

CONFIDENTIAL



**UNIVERSITI TUN HUSSEIN ONN  
MALAYSIA**

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2022/2023**

COURSE NAME : INTERNATIONAL REAL ESTATE  
COURSE CODE : BPF 32503  
PROGRAMME CODE : BPD  
EXAMINATION DATE : JULY / AUGUST 2023  
DURATION : 3 HOURS  
INSTRUCTION : 1. ANSWERS **ALL** QUESTIONS.  
2. THIS FINAL EXAMINATION IS CONDUCTED VIA **CLOSED BOOK**.  
3. STUDENTS ARE **PROHIBITED** TO CONSULT THEIR OWN MATERIAL OR ANY EXTERNAL RESOURCES DURING THE EXAMINATION CONDUCTED VIA CLOSED BOOK.

THIS QUESTION PAPER CONSISTS OF **FOUR (4)** PAGES

**TERBUKA**

**Q1** "Malaysia has long been a favourite investment choice for Chinese buyers. It has affordable standards of living, high quality of life, medical facilities, and accessible educational institutions. The Expat Insider 2020 survey revealed that expatriates in Malaysia are generally happy with the affordability of life in the country and they found it easy to settle in. For the same amount of money, they can get a larger sized property in Malaysia compared to purchasing in China or Hong Kong. They may also be moving to Malaysia, for example, to retire or for work, or they may just use it as a second home,".

(Source: New Straits Times, 2022)

- (a) Discuss **FIVE (5)** reasons a growing numbers of China’s developers investing in real estate overseas particularly in Malaysia. (10 marks)
- (b) Discuss **FIVE (5)** implications of China’s capital controls over Malaysia real estate market. (10 marks)

**Q2** Malaysia had in 2021 unveiled a plan for a state-owned agency, Digital Nasional Berhad (DNB), to own the full 5G spectrum, with various carriers using the infrastructure to provide mobile services. Malaysia has now decided to allow a second entity after DNB's coverage reaches 80% of populated areas. This model also takes into account the sustainability of the telecommunications industry ecosystem in Malaysia associated with DNB, Communications Minister Fahmi Fadzil said in a statement.

(Source: Reuters, 2023)

- (a) Suggest **TWO (2)** benefits to Malaysia when government introduced Digital Nasional Berhad. (10 marks)
- (b) Suggest **TWO (2)** reasons government introduced the second entity after DBN reaches 80% of the populated area. (10 marks)



- Q3** Property is one of the most varied asset classes, giving you the ability to invest in numerous different ways, across several different investment structures and into opportunities required by most investors. A growing number of investors are discovering the advantages of diversifying portfolios through allocations to real estate assets through direct and indirect real estate investment.
- (a) Differentiate the differences between direct and indirect real estate investment. (10 marks)
- (b) Discuss **FOUR (4)** strategies to increase public interest public to venture into indirect real estate investment such as REITs. (10 marks)
- Q4** Risk in international real estate investment is the risk of loss when you invest in foreign countries. This can include investing in equities in foreign companies or simply making any investment with an entity that is not based in Malaysia. Each of the international real estate transactions involves risks that require proper risk management control.
- (a) Discuss **FIVE (5)** risks in international real estate transactions. (10 marks)
- (b) The African continent's population is projected to reach 1.1 billion people by 2040 and will become the largest workforce globally, mainly concentrated in urban areas. With its 'Agenda 2063', the African Union has established an ambitious strategy for a prosperous Africa based on inclusive and sustainable development. Agenda 2063 is a strategic framework for the socio-economic transformation of the continent. It builds on, and seeks to accelerate the implementation of previous and current continental policy initiatives for growth and sustainable development. Africa has a huge potential for renewable energy sources, such as solar, wind, ocean energy, green hydrogen, etc. This potential could be used to establish an innovation platform for sustainable technologies and provides a locational advantage for energy intensive industries. Africa's rich natural resources offer a vast pool of possibilities for the development of a vibrant bioeconomy. Enabled by biology-based innovation, it could drive economic growth, and climate-proof food, health, energy and industrial goods production for a growing, urbanizing population.  
(Source: knowledge4policy, 2023)
- Propose a risk management strategy by Malaysian investors who would like to invest in African continent. (10 marks)

**Q5** Malaysia is fast becoming a fintech Powerhouse second only to Singapore in terms of financial Hub status. The country is home to several International Banks excelling in certain categories. Malaysia presents a unique opportunity in the financial sector.

*“The government will mandate Tun Razak Exchange (TRX) as Malaysia’s global financial hub. TRX needs to attract the global financial industry to become the main destination for high-value foreign direct investment (FDI) that will strengthen our business ecosystem,”* said Datuk Seri Anwar, who is also the Finance Minister, during the re-tabling of Budget 2023.

Discuss your opinion using PESTLE elements if Kuala Lumpur wants to be a global financial hub.

- (a) Political (4 marks)
- (b) Economic (4 marks)
- (c) Social (4 marks)
- (d) Technology (4 marks)
- (e) Legal (4 marks)

– END OF QUESTIONS –

