personnel training, and welcome outside knowhow and investment.

With its existing manufacturing base, English-speaking population and strategic geographical situation in the heart of Southeast Asia, Malaysia already has the essentials to be a regional military supply and manufacturing center.

Technology Partners

One of the major Malaysian defense contractors providing the country's armed forces with the latest technology in cooperation with foreign partners is the Kemalak Group active in several military and civil industries.

"We founded the group in 2007 after I had served in the Royal Malaysian Air Force and I wanted to continue with them so I set up Kemalak Systems delivering services for an air-to-ground firing range and weapons evaluation," recalls Group President Wira Amir Sarifuddin.

"Now, along with Kemalak Systems we have divisions devoted to aerospace, marine, construction, and under the name of Kemalak



Shield, instrumentation and testing solutions as well as environmental monitoring."

Kemalak Aerospace's largest and most prestigious project is its recent deal to cooperate with Korea Aerospace Industries on producing 18 light combat aircraft, the FA-50M for the Royal Malaysian Air Force, with the first planes to be delivered next year.

Military analysts describe the FA-50M as "the world's best-selling combat aircraft and one of the best-selling light attack aircraft in the world" and different versions are already in service in air forces from the Philippines to Poland, and from Iraq to Colombia.

The group's executives see the project as an opportunity to learn from the Korean partner's technology, research and development and human capital development.

"As far as Kemalak Aerospace is concerned, we only focus on avionics and the electronics of the FA-50M," says the aerospace subsidiary's CEO Khyril Faizi bin Amdan.

"People have asked us why we don't do the whole aircraft from nose to tail but I tell them that's not our concept and we want to focus on what we do best and what we've had the most experience in doing."

Along with Korea Aerospace Industries, Kemalak Group also works with other well-known original equipment manufacturers, or OEM's, such as Hyundai Heavy Industries and Germany's Rheinmetall.



WIRA AMIR SHARIFUDDIN

PRESIDENT OF KEMALAK GROUP

"OUR PARTNERS NEED MORE THAN A BUSINESS AGENT, WE'RE ALSO THE TECHNICAL ADVISORS"

The group president says the key to working with these multinationals is understanding that they need more than a business agent as their partner in countries like Malaysia when working together on high-tech products like aircraft.

"They also need a technical advisor. For example, in helping Korea Aerospace Industries sell their aircraft I make sure that the team will have a pilot with experience in flying the aircraft and engineers who know it inside and out.

"Then you bring in the commercial agent for the actual selling to the buyer, explaining spare parts procurement and after sales servicing. So that's your team: pilot, engineers and the salesperson-logistician," Wira says.

With a payroll of more than 200 and annual revenues of around $35 million, Kemalak Group is now expanding once again, this time into naval and army assets, as well as education.

"So we are basically covering all the armed forces and the biggest opportunity I see is in the navy. All the Royal Malaysian Navy's assets are becoming obsolete so they need new ships," the president explains.

"It is to be financed under the government's 13th Malaysia Plan that sets out and funds expenditures from next year to 2030 and which calls for two Multi-Role Support Ships this decade and a third to be





procured later."

Wira advises companies thinking about coming to Malaysia to do business to be wise in their choice of a partner.

"You have to check if your partner is able or not to cover all the technical, commercial and operational sides of what you want to sell especially to the government. Back 15 or 20 years ago procurement methods were largely influenced by politicians. So if the user wants equipment A, it's suggested you take B because of political interference," he says.

"Now it's more professional, fairer and upfront but you still have to make sure your partner is sound in all aspects of the technical, commercial and procurement processes."

Future Expansion

Doing a favor for a friend led to a new career and the creation of two companies in Malaysia's defense industry which have serviced and supplied the army's armored vehicles for years and which is now looking to expand in providing new boats for the navy.

"I was working in the timber industry back then and a friend of mine who was a general in the army visited me in our lumber camp out in the jungles of Borneo," recalls James Liew, the founder and executive chairman of V&W Venture and V&W Defence Services.

"When I returned the visit to his camp he showed me some armored vehicles they were having mechanical problems with and as I had worked with bulldozers which have similar engines I was able to help him.

"And that's when I thought: 'We can do this kind of job and make a business of it.' And so I created V&W Venture in 2016. At first we didn't have any experience but we got paid and we were on our way," he says.

"But we saw that one couldn't make enough money just doing repairs and upgrades so we decided to get into supplying parts and components for the army's armored and tracked as well. Four years later we set up V&W Defense Services"



JAMES LIEW

EXECUTIVE CHAIRMAN OF V&W VENTURE

"MALAYSIA'S DEFENCE INDUSTRY HAS A LOT OF POTENTIAL AND WE ARE ON THE GROWTH TRACK"

The core business is the importing and supplying of foreign-made spare parts from the original manufacturers for armored military vehicles and self-propelled artillery used by the Malaysian Army and provides repair and upgrade services.

Among the vehicles the companies work with are the U.S.-designed M113 series of armored personnel carriers, South Korea's MIVF, the Turkiye-designed Adnan fighting vehicle, the M109 howitzer, Poland's PT-91 main battle tank and many others.

The companies employ around 40 people and post an annual revenue of close to $5 million.

Following its years of experience with military land transport and weaponry, the companies are now developing a fast boat made of high-density polyethylene, or HDPE, which can be used in a range of operations such as patrol, coastal and harbour security.

In charge of the development which is being done with the cooperation of a South Korean manufacturer in a joint venture involving technology transfer is the executive chairman's son and the companies' general manager, Vincent Liew Shang Pang.

"This project will come under the auspices of V&W Defence Services and the Malaysian Navy has already shown interest in it for their diving operations and are carrying out tests on our prototype," he says.



"It's a very robust material and so it's easier and less expensive to maintain unlike fiberglass or aluminum, and it will be made here in Malaysia. Our Korean partners will not only carry out technology transfer but also bring their experts to teach our people how to manufacture the boats."

This requires the purchase of a shipyard, just one part of the plan for expansion the executives have over the next several years

"Malaysia's defence industry has a lot of potential and we're certainly on the growth track," says the executive chairman.

Price Advantage

A pioneer in Malaysian military innovation is Mindmatics which has just celebrated its 20th anniversary as a leader in cutting-edge technology used by the country's armed forces and internal security services, including the platforms of the moment, drones.

"We started out as a systems integrator but slowly realized that we couldn't remain as just an integrator and would have to build our own product, a niche product that could be sold directly to the customer," recalls Director Abdul Wahab Bin Sulaiman.

Four years after its founding, the company completed its first job for the defence industry and then in 2014 it developed a fixed-wing monitoring drone for the Malaysian Army, the first in the country to do so.

"Unfortunately as we were introducing the drone we felt the market was getting tighter and tighter with margins becoming lower and lower. But the defence ministry stuck with us because they had no other local supplier," the executive says.

Mindmatics has moved on to produce a range of its own applied technology manufacturing two versions of the state-of-the-art drones, fire control and coastal surveillance radar units and passive emitter trackers.

Its communication interconnecting system is vital in operations requiring speedy and steady interchange of data across multiple communication channels providing network interoperability.

The company also manufactures rapid encryption devices and tactical data links wable to provide support for real-time tactical information exchange between joint units in combined military operations.

Other products include command and controls suites, combined naval tactical command systems, tactical recon tools to monitor wireless networks to detect threats and geo-location devices.



ABDUL WAHAB BIN SULAIMAN

MANAGING DIRECTOR OF MINDMATICS

"WE HAVE A PRICE ADVANTAGE AND OUR TECHNICIANS ARE AS GOOD AS THOSE IN THE U.K."

Mindmatics posts annual revenue of around $12 million and employs 120 people between permanent and temporary staff.

"We focus on supplying the Malaysian military but we're not restricted from any foreign markets. As a 100 per cent privately-held company our only restriction is getting an export license from the government," the managing director says.

Bin Sulaiman argues that Malaysian defence technology is excellent, of world standard and cites the company's own passive radar as one of the best in the world.

"If you're looking at defence gear, Israel is right at the top, then the United States and then the Europeans. We're not quite there yet but then nobody else is either so we're probably at 60 to 70 per cent of what they can do."

"But we're also more affordable. One set of our passive radar sells at around $20 million and there's a Czech-made radar, same product, similar performance, that sells for $52 million," he says.

