



MALAYSIA RETAIL PULSE Q2 2025

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Welcome to **STRATOSCOPE RETAIL**, your quarterly update on the ever-evolving landscape of Malaysia's retail and shopping mall sector, brought to you by Stratos Pinnacle.

In this Q2 2025 issue, we bring together notable retail highlights – from upcoming mall openings, revamps, and acquisitions, to retail REITs performance as well as retail investment and closures. Other than that, the issue also covers shifting consumer and trends, together with the impact of new taxation on the retail sector.

We hope this compilation provides valuable insights into Malaysia's dynamic retail market, helping you stay informed on the latest trends and future outlook.

Q2 2025

“EMPOWERING ORGANISATIONS TO *MULTIPLY VALUE* THROUGH *SUSTAINABLE DECISIONS*, ULTIMATELY *IMPROVING LIVES*”

MALLS LANDSCAPE IN MALAYSIA

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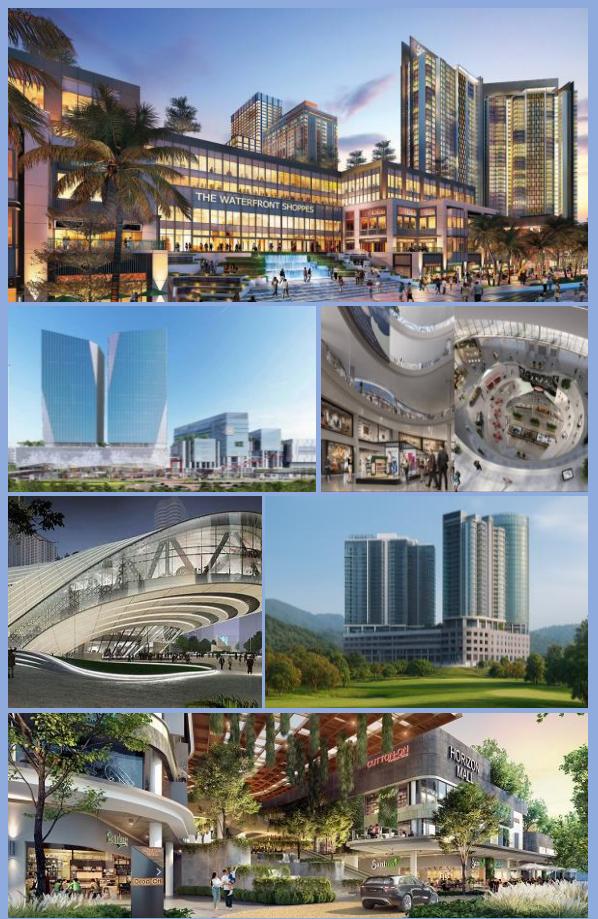


9 UPCOMING MALLS

UPCOMING OPENING

Kuala Lumpur & Selangor

- KLGCC Mall Q3 2025
- Merdeka 118 Q3 2025
- Sunway Square Q3 2025
- AEON (near MITEC) Q4 2025
- Hextar World @ Empire City Q4 2025
- Ombak KLCC Mall Q4 2025
- Coalfields Retail Park 2026



Johor

- Horizon Mall 2026

Perak

- Sunway Ipoh Mall 2027

MALLS UPGRADING / MAKEOVERS

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KIP REIT ANNOUNCES AEI PLANS FOR KIPMALL TAMPOI



KIPMall Tampoi is undergoing a major transformation starting in June 2025, with improvements including a new entrance, modernised facade, spacious walkways, upgraded food hall, enhanced interior designs, and better accessibility, as part of KIP REIT's commitment to enhancing asset value and shopper experiences. ^[1]

- **Total NLA:** 170,526 sq ft
- **Location:** Johor Bahru, Johor
- **Expected Start Date:** Q2 2025



TRANSFORMATION OF DAMEN MALL TO EASYHOME SMART HOME LIFE EXPERIENCE CENTRE



Damen Mall will undergo a revamp and transformation into the Easyhome Smart Home Life Experience Centre, in a collaboration between Pavillion Group and Easyhome International Group. The new centre is expected to breakeven at NPI level from 4QFY25 following a master lease agreement. ^[2]

