

Selangor demands RM844 mil payment from Tropicana
Kinibiz.com
Mar 26, 2014
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The Selangor state government is demanding RM844.2 million from property developer Tropicana as full payment for the purchase of 1,172 acres of land in Kuala Langat formerly known as Canal City, it said in an official statement.

“The state government through Menteri Besar Selangor Incorporated (MBI) is now looking at realising the full potential of the land at Net Present Value (NPV) amounting to a total of RM844.2 million instead of waiting 20 years for Tropicana to realise its potential valued at RM1.3 billion,” the statement said.

Tropicana, formerly known as Dijaya Corp, recently sold 308.72 acres of land in Canal City to EcoWorld Development Group for RM470 million. The tract of land is part of the 1,172 acre Tropicana Aman development that Tropicana had purchased in April 2013 that was previously known as Canal City.

The project’s scheduled launches in the second half of 2014 has a GDV (gross development value) of RM770 million. The entire Tropicana Aman project is worth an estimated RM8.6 billion in GDV over a 20 year period of development.

“We hope that Tropicana would expedite the full payment so that we can then channel the RM844.2 million funds to implement various other property development and social programmes for the benefit of the people of Selangor,” the statement added.

Tropicana had acquired the eleven parcels of leasehold land in Kuala Langat for a total sum of RM1.3 billion from Permodalan Negeri Selangor Bhd (PNSB) in April 2013 with a deferred payment over a period of up to 20 years.

“The purchase consideration comprises the land purchase price of RM587 million, interest cost, a share of gross development value (GDV) and the profit entitlement from the development of the land,” Tropicana said in a filing to Bursa Malaysia.

The Selangor state has also assured full cooperation to Tropicana and EcoWorld Development in obtaining the relevant approvals from the local authorities for their development plans.

The statement also explains that the 1,172 acres of land was alienated to MBI, with PNSB (Permodalan Negeri Selangor Bhd) as project manager to handle future development of the land. From the total land space about 424 acres are gazetted for roads and public utilities; leaving 748 acres for development.

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