"So there is a pricing advantage in Malaysia. If we are as good as the technicians in the United Kingdom for example, why not use our Malaysian-designed and Malaysian-made technology at a fraction of the cost?"

"We have to develop our own kamikaze drone, for example. Malaysia is not an aggressive country in terms of picking fights with others. But in case something happens we can't be too dependent on others."





Global Mindset

In the military aviation sector, aircraft are almost constantly in use whether in actual conflict situations, pilot, crew and equipment training, humanitarian operations or many other missions.

Keeping these fixed-wing and helicopters air worthy requires a speedy and reliable supply chain and Malaysia's FJ Global Aeroparts has been filling that role around the region since 2013.

"I would say that 90 per cent of our business is military," says founder, major shareholder and Managing Director Faridah Abdullah who has 20 years' experience in the sector.

"Our operations employ around 16 people and our annual revenue is usually between $6 million and $7 million," she adds.

"Along with aircraft parts we also supply spares for tanks, military vehicles, components, tools, test equipment and other items such as ground support equipment, hydraulics, avionics instruments, etc."

FJ Global Aeroparts also provides repair and overhaul management programs with approved U.S. Federal Aviation Administration and European Union Aviation Safety Agency repair centers worldwide.

Along with the Royal Malaysian Air Force, the company has contracts with the air forces of countries such as Indonesia, Bangladesh, Pakistan and the Philippines.

"So almost 50 per cent of our revenue comes from countries other than Malaysia. As the sector we serve is considered high risk, it was difficult obtaining financing from banks. So we had to work with cash in hand," the executive recalls.

"But that was when we handled weapons and as we now no longer provide support for sensitive items and focus on normal items financing has become easier. For instance, we just received a large contract worth $2.6 million from the Bangladesh Air Force for fuel and other supplies for a United Nations mission."



FARIDAH ABDULLAH

MANAGING DIRECTOR OF FJ GLOBAL AEROPARTTS

"WHAT SETS US APART IS THAT WE UNDERTAND THE NATURE OF BUSINESS IN OTHER COUNTRIES"

Depending on the type and origin of the aircraft the company is supplying its parts come from the United States, the United Kingdom or from Europe. If a client flies maricans planes such as the F-16s, F-18s or C-130s, for example, the components will need to come from the United States.

In these tense times, the managing director says demand has increased tremendously. From the Malaysian armed forces not so much but from Bangladesh, for which the company has worked for ten years, procurement has risen recently by 30 per cent.

"There can be occasional problems getting what we need. But we have many sources, not only one, and we work with our own approved supplier list and not just the original equipment manufacturer," she explains.

"So we have good relationships not only with the manufacturer but with the distributor all over the world to ensure we get what the client needs as quick as possible."

The managing director says clients use FJ Global Aeroparts for a number of reasons starting with the personalized service they can provide 24/7 as a small, flexible company. In addition, the company understands the nature of business in Southeast Asia.

"So these are our advantages: our mindset is global, we understand the nature of business in our client countries and we supply spares with all the qualifications so we're trustworthy. This is what sets up apart."



TECHNOLOGY IN THE FOOD INDUSTRY

NEW NEEDS AND CUSTOMER DEMAND PUT TECHNOLOGY ONTO THE DRIVING SEAT

A rich ethnic and cultural mix, coupled with Malaysia's vast bounty of agricultural and marine produce and state-of-the-art processing have made the country a world-class producer of foods and beverages.

Private enterprise and the government are making sure the country's farm and fishery offerings are helping meet the demand not only of Malaysia's rapidly growing sophisticated middle class but also the demand from overseas markets which are taking note of the country's offerings.

Officials estimate that the food industry accounts for around 10 per cent of Malaysia's manufacturing output with processed foods alone contributing around $5 billion to the local economy.

Average annual food industry revenue stands at about $50 billion and is expected to grow more than 8 per cent annually over the short term with the food and beverage industry assisted by government incentives including tax breaks and other measures.

Malaysia is also one of the global leaders in halal foods which must be processed according to strict Islamic custom, and the Southeast Asian nation's exports of these halal label items are valued around the world by the growing number of the faithful in Asia, the Middle East, Europe, Africa and North America.

Also attractive to consumers wherever they are is the country's sterling reputation when it comes to food safety and sustainability with producers taking the upmost care in safe and sustainable production, packing and distribution.

International Opportunities

Within the three years it began operations, Intelligence Traceability, or ITRACE, has become the premier company in Malaysia working to allow a range of industries to digitally track their products to ensure safety, regulatory approvals and other concerns.

"We can trace products from end-to-end, from production to consumption," says Managing Director Tay Wee Huat. "For example, with food from the farm to the table and we also work with medicine, the alcoholic beverage industry and tobacco."

Established in 2020, the company was put on hold because of the Covid pandemic and eventually became operational two years later. ITRACE entered a bid for a government contract to trace tobacco and liquor but lost, forcing the firm to look for something else.

"We saw that in the United States, Europe and even China they had come up with very complete frameworks for how traceability needs to be done and we decided to do the same here," he recalls.

"So we came up with two sectors which are important in Malaysia, halal products and palm oil, for a traceability framework. Halal because the country is a world leader and palm oil because it's a vital export commodity and there is great concern about its sustainability regarding the environment."

"Even though Malaysia claims that deforestation to clear the jungle for palm oil plantations is not an issue, others disagree. Traceability can prove the oil comes from sustainable sources," he explains.

Malaysian government entities such as the Ministry of Science, Technology and Innovation and other stakeholders approved funding and other support for the traceability framework and the company is working with China on the first cross-border project.

Even though China is not a Muslim-majority nation, Tay notes that it is the number one halal producer in the world so it was logical to work with the Chinese who have already established a framework.

"We've now established our connection between our system and the Chinese system so halal imports and exports will be able to move between both countries, so we're starting our international operations," he says.

"Once we have the experience with China we have a five-year roadmap to expand traceability frameworks throughout the region. We have customers in Indonesia and are expanding to Thailand, and the Philippines and Vietnam might be next."





TAY WEE HUAT

MANAGING DIRECTOR OF ITRACE

"WE HAVE A 5-YEAR ROADMAP TO EXPAND THE TRACEABILITY NETWORKS IN THE REGION"

In applying a traceability system to fish and seafood, for example, fishermen use QR Code tags, GPS and RFID tags to document where and when seafood is caught. At processing plants and wholesale markets, the seafood is scanned and logged into a digital system, recording details like handling procedures and quality checks before shipping.

Throughout transportation, the seafood is tracked using GPS and IoT devices to monitor conditions such as temperature and location. At the retail level consumers can access detailed information about the seafood's journey via the QR codes.

"People want to know where the food on their plates came from, if production is sustainable, if it is kept in a safe environment regarding storage and refrigeration, if regulatory requirements are met, etc.," he says.

"But there is still a challenge in changing the mindset and in Southeast Asia people are not yet fully aware of things like food safety or carbon footprints in production and transportation and these things. But it's improving."

ITRACE is now working on cold chain logistics and is also involved in urban farming starting with the seedlings of crops, applying fertilizer, watering and nurturing until harvest.

"We hope that in three years' time the entire platform is successful and then we can become the leaders in terms not only in individual solution sales but the complete framework as well."

Competitive Location

Automation in industry, the concept of "robot" machinery doing tasks once performed by humans, is taking off in all sectors not least in the food and beverage business



where Prima Automation is active.

"I started this business in 2015 two years after I retired from being the CEO in China, Malaysia and Taiwan for a German robotics company" recalls CEO Mun Chee Yin.

Back then, the robotics company focused on selling standard robots rather than complete solutions. Our goal was to provide comprehensive automation—including production, intralogistics, and IoT—by integrating advanced technologies for smarter, autonomous manufacturing operations. The above also include design and fabricate customized machines, which are not available in the market, for assembly of various types of components."

Our intralogistics automation solutions include various types of conveyors, autonomous mobile robots, various types of ASRS, picking and sorting systems.

We design and build Cloud based IoT solutions which clients can subscribe to it for monitoring of their production lines in real time from anywhere in the world using browser or mobile Apps. The data can also be uploaded to the company's ERP system and used for process and cost improvement analysis.

