

Newspaper	New Straits Times
Date	20/2/2013

Deal on RM8.1b Danga Bay project inked

NST - 20/2/2013

**BEN TAN
AND RIZALMAN HAMMIM**

JOHOR BARU: Iskandar Waterfront Sdn Bhd (IWSB), CapitaLand Malaysia Pte Ltd and Singapore's state investment arm Temasek Holdings Ltd signed a "heads of agreement" yesterday to jointly acquire and develop parcels of land in Danga Bay here for a planned RM8.1 billion mixed integrated development.

The deal is considered the biggest entry into Johor's Iskandar Malaysia by Singaporean investors.

Yesterday's signing ceremony, held at the Danga Bay Convention Centre here, was witnessed by Prime Minister Datuk Seri Najib Razak and his Singapore counterpart, Lee Hsien Loong.

Present were Johor Menteri Besar Datuk Abdul Ghani Othman and Temasek chief executive officer Ho Ching.

CapitaLand Malaysia was represented by its president and group chief executive officer, Lim Ming Yan, Temasek by its senior managing director for investments, David Heng, and IWSB by its managing director, Tan Sri Lim Kang Hoo.

The Johor government, through Kumpulan Prasarana Rakyat Johor (KPRJ), the investment and project implementation arm of the state, has substantial interest in IWSB.

CapitaLand Malaysia is a wholly-owned subsidiary of CapitaLand Limited, which is one of Asia's largest real estate companies. This marks the first direct large-scale township investment and development in Malaysia by CapitaLand.

The agreement is subject to detailed terms and conditions and has yet to be finalised.

The joint venture will acquire 3.1 million sq ft (28.5ha) of freehold land in A2 Island for RM811 million. CapitaLand Malaysia will have a 51 per



Prime Minister **Datuk Seri Najib Razak** (centre) and Singapore Prime Minister **Lee Hsien Loong** (on his right) looking at a model of the proposed Waterfront City. On Najib's left is Iskandar Waterfront managing director **Tan Sri Lim Kang Hoo** and Johor Menteri Besar **Datuk Abdul Ghani Othman**. Pic by Khairull Azry Bidin

cent stake, followed by IWSB (40 per cent) and Temasek (nine per cent).

Ghani, who is KPRJ chairman, described the venture with CapitaLand and Temasek as a "landmark deal" which would spur other major regional players to relook investment opportunities in Iskandar Malaysia.

"This joint venture with two of Singapore's reputable partners will give confidence to others waiting on the sidelines that investment in Iskandar Malaysia is an opportunity not to be missed."

He said this was an example of the "feel good sentiment" that was now prevailing on both sides of the bor-

der, thanks to the hard work of both Najib and Lee in strengthening bilateral ties.

Lim said work on the project would begin early next year.

"We are confident this joint venture will draw others to explore investment opportunities in the Danga Bay waterfront city development. IWSB will be assured of a constant stream of recurring income."

IWSB is the master developer of 1,600ha of prime waterfront land here. The land bank includes 800ha in Danga Bay and strategic parcels within the Johor Baru city centre, the Tebrau coast in the eastern cor-

ridor of the city and Desaru in the east coast of Johor.

IWSB is actively seeking strategic local and foreign partners to develop high-impact projects and create new business and tourist destinations within its proposed waterfront city.

About 220ha have already been acquired by investors. They include Dijaya Corp Bhd, China's Country Garden Holdings Co Ltd, Australia's Walker Corp and Brunnsfield Group.

CapitaLand Malaysia will undertake the lead in the development of A2 Island.

The project will be developed over 10-12 years.