- **Total NLA:** 434,149 sq ft
- **Location:** Subang Jaya, Selangor
- **Expected Completion:** Q3 2025



OTHER NOTABLE NEWS: ACQUISITIONS

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**SUNWAY®
REIT**

(May 2025)

Sunway REIT and YNH Property Bhd have agreed to extend the conditional period by another four months to complete the sale of **Aeon Mall Seri Manjung** in **Perak** for **RM138 million**. The mall has an **NLA** of 427,919 sq. ft. and is fully leased to **Aeon Co (M) Bhd**. The deal was initially set for completion by Aug 20, 2025 (est. RM322.50 psf).^[1]



Note: Prices per square foot (psf) are calculated based on the size of the Net Lettable Area (NLA)

**NSK
GROCER**

(May 2025)

NSK Grocer (KL) Sdn Bhd, has proposed to acquire a leasehold land and building comprising a two-storey retail mall and basement carpark at **Plaza Pelangi Astana** in **Petaling Jaya** for **RM25.85mil** from Empire Benefit Sdn Bhd, which is currently undergoing liquidation.^[2]



**THE MALL
MID VALLEY SOUTHKEY**

(June 2025)

IGB REIT has proposed to **acquire The Mall, Mid Valley Southkey (MVS Mall)** in Johor Bahru for **RM2.65 billion**, translating to almost **RM1,755 psf**. The acquisition will be undertaken by MTrustee Bhd, acting as trustee for and on behalf of IGB REIT, from^[3] Southkey Megamall Sdn Bhd (SMSB).



RETAIL STORE OPENINGS

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(April 2025)

Village Grocer opened its 32nd outlet, located within the new iconic **LSH33 Mall in Sentul** on April 18, 2025.^[1]



(April 2025)

Pop Mart opened its 7th and largest store at **The Exchange TRX** in **Kuala Lumpur** on April 19, 2025.^[2]



(April 2025)

Kenny Hills Bakers opened their 2nd Penang location in **Bayan Lepas, Penang** on April 17, 2025. This outlet houses their own Coffee Roastery to roast beans.^[3]



(April 2025)

MUJI Malaysia opened at **IOI Mall Puchong, Selangor** on April 25, 2025.^[4]



(May 2025)

OH! SOME Malaysia opened at **IOI Mall Puchong, Selangor** on May 9, 2025.^[5]



(June 2025)

Secret Recipe Cakes & Cafe Sdn Bhd opened the 2nd Lapisan outlet in **MidValley Southkey, Johor** as well as two Secret Recipe outlets at **Pulau Tikus, Penang** and **Simpang Renggam, Johor** on June 5, 2025.
[6]



(June 2025)

Inside Scoop opened at **AEON Shah Alam, Selangor** on June 6, 2025.^[7]



(June 2025)

STACCATO is now officially distributed by the HLA Group in Malaysia and opened at **IOI City Mall, Putrajaya** on June 7, 2025.^[8]



(June 2025)

NSK Grocer opened its 8th outlet at **Amerin Mall, Seri Kembangan, Selangor** on June 16, 2025.^[9]

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RETAIL STORE OPENINGS

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Harvey Norman

(June 2025)

UEM Sunrise handed over a standalone building at **The Beat 2.0** to **Harvey Norman** Malaysia. The new facility marks Harvey Norman's first standalone, solar-powered outlet in Malaysia and is scheduled to open in October 2025.^[1]



(June 2025)

10Star Cinemas has signed a memorandum of understanding (MOU) with Hextar World to open its flagship cinema in **Hextar World at Empire City at Damansara Perdana, Selangor** early 2026.^[2]

RETAIL STORE CLOSURES

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(June 2025)

Lulu Group is shutting down its **hypermarkets** in Malaysia, while keeping its wholesale division in the country.^[1]



(June 2025)

1Fit Malaysia, a fitness subscription platform, will be initiating a formal liquidation process to wind down operations and settle obligations.^[2]



(June 2025)

A&W Taipan in **Subang Jaya, Selangor** is permanently closed on June 1, 2025.^[3]



(June 2025)

Old Town White Coffee in **Taipan Subang Jaya, Selangor** closed on June 30, 2025.^[4]