"Among our first customers back then were food and beverage manufacturers which remain as our main market although we now also serve the automotive industry, electronics, plastics, metal goods and others."





MUN CHEE YIN

CEO OF
PRIMA
AUTOMATION

"MALAYSIA IS STILL A GREAT PLACE FOR THE AUTOMATION INDUSTRY TO BE LOCATED"

Prima Automation's 20-strong team works with clients to come up with the design for the assembly tasks. Parts and components are manufactured by partners located nearby.

When the machine's components are returned, it is assembled, programmed and tested before the customer is invited to our factory for acceptance test. Upon successful acceptance at our factory, the machine will be delivered, installed, tested and commissioned again in client's premise for production runs.

"Our mainstay industry, food and beverage, is where I see the most continual growth for us," the executive says.

"One of my main concerns going forward is the lack of highly-skilled engineers."

"Another factor impacting this problem is because of the weak currency in Malaysia, many of my trained engineers were headhunted by Singapore companies.Despite the shortage of engineers, Malaysia's robotics industry is competitive in the region because Malaysia has adopted robotics technologies in the manufacturing industry for more than 35 years and has been heavily involved with knowledge transfer from Europe and Japan since then.

"Industry, including our sector, has a bright future because we are in the center of Southeast Asia and everywhere is a flight of just around three to four hours away," Mun says.

"For anyone looking for automation solutions in the manufacturing industry in this region, Malaysia is a great place to check out."

Safety First

As Malaysia's population grows and food producers and processors proliferate to meet the rising demand for consumables, safety is an increasing concern and two companies, Empire Bioscience and Perfect Laboratory, are doing something about it.

"Food safety is compulsory in these times because our population is now at 35 million," explains Jerald Wong Lian Hin, the founder and managing director of both companies.



"The more population, the more food and that means more regulations for food safety. It also means the government is keen to attract investors into the sector and with more food producers, the more business for us."

Empire Bioscience was the first of the companies to be established 15 years ago to provide a comprehensive range of food hygiene testing and monitoring technologies and top-of-the-range laboratory equipment.

Over the years it has partnered with such prestigious suppliers as 3M Food Safety, ProGnosis Biotech, Optimal Hygiene, Chemiz, Kirgen and others. It is now the sole distributor for Neogen which acquired 3M Food Safety.

"We now employ around 20 people and have an annual revenue between $4 million and $5 million.

Business was flat during the pandemic and for several years afterwards but since then it's been growing at 18 to 20 per cent," the executive says.

Among the products Empire Bioscience sells are molecular detection assay kits for an array of food-borne diseases, bacteria count plates, petrifilms, protein allergen rapid kits, swabs and other testing and moni-



toring equipment.

"My main challenge is now manpower especially regarding sales because this business is mainly concept selling. We need to explain to the potential buyer the technology and pinpoint the features," he says.

"Our ideal salesperson is a microbiologist or a life sciences graduate, someone who is knowledgeable about and comfortable with the science involved in using the devices."

In 2020, Wong set up the second company, Perfect Lab, which focuses on micro testing and has an ISO 17025 qualification, an international standard for testing, sampling and calibration laboratories that sets requirements for competence, impartiality, and consistent operations to ensure valid results.

"This new company is now five years old and I consider it still in its growth stage and more people know us.

At Perfect Lab we help them to do the verification of a product, they see the report and then they purchase what they need from Empire Biosciences.

"Also", he adds, "we can issue the certificate of analysis for them and as we use Neogen's rapid method the whole process can take just up to two days, whereas at other labs in can take as long as seven days."

Wong is currently collaborating with another laboratory which has expertise in chemical analysis and he describes the collaboration as a "win-win" situation with everything necessary on one single platform.

And over the next three to five years, he is now thinking of setting up several franchise operations around the country acting as a consultant on the building of the premises and setting up the laboratories and selling the franchisee the furniture and lab supplies and equipment from the mother company.

"Again, this is a win-win deal because as the sole distributor for Neogen we expand sales through the franchise. We're open to partnerships and joint ventures with anyone who has the interest and the right background."

Difficult Beginnings

One would think there's nothing new to improve a staple food item like the humble egg but one Malaysian engineer has done just that using one of the most basic life forms on the planet: algae.

"Although I´m an engineer I've always had a passion for food and I bumped into a



group of guys who introduced me to algae which is way on the bottom of the ocean food chain but full of nutrition," the founder and president of Fornix Foodstuff, Paul Lim, recalls.

"This was around ten years ago when the whole healthy food trend took off here and we came up with the idea of introducing algae-enhanced ingredients into the feed of laying hens with the eggs sold under the brand name Onzen," he says.

Sourced from Japan, the algae that the company uses contains astaxanthin and is consumed by sea creatures such as crabs, salmon, lobsters and shrimp.

Scientists say astaxanthin is 6,000 times stronger than Vitamin C and several thousand times healthier than broccoli.

Approved by the U.S. Food and Drug Administration and health regulators in Europe and Canada, astaxanthin contains a wealth of antioxidants which benefit the immune system, vision, fertility, the cardiovascular and central nervous systems and more.

According to the company, the eggs also boast a natural and bright yolk color, smooth and creamy texture, and despite the algae's marine origins there is no fishy taste or odor.

"At the beginning it was tough because we had to get people to believe in its value, of paying twice the price for normal eggs.

"But we've found that once people try



PAUL LIM

PRESIDENT OF FORNIX FOODSUFFS

"ONCE PEOPLE TRY THEM THEY KEEP COMING BACK AND NOW 90% ARE REPEAT CUSTOMERS"

them they keep coming back and of those to whom we sell directly, 90 per cent are repeat customers," the president says.

"It has taken us about four or five years to break even and we've been making a profit for the past two or three years and now we have annual revenue of $1.5 million. And each year gets better with 20 per cent growth."

Fornix Foodstuffs works with poultry producers whose chickens are vaccinated and fully certified to be healthy. Once qualified, the farms are provided with the enhanced feed. When the eggs are produced, the company tests them to ensure they meet its standards.

Malaysia's premier egg market is worth around $70 million per year and with just some 2 per cent of the market, the company still has a lot of room for growth.

"Our first export market will be Singapore and then later on the Philippines," Lim says. "Further down the line we could come up with other products like the chickens themselves or meat. Healthy, natural, chemical-free, this is what we need because there are too many uncertainties now in our food."

"All of this will take belief in our products and educating the public ," the executive explains. "But the success story of our eggs proves it can happen after a difficult beginning."



LIFE SCIENCES TAKE THE CENTER STAGE

THE SECTOR IS NOW FIRING ON ALL CYLINDER AS THE ECONOMY MOVES AHEAD

Malaysia is becoming a growing regional and even global center for the health sciences sector due to a range of factors, attracting heavy investment which is set to maintain the country's importance in the industry well into the future as health and life sciences play an increasingly vital role.

Multinationals are taking note. Medical device companies like Boston Scientific, Edwards Lifesciences, Abbott, St. Jude Medical, Teleflex and others have set up production in Malaysia and the growing number of other pharmaceutical, biotech, precision medical testing and scientific equipment firms, both international and local, are betting on the country.

These companies value Malaysia for its strategic location in Asia easing exports and imports, steady domestic market growth with the healthcare sector increasing by 11 per cent annually, political stability, highly-educated work force, wide use of the English language, and pro-healthcare industry policies launched by the government.

This year marks the 20th anniversary of the government's National Biotechnology Policy and the 15th anniversary of the National Bioeconomy Program, both of which were the first such initiatives in Southeast Asia. Malaysia is also one of the most advanced nations in the region regarding biosafety regulations and laws which fully meet global standards.

End to End Capability

CCB's integrated operations cover the entire product lifecycle from concept development and design to tooling, extrusion, molding, assembly, validation, packaging, and logistics.

"Our strength lies in handling every stage in-house," Dr. Khaw explains.

"That ensures traceability, consistency, and speed — qualities our global partners rely on."

Quality without Compromise

Every process at CCB is driven by regulatory compliance and a culture of continuous improvement. The company adheres to ISO



13485 and other international medical-device standards, maintaining full documentation for every batch and process.

"We source only certified medical-grade materials from globally trusted suppliers," says Dr. Khaw.

"Quality and traceability are nonnegotiable they define who we are."

