

# Malaysia - Towards a High Income Future

One of the world's most open economies, Malaysia has seen a trade-to-GDP ratio of over 130% since 2010, according to the World Bank, which notes that this stance "has been instrumental in employment creation and income growth". Malaysia's ongoing economic transformation to high-income status has been powered by this remarkable openness to the world, and is picking up pace again as the world economy puts the covid-19 pandemic behind it.

"With the momentum of recovery, gross domestic product is on a strong track to continue to grow between 5.5% and 6.5% in 2022," Prime Minister Datuk Seri Ismail Sabri Yaakob said in January. "The resumption of projects with high multiplier effects and strong external demand, especially from major trading partners, also boosted the economic growth."

Malaysia is both the third biggest economy in the ASEAN bloc and the third wealthiest by per-capita income, a testament to its remarkable economic success story since independence in 1957. Over the past decades, Malaysia has developed an increasingly diversified economic base, with a growing proportion of value-added output, capitalising on its natural competitive advantages in location and resources. Successive governments have



supported the growth of the private sector through pro-business reforms. As Sabri has noted, the IMD World Competitiveness Centre ranked Malaysia in the top 25 most competitive economies in 2021. In January 2022, the Milken Instituted ranked Malaysia number one in emerging Southeast Asia as the country with the most potential to attract foreign investors.

"We operate all throughout Asia, and Malaysia is the best place to do business," says David Kong, chairman, CEO, and

managing director of Nirvana Asia, one of the world's leading bereavement care providers. "We have a unique proposition in our population, with its mix of ethnic groups, and have ample natural resources."

Indeed, the business community - both domestic and international - is bullish about the outlook.

"Malaysia has huge potential, which we think more people should be aware of," says Kuan Chon Yu, executive chairman of YNH Property. "We have one of the highest EBITDA margins in the world for our sector, at around 15%. The reason for this is Malaysia has some of the best-value land in the world, 90% of it freehold. This is a winning combination for foreign investors."

Building on the success of the past six and a half decades, Sabri has committed to accelerating reform, including better regulation, more integrated and efficient government, and more support for small and medium enterprises.

"I assure you that the government will reduce bureaucracy, provide quality and reliable infrastructure, strengthen the ecosystem to support private investment and develop a skilled workforce," he said. "All this is in line with the government's aim in the 12th Malaysia Plan, to achieve a high-income nation status by 2025, through various initiatives outlined."

## YNH Property Berhad - Building the Malaysia of the Future

The Malaysian economy is set to grow by more than 5.3% in 2022, according to the country's central bank, with the country's construction and real estate industries expected to expand rapidly, following a brief lull during the Covid-19 pandemic. The construction industry in Malaysia will grow by 16.5% this year, supported by further improving economic conditions, according to GlobalData.

Property developers in the country have long benefitted from favourable local conditions. "The earnings before interest, taxes, depreciation, and amortization margin is thought to be one of the highest compared to other countries in the world, reaching up to 50%. The reason is that the cost of land in Malaysia is one of the lowest across the globe; it is among the cheapest in the world, and majority of the land is freehold" says Dato' Dr Yu Kuan Chon, executive chairman of YNH Property Berhad, one of the major developers of high-end residential and commercial properties in Malaysia. "This makes Malaysia a prime investment hub for foreign developers," he adds.

YNH Property Berhad, which was incorporated in 1982, has parcels of land in premium locations across Malaysia. "We have a sizeable land bank in matured areas in Malaysia. In some cases we have the last piece of land available in the area," says Yu.

Over the decades the company has created some iconic real estate projects in



the country, including Fraser Place, which opened in 2009 and boasts 216 units, Ceriaan Kiara (launched in 2010, with 238 units), Fraser Residence (opened in 2014 with 446 units), Sfera Residency (launched in 2018, containing 519 units and most recently, OoAK Suites and 163 Retail Park, located in the

heart of Mont Kiara). In 2016, YNH Property Berhad successfully completed 15,000 property units, unlocking a major milestone.

After what Yu describes as a relatively slow 2021, the company is now pushing forward with vigour, and Yu sees strong growth for the business over the next three years. "We will do well, developing our existing land bank," he says, adding that they are also looking to partner with international companies that have a strong track record and brand to help develop more iconic properties. Yu further adds that the company is placing increasing emphasis on Environmental, Social, and Governance (ESG) going forward.

YNH Property Berhad has been listed on the Main Market of the Bursa Malaysia Stock Exchange since 2003. "We have been listed for nearly 20 years, throughout which we have performed well," says Yu. "We provide solid returns to our shareholders and investors - keeping them happy and content is key. We have been in the business here for 40 years; we understand the industry and that is our strength," he adds.

When it comes to Malaysia, Yu says that it is important for YNH Property Berhad to be able to contribute to the nation's development. "I feel the responsibility; if the country does well, we also do well," he says.