RETAIL REITs

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REITS LIKELY TO OFFER SOLID YIELDS IN 2025

CIMB Research forecasted that REITs are set to perform well this year, offering strong distribution yields of between 5% and 9.1%. As of April 2, Malaysian REITs had outperformed the FBM KLCI on a year-to-date basis, registering a 1.8% decline year-on-year, compared with the FBM KLCI's year-on-year drop of 7%, translating to an outperformance of 5.3% relative to the broader market. ^[1]



KIP REIT ACQUIRED RM118 MIL WORTH OF SUBURBAN RETAIL ASSETS

KIP REIT acquired four retail properties worth RM118 million in Kuala Selangor and Kuantan namely KIPMall Desa Coalfields at RM62mil and the Lotus's Indera Mahkota hypermarket at RM39mil, 3 units of double-storey shop offices at RM12mil, and a double-storey commercial building, fully occupied by a drive-thru KFC outlet, at RM5mil. The new acquisitions will increase KIP REIT's property portfolio to RM1.5bil and net lettable area by about 12% to 2.85mil sq ft. ^[2]



CLMT STAYS RESILIENT WITH STRONG Q1

According to CGS International, CLMT reported a core net profit of RM37.5 mil for 1QFY25, with a 92.6% average occupancy rate and a strong reversion of 12.4%, driven by the steady growth in footfall and tenants sales. 76.6% of its Net Property Income is derived from Gurney Plaza and Queensbay Mall. The Klang Valley malls including 3 Damansara and Sungei Wang Plaza, also recorded a year-on-year rental reversion of 15.5% in 1QFY25. ^[3]

[1] <https://www.thestar.com.my/business/business-news/2025/04/07/reits-likely-to-offer-solid-yields-this-year>

[2] <https://thegemmalaysia.com/node/750810>

[3] <https://www.nst.com.my/business/corporate/2025/04/1203288/clmt-stays-resilient-strong-q1-eyes-growth-penang-malls-new>

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RETAIL REITs

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AXIS REIT TARGETS TO ACQUIRE RM430MIL IN NEW PROPERTY ACQUISITIONS



Axis REIT aimed to acquire new “high-quality , yield-accretive” properties that are strategically located, which are worth RM430mil to add to their existing portfolio of 69 assets of RM5.21bil. It also reported an increase in net trust income by 16.2% year-on-year for 1QFY25 to RM49.13mil. Their total revenue also rose by nearly 19% year-on-year to RM89.87mil, attributed to contributions from newly acquired assets, commencement of new tenancies at Axis Mega Distribution Centre (Phase 2), and continued positive rental reversions across the portfolio.^[1]

IOIPROP LIKELY TO LIST REIT IN 2HFY26



IOI Properties Group Bhd may list its REIT, with a potential asset size of RM6bil to RM8bil including IOI City Mall Phases 1 & 2, hotels and office assets in Malaysia, as part of its deleveraging strategy. UOBKH Research expects the group's property investment income to grow in 2HFY25, likely driven by the inclusion of new IOI Mall Damansara and rising occupancy at the IOI Central Boulevard Towers. The firm said that a turnaround for IOI Mall Damansara is likely in FY26, underpinned by ongoing asset enhancement initiatives, including tenant reconfigurations, relocations, and increased marketing efforts.^[2]

TENANT FOCUS FUELS PARADIGM-REIT'S GROWTH



Paradigm-REIT's 3 assets namely Paradigm Mall PJ (PMPJ), Paradigm Mall JB (PMJB) and Bukit Tinggi Shopping Centre (BTSC) have shown strong operational resilience, driven by strategic locations, curated tenant mixes and proactive management. As of March 31, 2025, PMJB has recorded a 99.3% occupancy rate, followed by PMPJ at 97.7%, attributed to the location of both malls within mature townships and high-traffic areas. Their strong tenant mix, operational excellence and proactive marketing suited to the tenants' target demographics.^[3]

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RETAIL REITs

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AMREIT RECORDED NPI OF RM61 MILLION

AmREIT recorded a higher gross revenue and net property income of RM104.8mil and RM61.0 mil respectively, for the financial year ended 31 March 2025, an increase year-on-year, contributed by a 83.9% surge in portfolio-wide occupancy, supported by higher occupancy at The Summit Rental, Prima 9, Wisma AmFIRST and Jaya 99; 16.4% year-on-year growth in carpark income and 1.1% year-on-year decrease in total property expenses, driven by disciplined cost management and the implementation of various energy-saving initiatives.