Investing in Technology and People

Continuous investment in technology and talent lies at the heart of CCB Medical Devices' growth strategy. The company has steadily advanced its capabilities through automation and robotics, strengthening hygiene, precision, and consistency across its operations. These upgrades form part of CCB's move toward a smart manufacturing ecosystem, enabling faster validation, improved traceability, and greater reliability for its global partners.

"Technology delivers precision, but people deliver excellence," says Dr. Khaw

A Vision for the Future

As the global demand for advanced medical technologies continues to accelerate, CCB Medical Devices is preparing for its next phase of growth with a clear and ambitious roadmap. The company plans to expand its manufacturing capacity and strengthen its role as a trusted production partner for international OEMs seeking high-quality, compliant, and scalable manufacturing solutions.



DR. JS KHAW

COMPANY DIRECTOR OF CCB MEDICAL DEVICES SDN. BHD.

"EACH PRODUCT CARRIES A SHARED RESPONSIBILITY TO UPHOLD THE DOCTORS' TRUST"

CCB is also exploring deeper collaborations in biocompatible materials, device innovation, and smart manufacturing systems, aiming to integrate new technologies that enhance both performance and sustainability. Beyond technical development, the company envisions a stronger contribution to Malaysia's medical-technology ecosystem by nurturing skilled talent, promoting responsible industry standards, and sharing best practices with local partners and institutions.

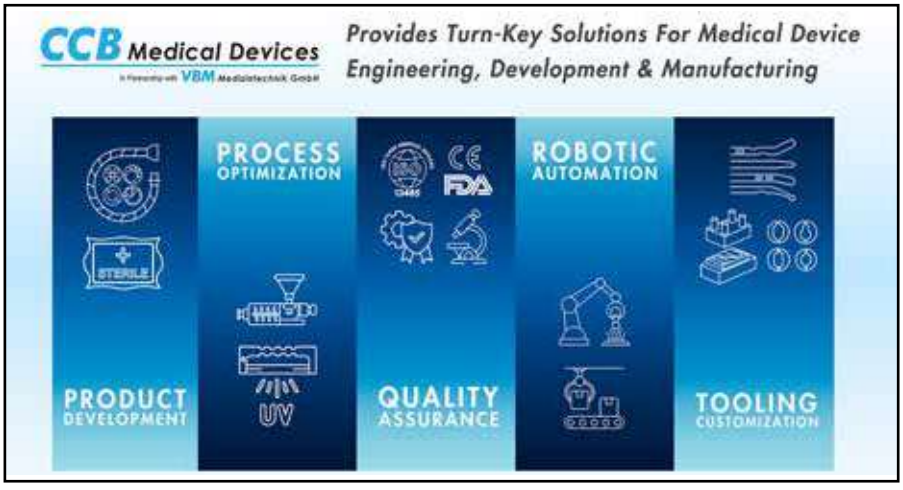
"The future is not only about growth, but about improving lives through better healthcare," says Dr. Khaw.

Complete Solutions

At CCB Medical Devices, manufacturing excellence is defined by precision, reliability, and full in-house control from concept to completion. Our integrated facilities combine advanced technologies with disciplined quality systems to deliver end-to-end medical device manufacturing for global healthcare partners.

Our extrusion capabilities include single-lumen, multi-lumen, and custom-profile tubing made from certified medical-grade materials. These materials are selected for their biocompatibility, flexibility, and consistent performance in critical applications like airway management and drug delivery.

Through injection and blow molding,





CCB produces complex and durable medical components with high dimensional accuracy. Our expertise extends to multi-component molding and multi-layer blow molding, enabling reliable product performance and strong structural integrity.

To ensure product safety and compliance, our packaging and labeling operations follow ISO 13485. From extrusion to final packaging, CCB Medical Devices provides trusted, high-quality manufacturing solutions that embody our commitment to innovation, compliance, and patient safety.

"With companies like ours as an example, it's clear that Malaysia is not just a glove manufacturer of latex gloves that it became known for during the Covid-19 pandemic," Khaw emphasizes.

"Malaysia is also able to produce the most sophisticated healthcare products as we have the right people, the right resources, and the right knowledge to deliver these to our global customers."

International Expansion

Rapid expansion across the region has been a success for Calia Technology which supplies measurement equipment for processing, quality control, and testing across a wide range of industries, says founder and Director Shankaralingam Satgunalingam.

"Since 2023 we have widened our distribution network from Malaysia to include Singapore, Indonesia and the Philippines, and Vietnam is in the pipeline," he explains.



SHANKARALINGAM SATGUNALINGAM

DIRECTOR OF CALIA TECHNOLOGY

"OUR DISTRIBUTION NETWORK NOW INCLUDES SINGAPORE, INDONESIA AND PHILIPPINES"

"And over the same period of time we have expanded our product range to represent at least 20 globally-recognized brands. And unlike most other distributors we concentrate on one single market where we have anchor products and complimentary lines."

But such expansion has not always been easy. Cash flow is one major headache as the new entity has a plethora of challenges like training employees to understand the products and figuring out the right market tier to target.

"Sure, you represent reputable brands but you're the new kid on the block in each country," the director says. "So for the first six to nine months you have to set up the office, pay salaries, invest in marketing and generally sustain the business."

Calia Technology's clients come from a variety of sectors including pharmaceuticals, food, textiles, chemicals, paint, paper, plastics, building materials and others.

It supplies equipment from such prestigious multinational firms as Atlas, Victor, Edinburgh Instruments, Precisa, Seal Tick, HunterLab and Techcomp which provide everything from amino acid analyzers and analytical balances to viscometers and weathering testers.



Along with distribution, the company offers its customers support services such as calibration to meet the verification and calibration needs of the materials testing community and a demonstration lab where clients can test equipment hands-on, ensuring they select the best solutions for their specific needs.

Other services include customized testing solutions for various materials including rubber, metals, plastics and composites supporting sectors such as automotive, medical, and manufacturing, and training on its products.

Quite an accomplishment for a company which the founder started all on his own after leaving a position as a general manager at a large locally-based multinational and taking its equipment suppliers with him.

His next step was to cement the trust of the new team of senior management and other key personnel in the startup which he managed to do and which continues to this day.

"I always tell my staff that that the products and services we provide and the business we are in is not 'sexy' but it is very essential," Satgunalingam explains.

"You can pick ketchup, potato chips or practically anything and almost every one of those things have been tested and given the quality go-ahead thanks to instruments we have supplied here in Malaysia."

"We're not selling thing like weapons but rather products that help build Malaysia. Being in any business is great but it usually just affects one sector but we actually provide solutions to the entire economy and not just here in Malaysia but in our other markets as well."

Strategic Partner

According to its Managing Director, Jeffrey Aw, Innovation X Solutions has, in just three years, established itself as that crucial bridge for Malaysia's top-tier pharmaceutical, nutraceutical, and food manufacturers. The company provides the essential raw materials and, more importantly, the technical partnership that allows its clients to develop products that keep Malaysians healthy and fuel the industry's growth.

"Our role transcends traditional distribution," Aw states. "We position ourselves as an integrated technical partner. For our generic pharmaceutical customers, this means we supply a comprehensive portfolio of both Active Pharmaceutical Ingredients (APIs) and critical inactive ingredients (excipients),



JEFFREY AW

MANAGING DIRECTOR OF INNOVATION X SOLUTIONS

"WE POSITION OURSELVES AS AN INTEGRATED TECHNICAL PARTNER NOT A DISTRIBUTOR"

which are the fundamental building blocks of any drug formulation. However, our unique value is delivered through what we call our 'API Plus' model. This model is designed to significantly accelerate our clients' development cycle times by providing not just the raw materials, but also foundational technical data, regulatory guidance, and formulation support that helps them overcome common development hurdles and get to market faster."

This technical partnership extends seamlessly into the nutraceutical and health supplements sector. Here, Innovation X Solutions provides high-quality plant extracts, vitamins, minerals, and other specialized active compounds. "In the nutraceutical space, the key challenges often revolve around efficacy and stability," Aw explains. "Our technical team works closely with manufacturers to solve complex problems, such as improving the bioavailability of a nutrient in a capsule or ensuring the potency and shelf-life of an active compound in a tablet. This deep collaboration ensures that the end products are not only effective but also meet the highest standards of quality and reliability that consumers trust."

