

Bandar Malaysia – revived and revised

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▶ Payment period shortened, RM500m more as advance fee, land sales dividend split 50:50, bigger bumiputra role and affordable homes doubled to 10,000 units

BY **EE ANN NEE**
sunbiz@thesundaily.com

PUTRAJAYA: The government has revised the terms for Bandar Malaysia in reviving the project.

Finance Minister Lim Guan Eng said the staggered payment terms have been shortened to three years, from seven years previously under the old agreement signed on Dec 31, 2015.

The payment by IWH CREC Sdn Bhd (IWH-CREC), a consortium comprising Iskandar Waterfront Holdings Sdn Bhd (IWH) and China Railway Engineering Corp (M) Sdn Bhd (CREC), for the 60% stake it acquired for the project was anchored on Bandar Malaysia land valued at RM12.35 billion.

In addition to the original deposit sum of RM741 million, IWH-CREC will now pay an additional RM500 million as an advance payment.

The dividend from land sales will now be 50:50 to IWH-CREC and TRX City Sdn Bhd, compared with 60:40 previously based on the shareholding.

The park and recreational area will now span 85 acres, compared with 48.6 acres previously.

The units of affordable homes have been doubled to 10,000, from 5,000 initially.

The project will also see greater bumiputra participation (tentatively 30%) and priority for the use of Malaysian-produced construction materials, technology and talent.

"The confidence of IWH-CREC to reinvest in this project is also a result of the government's successful efforts to quarantine, rationalise and detoxify the project that had been marred by the 1MDB corruption scandal," said Lim at the Bandar Malaysia signing ceremony yesterday.

The event saw the inking of a share sale agreement and shareholders agreement between TRX City Sdn Bhd, a wholly owned subsidiary of Minister of Finance (Incorporated), and IWH-CREC for the revived Bandar Malaysia project.

IWH-CREC is acquiring a 60% stake in Bandar Malaysia Sdn Bhd, the project's master developer, from its parent TRX City. In April 2019, the Malaysian government approved the reinstatement of the project after it was called off in May 2017.

With a land area of 486 acres, Bandar Malaysia is the single largest development plot within the city of Kuala Lumpur. It is located at the site of the Royal Malaysian



Mahathir, Economic Affairs Minister Datuk Seri Mohamed Azmin Ali and Lim looking at a model of the revised Bandar Malaysia project in Putrajaya yesterday. – **BERNAMAPIX**

Air Force base on Jalan Sg Besi. The air force base is being relocated to eight different sites.

Prime Minister Tun Dr Mahathir Mohamad said like the East Coast Rail Link, the Bandar Malaysia project is pursued in the larger context of forging and underlining long-term bilateral and trade relations between Malaysia and China. It is undertaken with a clear objective – that such a project provides premium economic value to the country.

"The revised plan for Bandar Malaysia takes into consideration the government's policy of ensuring that such a massive development project will be people-centric, add substantial value to the country's economy and in tandem with the philosophy of our Shared Prosperity Vision

2030 that it must boost the country's economic growth," Mahathir said.

He said Bandar Malaysia will have a significant impact on Malaysia's economy as it will serve as a hub to further attract high-impact global multinationals as well as allowing for the potential co-action in the fields of finance, technology and entrepreneurship.

"The revised development plan for Bandar Malaysia will ensure that it will be more inclusive and will be able to be aligned with Malaysia's socio-economic growth."

Bandar Malaysia, with a gross development value of RM140 billion, aims to attract Fortune 500 global technology and entrepreneurial companies to establish their regional offices in Kuala Lumpur.