SUNWAY REIT's EARNINGS RISE IN 1QFY2025

Sunway REIT reported a 20% increase in Net Property Income to RM157.2mil and a 23% rise in revenue to RM218.9mil for 1QFY25. Net profit rose 20% year-on-year, contributed by newly acquired retail assets and improved performance at Sunway Pyramid and Sunway Carnival following refurbishments.



SENTRAL REIT TO DIVERSIFY ASSETS TO MITIGATE RISKS, MAXIMISE PORTFOLIO

Sentral REIT will diversify across its asset portfolio as part of its strategic growth and rebalancing strategy with the aim to mitigate sector-specific risks, improve property income streams, and maximise portfolio growth potential. In 1QFY25, Sentral REIT recorded a slight year-on-year drop in net profit from RM19.9mil to RM19.61mil. Similarly, revenue declined year-on-year from RM49.69mil to RM47.46mil in the same period. However, the average occupancy rate was healthy at 84%.^[3]

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RETAIL REITs

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AMANAHRAYA REIT TO BUY INDUSTRIAL ASSET IN SELANGOR FOR RM39M



Pacific Trustees Bhd, acting on behalf AmanahRaya REIT, entered into an agreement on Thursday to acquire an industrial building, measuring 132,700 sq ft, in Telok Panglima Garang, from Alpha Express Sdn Bhd. It noted that the RM39 million price tag reflects a slight discount from the property's RM40 million market valuation as of May 2. Upon completion, the property will be leased back to the seller, Alpha Express, under a 10-year triple net lease at RM195,000 per month, subject to rent reversion for each renewal term.^[1]



HEKTAR REIT TARGETS 20% NON-RETAIL ASSETS, AIMS TO DOUBLE PORTFOLIO TO RM3BIL IN FIVE YEARS

Hektar REIT's non-retail assets make up just 13% of its portfolio currently but are expected to contribute 18% of net property income (NPI). The REIT is eyeing assets with medium- to long-term leases, triple net lease structures (where tenants cover taxes, insurance and maintenance), and at least a 6.5% yield.^[2]



HEKTAR REIT TO ACQUIRE 90% STAKE IN PERLIS LAND FOR SOLAR FARM PROJECT

Hektar REIT plans to acquire a 90% equity stake in Terramark Sdn Bhd, which owns a 197.76-acre leasehold land in Perlis earmarked for a private solar farm project. MTrustee Bhd, acting on behalf of Hektar REIT, has entered into an agreement with Wan Realty Sdn Bhd and Darul Modal Sdn Bhd for the acquisition, valued at RM26 million, translating to RM3.02 psf.^[3]

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RETAIL REITs

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MALAYSIAN REITS SHINE AMID MACRO HEADWINDS, BUT TAX RISKS LOOM

Malaysian REITs appear to be making a comeback, beating the broader market as investors chase defensive and yield-generating assets amid expectations of rate cuts. Retail and industrial trusts on the Bursa Malaysia such as Sunway Reit and Axis Reit are favoured by analysts for their defensive attributes amid uncertainty. However, the momentum faces a near-term test, with the expanded sales and services tax (SST) kicking in on Jul 1. As the upcoming tax compels landlords to levy an 8% service tax on commercial leases, analysts expect it to drive costs up for tenants and dent REITs' earnings.^[1]

RETAIL BUSINESS & INVESTMENT

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MR DIY POSTED STRONG 1QFY2025 PROFIT, SAME-STORE SALES LAG

Mr DIY posted a new high earnings with an increase in net profit by 20.2% year-on-year to RM174.15mil for 1QFY2025, attributed to Hari Raya, increase in the number of stores, improved gross margins and a stronger ringgit. Revenue was also up by 10.5% year-on-year to RM1.26bil for the same period. However, its same-store sales (SSS) growth saw a decline of 0.6% year-on-year in 1QFY2025 after seven consecutive quarters of contraction.^[1]