The company's ingredients are integral to a vast array of health applications. These range from foundational pharmaceutical treatments for chronic conditions affecting the heart, liver, and digestive system, to wellness-focused nutraceuticals for bone and joint support, cognitive maintenance, anti-aging, and weight management.



Resilient and Certified Growth

Operating in these essential industries provides Innovation X Solutions with a bedrock of stability. "The demand for medicine, health supplements, and nutritious food is non-negotiable and persists through all economic cycles," Aw notes. "This inherent demand makes our business model exceptionally stable and resilient."

A powerful driver of this resilience is the company's strategic halal certification. "As a Malaysian company, this isn't just a checkbox for us; it's a core competitive advantage," Aw elaborates. "For our pharmaceutical clients, it opens doors to the vast and growing Muslim-majority markets. For our food and nutraceutical partners, it is often a prerequisite for both domestic success and international expansion, particularly into the burgeoning markets of the Middle East and Southeast Asia. This certification, backed by our rigorous quality controls, provides a compelling value proposition that directly contributes to our robust growth trajectory."

Two-Phase Blueprint

Looking ahead, Innovation X Solutions is executing a clear and deliberate growth strategy, divided into two distinct phases.

Phase 1: Deepening Domestic Dominance (Now - 2028)

The company's immediate and unwavering focus is on strengthening its leadership within the Malaysian market. "Before looking outward, we are fortifying our home base," Aw affirms. This involves several key initiatives:

· Portfolio Sophistication: Actively pursuing the registration of high-value and complex generic pharmaceuticals. This move up the value chain allows the company to provide more sophisticated, difficult-to-manufacture APIs that offer higher margins and meet critical healthcare needs.

· Enhanced Customer Engagement: A significant expansion of the technical sales and support team is underway. This ensures that every client receives faster, more responsive, and deeply expert service, reinforcing the company's partnership ethos.

· Supply Chain Reinforcement: Strengthening logistics and inventory management to guarantee unwavering reliability for its local partners.

Phase 2: Strategic Regional Expansion (2028 Onwards)



ALAN NG KING HAO

CEO OF IGNUSLAB & BOTANY BIOTECH

"WE WERE ABLE TO IDENTIFY AN ANTI-MICROBIAL PEPTIDE PERFECT FOR THE MARKET"

With a solidified and dominant position in Malaysia, the company will pivot to a regional growth model. "By 2028, we will be perfectly positioned to systematically expand and serve customers across Southeast Asia," Aw explains. The goal is to bring Innovation X Solutions' unique "API Plus" model and high-value portfolio to the massive and rapidly growing consumer markets of Thailand, Indonesia, Vietnam, and the Philippines, establishing the company as a regional powerhouse in the life sciences ingredient supply chain.

Malaysian Ingenuity

Improving the health and disease resistance of livestock from farmed fish to cattle is a task that is increasing in importance as global agriculture races to meet the food needs of the world's growing population.

Two sister Malaysia-based companies, Ignuslab and Botany Biotech, are leading the way to ensure that farm animals can fight off disease and boost their nutrition through the use of antimicrobial peptides (AMPs) and lessen reliance on sometimes harmful, and increasingly ineffective antibiotics.

"We are concentrating on manufacturing antimicrobial peptides as partial replacement products for antibiotics," explains Alan Ng King Hao, the CEO of both companies which are a joint Malaysian-Indonesian project.

Also known as host defense peptides,



AMPs are naturally occurring proteins produced by nearly all living organisms as part of the innate immune system to defend against pathogens.

Along with their direct antimicrobial effects, AMPs also modulate immune responses.

"Actually, anti-microbial peptides have been around for quite a while but until now it has been difficult to commercialize them. But we spent a lot of time experimenting and were able to identify one which is perfect for the market," the executive says.

"We specialize in delivering customized AMP-enriched animal feed solutions to clients around the world to enhance livestock performance through tailored nutrition strategies that support sustainability and the evolving needs of the animal feed industry.

"AMP's are not a way to totally replace antibiotics but they work very well when combined with antibiotics and they can slow down or stop resistance to antibiotics and that's good for everyone," he argues.

King Hao notes that there are Chinese firms locally certified to produce antimicrobial peptides but there are regulatory difficulties for exporting to other countries, noting that these companies are unable or unwilling to reveal the active ingredient, nor provide the molecular structure or weight.

"It is a mission impossible for Chinese companies to register their products like this on the internationally-recognized Generally Regarded as Safe, or GRAS, list from the U.S. Food and Drug Administration concerning bacteria," he explains.

"This issue can affect Chinese access to markets like in Europe, India or Pakistan."

Inguslab and Botany Biotech develop antimicrobial peptides as feed additives for poultry, fish, pigs and cattle for enhancing gut health, boosting immunity and improving productivity.

The companies are receiving positive feedback from trials of their test production in countries like Bangladesh, Ivory Coast, Egypt and Thailand.

"We just got some feedback from a local client who told us that just a week after they started using our product it has been found to be better than the one they were using before to replace antibiotics so we're very confident," the CEO says.

King Hao sees India, Pakistan and Bangladesh as the companies' major markets in the future and predicts annual revenue of some $100.



"I think that by the end of the year we will begin to build our full production facility which will cost us between $5 million and $10 million and that shows we're very confident of our future."

Ideal Location

All scientific research and manufacturing requires the most exact methods of measuring, testing and monitoring, and supplying equipment of the highest international standards for such tasks is the job of ESICS Technology.

"Our company is involved in distributing scientific testing equipment and providing solutions for various quality control procedures in manufacturing facilities here in Malaysia," says founder and Director Paramaswaran Supramaniam.

"I founded the company in 2021 when I understood that Malaysia was developing from a Third World nation to a developed nation," he recalls. "But we were trapped in this transitional phase with manufacturing being done by local players.

"It seemed we couldn't find our way to the next level so I figured that quality assurance was one of the ways to do this by enabling local manufacturers to obtain international standards of excellence by using the best imported equipment. That's the reason we started this company," he says.

ESICS Technology serves a variety of industries from food and beverage to petro-





PARAMASWARAN SUPRAMANIAM

DIRECTOR OF ESICS TECHNOLOGY

"WE ARE NOW INTERESTED IN WIDENING OUR PORTFOLIO INTO MEDICAL EQUIPMENT"

chemicals as well as cosmetics and medical packaging.

It supplies equipment to its Malaysian customers from leading global manufacturers such as Brookfield Ametek of the United States, Japan's Atago and HST of China to provide solutions addressing product viscosity, permeation, tensile and other qualities.

The executive says that one of the most dynamic industries in Malaysia to which the company supplies equipment is halal food manufacturing, noting that exports of these religiously-certified products are now worth around $10 billion a year.

"I foresee this industry growing bigger in the near future and I believe Malaysia is number two in the region led only by Indonesia. But we could certainly become number one in a few years which means a lot of potential for our company," he explains.

As part of a long-term expansion plan ESICS Technology has already set up subsidiaries in Cambodia and Sri Lanka with local talent managing the territory overseen and directed from company headquarters in Malaysia.

Eventually, Supramaniam would like to have established a branch in every country in Southeast Asia working with reliable local partners providing not only employment but also awareness of the assurance of quality in manufacturing.

"We're also interested in widening our portfolio into medical equipment and devices and other research-based implements," he says. "It is a different market for us but we already serve the medical sector for wrapping and tablet packaging, for example.

"So we'll go into the manufacturing side of healthcare but the next step will be research."

"There is also the high standard of living, low costs and perhaps most importantly of all the caliber of our education system.

"Malaysia," he notes, "is no longer a Third World country."

OIL & GAS SET FOR STRONG RECOVERY

AFTER A WEAK 2025 SIGNS POINT TO A VERY STRONG REBOUND IN THIS SECTOR



A visitor to Malaysia's capital Kuala Lumpur cannot miss the famed Petronas Towers rising side-by-side into the heavens and at 88 stories or almost 1,500 feet, the world's tallest double skyscraper.

Named for the national petroleum company Petronas, the earnings of which have driven Malaysia's economic fortunes and public finances, the towers are the perfect symbol for the high expectations of the country, one of Southeast Asia's most vibrant.

Indeed, oil and gas is responsible for a sizable proportion of Malaysia's exports and foreign exchange earnings and the sector has gone from strength to strength since the 1970's when a host of new offshore fields were discovered and began to be exploited.