# Nirvana Asia - Trust, quality, and leadership

Southeast Asia is one of the most culturally rich regions globally. Malaysia in particular “offers a dynamic and vibrant business environment,” with well-developed infrastructure and a productive workforce, supported by a pro-business government overseeing a market-oriented economy, according to a recent report by professional services company PWC. The report said that the Southeast Asian country remains a well-placed investment destination for companies looking to diversify their supply chain, and noted that Malaysia ranks 12th in the world in the World Bank’s Doing Business Rankings.

Economic growth is driving rising incomes, which combined with demographic factors is boosting the Malaysian bereavement care industry. The country lies at the heart of the global sector’s most important region; Asia Pacific accounted for 40% of the global bereavement care market in 2020, well beyond the 27% of North America, according to a 2021 report by Research and Markets. Globally, the market is expected to grow by 11.6% in 2022, reaching a total of \$114bn, with Asia in the driving seat.

Malaysia-based Nirvana Asia is one of the global leaders in this specialized industry, as Research and Markets has noted. The company is the largest integrated pre-need bereavement care provider in Asia with over 30 years of operating history. Its comprehensive suite of offerings include burial plots, tomb design and construction, niches, as well as funeral services.

“Our business is very different from others,” says Nirvana Asia founder and executive chairman David Kong. “People trust us and pay us in advance; our brand is very important. We place great importance on the direction of the company, the funds we receive, and corporate governance; these all give us trust from the consumer’s side. The services we provide to our customers provide peace of mind - people know that the money they spend on our products is worthwhile. This is all overseen by an expert management team that has driven the company for many years. Our core values are trust, quality products and services, and our management.”

Operating in bereavement care, a sector requiring immense sensitivity and discretion, the company takes pride in its vital role in promoting culture, particularly in traditions within the ethnic Chinese community. Nirvana Asia’s standards of professionalism and responsibility, with a commitment to meticulous and highly personalised care, and its customer-oriented mission have made it the market leader in the region, renowned amongst customers for its values as well as the quality of its offerings. The company is a trusted brand that forms deep relationships with customers, with highly personal product offerings tailored for them; essential in this business. Nirvana Asia has been particularly successful in working with the growing market segment of young people keen to use its services, whether for themselves or family members.

The company’s strategy has borne fruit in the form of high returns for its stakeholders, including European private equity fund CVC



Capital Partners. Nirvana Asia had a strong year in 2021, in which the business showed its adaptability as customer needs changed; in the covid-19 pandemic, people increasingly became more aware of the need for pre-planning. The company recruited a cohort of new agents to sell its products, and continued its IT transformation launched in 2019 such as introducing a customer self-care portal, revamping its e-commerce systems, hosting events online, enhancing social media content, provision of digital sales tools, e-brochures and online training for its agents; all of which proved timely with the 2020-21 lockdowns.

“The business is nearly 100% online now,” says CEO Jeff Kong. “Our transformation helped us move faster from 2020. Customers now can approach us through a virtual tour.”

Nirvana’s 360 virtual tour allows customers to explore and get a preview of the company’s memorial parks in Shah Alam and Semenyih and other centres from their computers and mobile devices, giving them an immersive experience of what the company offers.

Nirvana Asia’s digital initiatives also include a partnership with start-up Bereev to offer pre-planning and death preparation services via

an app; the first collaboration of its kind in the Malaysian bereavement industry. Bereev’s app has a digital vault where clients can store their wills, insurance documents, and other important documents, as well as posting messages to loved ones and funeral instructions. Nirvana provides its customers with free access to the app, and they also receive discounts on Bereev services.

Nirvana Asia’s successful business model has seen it expand across Southeast Asia. It has had a presence in Indonesia for 20 years, and also has operations in Singapore and Thailand. This year, the company will launch in Vietnam, a market of nearly 100m people. Nirvana Asia has benefited from its excellent local knowledge, with ventures in new markets, leveraging technology transfer and strategic leadership from the headquarters while adapting to local customer tastes and preferences. The company has 22 sites across Asia, and has another 15 planned sites, capitalising on its strengths in project development and market insights. Together with local partners, Nirvana Asia develops sales and marketing teams and an expansion programme for each market.

“We’d like to be much bigger in the next two to three years,” says David Kong. “We have been in the business for many years, we understand the market. Anyone working with us can rest assured that they can trust us on transparency, on corporate governance, and how we drive performance according to our objectives. We have a 32-year track record - every year we increase profits; the numbers speak for themselves.”

As a global leader in bereavement services with a scalable platform, and a focus on forming a meaningful relationship with its customers, Nirvana Asia is uniquely-positioned to respond to the latest trends across the sector globally. With an experienced, best-in-class leadership, the team looks worldwide for new opportunities, but emphasises the strengths of the home market from which their company grew.

“We operate throughout Asia, but Malaysia remains the best place to do business,” says David Kong. “It has a unique proposition, with a diverse ethnic mix and ample resources. It’s the perfect environment for investors: people are friendly and adaptable, and it is underpinned by excellent legal and administrative infrastructure. It’s a safe and stable country. Everyone feels comfortable here - it’s a great choice.”