ECO-SHOP WENT PUBLIC IN THE LARGEST IPO OF 2025

Eco-Shop, a discount chain with over 350 stores across Malaysia, went public on May 23 in the country's biggest IPO of 2025. The public listing valued the company at about RM6.38bil, making its founder and MD, Datuk Seri Lee Kar Whatt a billionaire with a stake of RM4.9bil. Its success is built on a simple RM2.60 (RM2.80 in East Malaysia) pricing strategy and it aims to open around 70 new stores each year over the next five years.^[2]



99 SPEED MART KICKED OFF FY2025 WITH STRONGER SALES IN Q1

99 Speed Mart posted a 7.53% year-on-year increase in net profit of RM143.18mil in 1QFY2025, driven by stronger retail sales and network expansion. Revenue was also up 7.66% to RM2.61bil. To support the group's future growth, it expects to commence operations at its new distribution centre (DC) in Cyberjaya by 2QFY2025, following the commissioning of its Miri, Sarawak DC in March.^[3]

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RETAIL BUSINESS & INVESTMENT

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TEALIVE AND BASK BEAR OPERATOR LOOB EYES MAIN MARKET IPO FOR STORE EXPANSION

Loob Bhd, is preparing for a listing on the Main Market of Bursa Malaysia. Proceeds from its initial public offering (IPO) are intended to finance the opening of 12 new Tealive stores and 13 Bask Bear stores, and to repay existing borrowings, according to Loob's draft prospectus filed with the Securities Commission Malaysia.^[1]

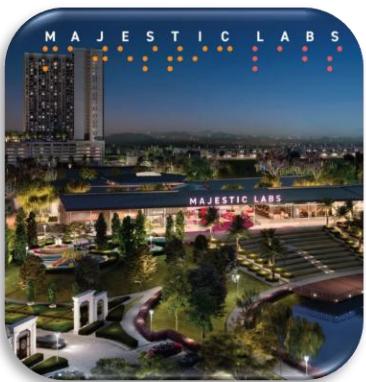


ORIENTAL KOPI TO BUY KUALA LANGAT PROPERTY FOR RM23MIL

Oriental Kopi Holdings Bhd is proposing to acquire a parcel of leasehold land measuring 5,260.8 sq metres in Kuala Langat, Selangor, from Icon Facade Sdn Bhd for RM23mil, translating to RM406.17 psf. The land is currently being rented by Oriental Kopi as its head office and warehousing facility. The proposed acquisition will result in cost savings arising from rental and logistics costs and to prevent the risk of loss of right of use of the property.^[2]

RETAIL & PROPERTY DEVELOPMENT

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MAJESTIC LABS @ ECO MAJESTIC, THE NEW COMMUNITY & RETAIL HUB

EcoWorld has announced 19 confirmed tenants for **Majestic Labs**, the new retail and community hub within Eco Majestic, Semenyih. The tenants include: Believe Fitness, Claviera Petite, EcoWorld Gallery @ Eco Majestic, Melody Kindyland, Chef Kecik, Flow Academy, Fui Chuai Chinese Restaurant, Hock Kee Kopitiam, Xiaomi, Nando's, V Ride Plus, Jungle Gym, Fiesta Arena, Taning, Niki Japanese Dining, Canton Boy, Giomepickle, myBurgerLab, OPEN PLAY HOUSE. The 3.6-acre addition has an NLA of 110,000 sq ft, and a current occupancy rate of 70%. Its grand opening is scheduled by end of 2025.^[1]



MIXED-USE DEVELOPMENT BY SUNWAY PROPERTY AND MAJESTIC GEN

Sunway Property and Majestic Gen have officially broken ground on a landmark RM4bil mixed-use development in Yahya Awal, Johor Bahru. Spanning 15.5 acres, it will feature a combination of serviced apartments and retail spaces, with first phase, set for launch in the third quarter of 2025.^[2]