In 1990, petroleum derivative products worth $5.4 billion were exported from the country with that figure rising almost seven times to $34.5 billion in pre-Covid 2019.

Two years ago, Malaysia exported more than $35 billion in refined petroleum and $16.5 billion in crude oil, totaling over $50 billion in fuel exports and constituting over 17 per cent of Malaysia's total merchandise exports

Analysts say 2025 should also be a good year once Petronas revs up planned projects delayed because of a spat between the company and Sarawak and Sabah states over gas rights.

The world's major international oil companies have flooded in for a piece of the action in Malaysia while hundreds of local firms in dozens of fields related to the exploration, drilling, processing, storage and distribution of oil and gas products are prospering.

New Target Markets

One conglomerate which is involved in almost every aspect of the oil and gas industry is Essem Group with its many subsidiaries, associate companies and strategic partners covering just about every activity in the business.

"Like many businesses but particularly the petroleum sector, we hit a slump with Covid as exploration and production dropped dramatically but then of course demand went up after the crisis," recalls Group Chief Operating Officer Ramesh Rajendran.

"Projects were going ahead and we participated in those and that helped us in our top line. Our subsidiaries in the group were getting secured contracts for at least two or three years and that carried us through and we're now moving into the next period."

The executive says, however, that on the downside local projects were reduced primarily by state-owned Petronas in 2024 but with its overseas manpower contracts contributing to the group, growth is still continuing with revenue this year projected at close to $50 million.

"It's also good news that Petronas still has their development process going on so there is the distinct possibility that their activity will pick up in the not too distant future."

The two Essem Group's biggest subsidiaries doing the best are Essem Corp. and Matco Malaysia .

The former is a global service, supply and solutions provider to the oil and gas, energy and maritime industries. It is one of the leading specialists for surface wellhead maintenance integrity and intervention solutions as well as a regionally experienced valve maintenance specialist.

In the maritime industry, the subsidiary is a key local specialist in mechanical, electrical, instrumentation and process solutions provider for vessel owners and shipyards in the region.

Matco Malaysia is involved in instrumentation advancement in actuation valve systems, level solutions and sand management which involves preventing sand from entering the wellbore to prevent equipment damage. The subsidiary also monitors pig, leak and vibration capabilities via online.

Essem Group's other subsidiaries and associate companies include unmanned aerial inspection operator Sky-Futures, API6D valve manufacturer AJ Petroleum and valve lubricant and sealing provider Olivals.

"Essem Corp and Matco have been doing a good job with both local clients like Petronas and multinationals working locally here in Malaysia. In fact, we just got a contract for sand management from Hibiscus Petroleum which hasn't worked with us much in the past," the executive says.

"So that shows we are expanding our client base and using whatever capabilities we have to move ahead in the industry," the COO says. "For example, at Essem Corp we are starting to manufacture tools like plugs with the R&D being done by our guys and the production carried out by subcontractors."

"At Matco Malaysia, we are starting to

ESSEM GROUP
MATCO MALAYSIA
AJ PETROLEUM
EZRAMATCO
ESSEM CORPORATION
OLIVALS SENDIRIAN BERHAD
PETRONIAGA
SKY-FUTURES™
LNG Marine



RAMESH RAJENDRAN

CHIEF OPERATION OFFICER OF ESSEM GROUP

"OUR NEW TARGET MARKETS WILL PROBABLY BE SOUTHEAST ASIA AND THE MIDDLE EAST"

expand the percentage of revenue from the other product lines that we have. We've been heavily relying on actuated buffs but now we're moving to the level solutions and sand monitoring sides growing our income."

There are plans to export these new Essem-produced items to major petroleum-producing regions.

"Our target markets will probably be Southeast Asia and then the Middle East. Southeast Asia because it's close to home and the Middle East because of the volume as that region will continue to be the world center of oil and gas production for many, many years to come," he points out.

The executive says one of the major constraints for not just the group but for the entire Malaysian petroleum industry is the rising cost of manpower as the government attempts to normalize wages according to professions and skill sets.

Compared to other hydrocarbon producers such as Europe, the Middle East and Singapore, Malaysian wages are on the low side and the sector is losing workers who are taking their talent and moving overseas to more lucrative jobs.

"You can't take the cost of increased wages to the client so what you've got to do is look at how you can boost volume and manage the rise in labor costs," he argues.

Rajendran is still bullish on the local industry and says it is a good place for all those in oil and gas to come to invest.

"We are lucky in Malaysia in that oil and gas is a mature market as we've been producing since the 1980's so we have a skill set among those working in the sector that not many others have developed.

"Another plus is that there is no language barrier as most everyone in the oil patch speaks English and the sector is going to continue developing for the next 20 years. But for those thinking of coming to bring their specialty here they need to find a partner for support."



Right Timing

Two years ago, executives at systems integrator Emerging EPC took the wise decision to open operations in Thailand and Vietnam, generating income as the industry began to slow down slightly in Malaysia, explains Executive Director Kamarul Johan.

"We spotted the trends in Thailand and Vietnam and without them we would not be in the healthy situation we are now," he says. "Before we went there our revenue was 30 per cent foreign and 70 per cent Malaysian but now it's 50/50."

"But we expect the situation for the oil and gas sector to improve here in Malaysia because when the Petronas deal is settled with Sarawak there is a lot of pent up demand and four projects are expected to be announced in the fourth quarter."

In anticipation of these projects many of the contractors active in the country are already sending out Intentions to BID which is sparking a price war. But Johan says there is plenty of work to go around.

"There are a lot of jobs to be done in Malaysia. One example is that contracts were announced last year for modification, construction and maintenance contracts for offshore platforms. These are supposed to go out this year so it will all come to fruition this year and 2026."

Along with the oil and gas exploration, extraction and production industry, Emerging EPC has clients in petrochemicals, metallurgy and power generation. Among its areas of expertise include air and gas compressing, filtration and separation, dehydration systems, and power generation,





KAMARUL JOHAN

EXECUTIVE DIRECTOR OF EMERGING EPC

"WE SPOTTED THE TRENDS IN THAILAND AND VIETNAM, 50% OF OUR BUSINESS IS ABROAD"

It also provides engineering solutions and parts and services for installation and commissioning, technical upgrading, troubleshooting, maintenance and overhaul and technical training.

The company's client list includes such heavyweight industry names as Petronas, Shell, ExxonMobil, Repsol, Hibiscus, Total, Hess, Baker Hughes, Schlumberger and many others.

"I would say the market is very, very competitive right now. There used to be a healthy margin and you were able to finance the project through the banks, pay all the suppliers and so on," the executive director recalls.

"Today it's so competitive and the cash flow is disrupted and client payment terms are very rigid also. So if you want to get into this business be ready to be very, very flexible and have a lot of cash."

With the Malaysian market becoming more and more competitive for the company's services and encouraged by its operations in Southeast Asia, the executive director says he is looking further afield to duplicate it success.

"We've been thinking of reaching out to Africa now because there are a lot of operators in the Middle East and we're looking very closely at gas projects specifically in Tanzania and Uganda," he says.

"Right now we're in the process of identifying local engineering companies with which we could collaborate because we don't want to tender for jobs and then manufacture here and deliver there.

"What we're hoping to do is upskill the engineering in Africa so they can work with us and we're already speaking with the authorities in Uganda and Tanzania. It





AMIN AZNIZAN

GROUP MANAGING DIRECTOR OF SOOC HOLDINGS

"MALAYSIA IS A STABLE MAKET FOR MULTINATIONALS FIRMS TO COME AND INVEST WITH US"

sounds very positive because they like Malaysians."

Besides his role at Emerging EPC, Johan heads the innovation group at the Malaysian Oil & Gas Services Council which supports the country's inventors and innovators in the sector.

"From my experience in the company and in the industry group, I firmly believe that we can compete with foreign engineers because we have the right people with the right skills," he says.

New Opportunities

Corrosion damaging expensive and complex industrial systems is a major problem for many sectors, especially in a tropical environment like Malaysia's and in the dominant offshore petroleum industry.

Striving to become the country's leading company preventing and treating corrosion onshore and offshore is Flakeshield which can count on 20 years of experience in protecting valuable industrial equipment.

"Our founders chose the name Flakeshield because in the beginning they were selling glass slate and glass slate coating for the lining of tanks and pipes," recalls Managing Director Fong Yen Way.

"When I joined the company we began to develop servicing other sectors of industry and now we work not only in oil and gas but also marine, the power sector, potable and waste water, petrochemicals and more because just about every industry needs our services."

Along with corrosion and erosion protection those include blasting and painting, plant repair and maintenance, cold bonding and patching, high temperature and chemical resistance lining, corrosion under insulation protection and coating, and pipe wrapping, and online and offline leak sealing.

One of its principal services is tank maintenance in which a team applies high-quality internal linings from a wide range of options to protect tanks from corrosion and chemical damage.

It also provides tank base sealing using advanced techniques and top-grade materials to create a watertight seal preventing leaks and the entry of ground water.

Rope access abseiling services are another specialty of Flakeshield for performing non-destructive inspections and precise touch-up painting on elevated structures, plus mechanical servicing and cleaning hard-to-reach areas for the removal of debris, dirt and contaminants.

Its suppliers include brands like Resimac, Prolong, Epigen and MontiPower Surface Protection technologies. With several different divisions active across the country, the company employs around 30 staff and posts annual revenue of $4 million.

Flakeshield has licenses and accreditations from a number of both government and industry organizations and high-profile companies such as the Companies Commission of Malaysia, the Construction Industry Development Board and Petronas proving its professional qualifications, safety measures and other attributes.

"One of our challenges is the amount of competition in this sector and also it is difficult for companies based in western Malaysia to enter other national territories like Sabah and Sarawak in the east," the executive says.



"What we want to do over the next several years is to become the company people think of first when they need coatings, corrosion protection and lining services. In short, to be the most recognized name in this industry."

While consolidating the business in Malaysia, Fong is further exploring nearby markets like Brunei and Thailand where it has already carried out several projects and has contacts.

"There is also internal advances we can make," he says. "In Malaysia people very easily accept new technologies and innovative ways to do things so we're looking at robotics to incorporate into our operations and that should boost our business even more so."

Malaysia Centered

Pandemics and the ups and downs of the economy hardly affect some vital oil and gas auxiliary services such as offshore catering and training which are two of the main activities of SOCC Holdings, according to Group Managing Director Dr. Amin Aznizan.

"As we do food and beverage catering for the oil and gas industry which is considered an essential service so we are not impacted by what's going on currently because no matter what happens food still has to be delivered to the offshore platforms and other locations," he explains.

"However we do see some minor changes or differences in what was going on before as the industry is getting more cost conscious. People are a bit more careful about how they spend their money, whether multinationals or local joint ventures."

The executive points out that the penny pinching is in contrast to years past when the petroleum industry was awash in cash





CHONG KOK BOON
MANAGING DIRECTOR OF UE ADVANCED

KWONG KAE HSIANG
DIRECTOR OF BUSINESS DEVELOPMENT OF UE ADVANCED

and happy to get the best quality that money could buy.

Because the group's subsidiary, SOCC Foods, signs long-term contracts with its clients, sales have been stable over the past several years. But the situation is different with the training division, SOCC Education, with customers more selective about spending on employee training.

However, Aznizan says that revenue should increase this year thanks to new clients signing up for the company's training programs in the Middle East.

"We are getting more and more Chinese clients operating there and they are very labor intensive and all these people need training to international standards in operations as firefighting, survival, self-rescue, first aid and helicopter underwater escape training.

"So because of this we see quite a spike in the numbers in the training sessions we conduct in the Middle East which contributes to growth rather than from our existing business," he says.

While SOCC Holdings as always faced challenges in manpower, the dynamic has changed with fewer young people wanting to enter the Malaysian food and beverage offshore services sector.

"They are gravitating towards other industries like food delivery services such as Grab because there is instant gratification in the sense of monetary reward, using IT and they have a greater sense of freedom," the group managing director explains.

"And we've seen the same in education where young people are less willing now to go into traditional certification schooling for higher degrees and are more inclined to go into shop skills training and pursue a career based on those skills."

"But fortunately at the management level there are a lot of talented people out there looking for positions right now," he says

Aznizan says the company is looking to diversity its food and beverage business beyond the oil and gas industry and begin providing catering to factories in Malaysia. It is much easier logistically because it is onshore and there are other differences.

"There are other factors like for offshore its more expensive because our food and beverage supplies have to be taken out to the platforms and personnel there have to eat at our facilities because they have nowhere else to go.

"But onshore, factory workers have the option to just take a walk and find alternatives to the company eating facilities. Another difference is that our offshore employees always show up for work because they live on the platforms while onshore workers come from their homes and it's easier to skip work," he points out.

With its move into onshore catering, the company sees huge potential growth in Malaysia and for the moment at least SOCC Holdings has no plans to venture outside the country concerning its catering business, preferring to expand and consolidate at home.

"MALAYSIAN MANUFACTURING IS WELL RESPECTED AS WE DO FOLLOW BRITISH STANDARDS"

"Malaysia has never been a huge market for business but I would say that it is stable and growing so for foreign investors it's a good idea to come here. I do hope that more and more multinational set up in this country and became partners or customers for us."

Manufacturing Focus

The oil and gas industry is all about connections, physical as well as personal, with hundreds of types of pumps, pipes, fitting, flanges, tubes, cylinders, valves, shafts and a plethora of other items used so extensively in upstream to downstream production.

UE Advanced Materials is a company active in this specialized sector forging a broad range of components certified to international standards and customized to the client's exact specifications.







"We call it Advanced Materials because we handle the more advanced alloys and not just carbon steel but also nickel alloys as well as various types of stainless steels, titanium, magnetic steels and many others," says Managing Director Chong Kok Boon.

"Our main focus is on the petroleum and power generation plant sectors but we also supply the marine industry with shafts, gears, bearings, rudders and rudder parts and anchor components."

The company sells its products to many equipment manufacturers and engineering procurement companies but not directly to end uses such as Shell or Petronus. The oil and gas industry accounts of around 60 per cent of sales with most of the rest coming from power generators, including nuclear plants.

So far, UE Advanced Materials has been a trading outfit but is now moving into manufacturing and looking to expand further into international markets.

"Because of the current geopolitical tensions, we decided to go into production and built a plant in the Klang district. We saw there could be an opportunity to add our niche value and go beyond the Malaysian market which is small," the executive explains.

"Our main clients will be in North America and in the Southeast Asian markets.

The United States and Canada are the big players in this industry even with the U.S. tariffs so they can't be ignored. Then there is also, of course, the Middle East where we're trying to expand. That market used to be 3 per cent of our sales but now the figure is up to 11 per cent and growing."

Switching from trading to manufacturing is presenting obstacles such as hiring and maintaining the foreign workers needed to staff the plant because of government regulations restricting overseas labour being brought into Malaysia.

The managing director also concerns that young people these days do not consider factory work as a career to follow.

However, the company expects to make significant progress during the transition, driven by growth in the new markets it's targeting and the high value of UE Advanced Materials' products.

"The reputation of Malaysian manufacturing is partly rooted in our history as a former British colony," the executive explains. "This legacy means we adhere to British standards, which has helped make doing business here more regulated, transparent, and reliable."

He continues, "Malaysia has enjoyed steady growth for the past 40 years. Our productivity, infrastructure, governance, and financial institutions are all aligned with international standards and practices. And when you factor in our affordable labor costs, which attract numerous multinational companies, I believe our future is looking very bright indeed."

Drive and Passion

Offshore oil and gas installations require servicing by sea vessels and a broad variety of marine equipment both for purchase or





SCHA BADLISHAH

MANAGING DIRECTOR OF ARIES SHIPPING AND RENEWABLES

"I'D LIKE FOR US TO BECOME MORE INVOLVED IN A GLOBAL LEVEL, IT'S THE RIGHT TIME"

hire and these needs are met by Aries Shipping and Renewables founded by now Managing Director Scha Badlishah almost five years ago.

"It came from an idea that I wanted to do something in the petroleum sector but at that time I didn't have much knowledge of shipping which is a very broad industry," she recalls.

"So I had to narrow the field and figure out what to focus on and I reached out to people in the industry and finally settled on becoming an agent which means we don't own any assets so we introduce those who need vessels to those own them."