THE CAMPUS REVOLUTIONISING MALAYSIA'S RETAIL LANDSCAPE

The Campus Ampang (formerly International School of KL) has been transformed into a vibrant lifestyle destination and community hub that houses over 80 retail stores and diverse dining establishments. Anchoring the 140,000-sq ft site is an architectural approach that exemplifies thoughtful adaptive reuse – the first of its kind in Malaysia's retail development.^[3]

NOTABLE KEY TRENDS INFLUENCING RETAIL IN MALAYSIA

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US RECIPROCAL TARIFFS

- The **U.S.** announced reciprocal tariffs on Malaysian imports, with rates rising up to 24%, with a 90-day pause announced on April 9, 2025, during which a lower 10% tariff applies until July 8. This has led to a downward revision of Malaysia's 2025 GDP forecast to 4.1%.
- Retailers may face higher import costs, especially for electronics, potentially passing them on to consumers. Supply chain uncertainties may also lead to cautious inventory planning and weaker consumer sentiment.^[1]

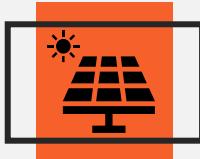


RETAIL ASIA SUMMIT 2025 IN MALAYSIA

- At the **Retail Asia Summit 2025** which was held on April 17, industry leaders urged the retailers in Malaysia to prioritise integrating advanced technology and adopting consumer-centric strategies to remain competitive in an increasingly digital and demand-driven market. Key highlights included:
- The critical need for Malaysia's retail sector to innovate, embrace sustainability, and explore international markets;
- AI's growing role in improving marketing, demand planning, and customer personalisation;
- Businesses were challenged to rethink their approach to customer engagement across digital and physical channels;
- The importance of customer experience, leveraging technology for personalisation, and focusing on customer needs over technology;
- Trust, authentic content, and strong customer operations are key to driving e-commerce growth from discovery to purchase; and
- How retailers are innovating to stay relevant in an increasingly digital, experience-driven market.^[2]

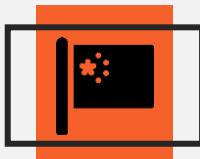
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GREENING THE RETAIL SECTOR

- There is a growing trend among Malaysian shopping malls/retailers to integrate ESG principles into their operations, focusing on renewable energy adoption, sustainable infrastructure, and enhanced customer experiences aligned with environmental consciousness.
- 1Utama has installed 273,300 sq ft of solar photovoltaic (PV) and building-integrated PV panels, generating over 5,700 kWp of renewable energy. This initiative positions the mall as having the largest on-site solar PV installation among Malaysian shopping centres.^[1]



CHINESE BRANDS RESHAPING MALAYSIAN LIFESTYLE

- Chinese brands are rapidly influencing Malaysian lifestyles across key sectors.
- Over 45% of smartphones sold in 2024 came from Chinese brands. Xiaomi's expanding product line now includes smartphones, smartwatches, tablets, and home gadgets.
- In fashion, platforms like Shein, Temu, and AliExpress lead over 60% of fast fashion e-commerce traffic.
- Taobao is anticipated to become the next big shopping platform in Malaysia which now offers a localised user experience with Bahasa Melayu interface and TikTok to becoming a major e-commerce force.
- EV makers such as BYD and Chery are gaining ground with feature-rich, competitively priced vehicles.
- In F&B, Chinese brands such as Haidilao, Chagee, Mixue and Luckin Coffee; and Chinese sportswear^[2] brands like Li-Ning, Anta and 361° have also made significant inroads into these industries.

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CAUTIOUS OUTLOOK FOR RETAIL SECTOR IN 2HFY25

- Industry experts remain cautious about the outlook for Malaysia's retail industry in the second half of 2025 (2H25), amid ongoing global and domestic pressures.
- It is noted that geopolitical tensions and tariff wars have redirected more foreign businesses and goods to Malaysia. While this presents opportunities, it also intensifies competition. Local retailers and mall operators were urged to improve competitiveness and productivity to stay resilient.
- The rising cost of doing business continues to weigh heavily on the sector. Additional cost pressures from electricity tariff hikes, higher minimum wages and subsidy removals are forcing many retailers and mall operators to cut back on marketing and expansion plans, which will impact overall mall vibrancy.



GET IN TOUCH WITH US

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