A staff of 20 employees, half of whom are women, work in Aries Shipping and Renewables chartering vessels to meet client needs for short-term projects or long-term contacts and providing ship repair, maintenance, and refurbishment services.

The company also supplies and rents life-saving and fire-fighting appliances, crane and lifting equipment, and systems for ballast water and fuel monitoring, and supplies marine fuel and lubricants.

Other services include marine survey and inspection, and supplying essential provisions, consumables, and catering supplies to vessels.

And as the company's name suggests, it is now moving into providing sustainable renewable energy solutions focusing on innovative methods to support the marine and energy sectors.

"Our an nual revenue amounts to around $6 million and of course like in any business there are ups and downs and the challenge is with the markets. Right now, for example, things have been slow in the oil and gas sector this year," she says, "but it will improve."

"At the moment we're focusing on Malaysia but we are expanding. For example, we're meeting a lot of vessel owners from Indonesia and sounding out things with them. We're also exploring expansion into Singapore."



One factor Badlishah says is not hampering her business nor her ambition is her position as a woman in a largely male-dominated industry.

"I think it's all about drive and passion," she explains. "I love working with men because it's less of a headache as we mutually agree on many things because I like to work and think like a man.

"If I think like a woman then there's a lot of emotion involved so at this stage it takes a lot of passion and drive and you have to really, really know what you want for yourself and the business you're involved in."

Looking ahead, the executive says she wants the company to own its own vessels and not just serve as a go-between, enabling Aries Shipping and Renewables to work directly with the big international players.

And there is the recent move into renewables, an activity which is catching on around the world.

"I'd like to see us become involved on a more global level and I think this is the right time because there is so much innovation going on around us in the world. If you have to have the zeal to be continually learning so you can achieve whatever your heart desires."

Diversification Drive

In a span of just three years of existence, the oil and gas industry power generation firm Sekito has become a supplier to three major petroleum companies in Malaysia and has ambitious plans to become large enough to list on the stock exchange.

According to founder and Managing Director Mohd Azam Mat Nawi, he started the enterprise to get back into the game after the company he worked at previously suddenly collapsed.

"I was the general manager there and when it all came apart our principal supplier asked me to continue what I was doing for them and so I formed this new company and served them straight away," he recalls.

"Our U.S. principal manufactures turbine generators, which cannot be directly installed at offshore or oil & gas facilities without first complying with the industry's strict requirements. At Sekito, we re-engineer, re-package, and certify the equipment to meet the stringent standards of the oil & gas sector.

"The business has grown tremendously — we started with just three employees, and today we have a team of 30 with an annual revenue of around USD 6 million," he says.

"Our focus has also expanded beyond turbine power generation. We now offer a broader range of power system solutions, including diesel generator sets, solar-hybrid systems, and UPS units. Our customized designs seamlessly integrate different systems into a single, efficient, and cost-effective solution for end users.

"Some 70 per cent of Sekito's current business comes from supplying its oil and gas clients such as Petronas, Shell and Hibiscus.

Along with turbine generators manufactured by Capstone Green Energy, the company also supplies high-performance diesel generator packages and different solar power solutions.

These products are used in all stages of oil production including upstream, midstream and downstream, both offshore and onshore, providing lower operational costs, higher availability and an excellent reliability.





MOHD AZAM MAT NAWI

MANAGING DIRECTOR OF SEKITO

"I WANT TO HAVE EVERYTHING IN-HOUSE, SO WE ALONE CAN CONTROL THE WHOLE PROCESS"

"But we don't only provide solutions for our clients, we also have long-term service contracts for maintenance and repair. These contracts with our big customers help maintain our cash flow," the executive explains.

Besides maintenance and repair, these contracts cover design engineering, procurement, construction and assembly, packaging and delivery, installation, and testing and training of client staff.

With the Malaysian petroleum industry suffering an apparent temporary slowdown this year, the managing director says he is covering his bets by diversifying into other activities with the company in the middle of talks to acquire a metal manufacturing operation.

"I want to have everything in-house, vertically integrated so we can control the whole process," he says.

"We can control our expenses, our pricing and our lead time which is particularly important as clients can be very demanding in wanting something right away.

"So we're open to getting involved in other sectors, any sector we can enter or provide solutions we'll go ahead with," he confidently affirms.

INTERVIEW WITH DERICK SOO
Chief Executive Officer
CENTUS MARINE



After a stellar run in the early 2020s, a slowdown in the Malaysian oil and gas sector is giving Centus Marine the oppotunity to work abroad and lease its vessels to other booming destinations. Yet the biggest challenge will be the renewal of the fleet, as new hull technologies and cleaner propulsion systems become the norm in the sector



It's been a few good years for Centus Marine which provides offshore supply vessels services for Malaysia's vital petroleum industry and which is now looking abroad for further business as a way to guarantee the company's future growth.

"We saw that 2022, 2023 and 2024 were all good years, with lots of activities," recalls CEO Derick Soo. "Everyone was looking for vessels because of the shortage of supply."

"At one point in 2024, 100 per cent of our fleet of fast crew and safety standby vessels were all on contract. Actually, it was more than that because we had to charter more vessels from other companies."

Market Slowdown

This year so far has not seen as much activity for not only the oil and gas sector support vessel business, but for many of the companies which provide all types of services to Petronas, the state-owned petroleum giant.

Industry observers note that contracting activities have slowed partly due to ongoing discussions between Petronas and the Sarawak state authorities regarding regulatory matters.

"It's an internal administrative matter that has somehow affected many industry players and its supply chain businesses" the executive says. "This year we've seen quite a number of vessels laid up without any contracts, despite the oil price being rather stable. And we've seen tenders issued for contracts which were later aborted."

"This has happened before but this year, there were more. Projects commencement got pushed back for months and contracts ended sooner than the actual contractual duration."

Derick notes that many Oil majors appears to be optimizing their operations and project portfolios in line with current market conditions.

"We've just heard that big Oils were asking owners to resubmit prices in line with their cost optimisation exercise. Long-term contracts were awarded last year and only a few months into the contract, they were asked to resubmit their prices," he recalled.

Along with Petronas and Shell, Centus Marine works with companies such as enQuest, ExxonMobil, Hess, CPOC, Repsol and others with its fleet of as many as 16 fast crew boats and a few general purpose/utility vessels.

International Opportunities

Active in the sector since its founding in 2013, the company specializes in overseeing all aspects of vessel handling, including technical management, crewing, procurement, and operational efficiency with safety as its core guiding principal.

With Malaysia's oil and gas industry slackening at the moment, analysts say things will improve in 2026. But Centus Marine is not waiting around and is now actively pursuing business in new markets and not only in Southeast Asia.

"The Indonesian and Thailand market seems to be showing the uptrend, we've also ventured into Brunei recently and have our vessel working in Brunei waters.

We are also actively exploring the Middle East market where the activity is much higher" the CEO says.

"We see the growing demand for vessels not only from the Middle East but also from India & Africa. They have been buying up many of the older vessels from Malaysia.

"These are good opportunities for us and what we need to do is to establish the local partnership" he continues. "We've submitted a number of tenders and it all appears to be very positive."

In this venture beyond its long-time local market, the Centus Marine boss says the company needs to be courageous and will be. It has long planned on international expansion and the situation now in Malaysia spurred its move.

"So we're moving our assets around but whatever is contracted long-term at home will, of course, remain. I think serving Petronas is not just a business decision alone but it is something broader on the national agenda. It's always my philosophy to serve the nation first," Soo adds.

The company plans for these moves "one step at a time and not be too ambitious" but the more immediate importance is for Centus Marine to renew its fleet as some vessels have now clocked up 12 years in service.

Fleet Renewal

"It's actually about time to purchase new boats as I don't want them to be much older than 15 years. I think at that age we can re-purpose the vessels," the executive explains.

Another change affecting the company is that the maritime industry is switching over to greener fuels. The company is already operating several hybrid vessels as a start.

"These greener alternatives like ammonia, hydrogen and liquefied natural gas have been on the horizon for a while now, but are we ready? The infrastructure, bunkering, storage and transportation are not in place for the offshore Supply vessel sector, as yet" Soo argues. "At least for now."

"We believe the industry's growth momentum will strengthen once current regulatory matters between the stakeholders are aligned. The stability of the sector benefits all business participants."

