

Zahid: Najib had no hand in cancelling Bandar Malaysia deal
Free Malaysia Today
May 11, 2017

Deputy Prime Minister Ahmad Zahid Hamidi says TRX City's board of directors made the decision for commercial reasons and to minimise loss of opportunity.

PETALING JAYA: Ahmad Zahid Hamidi has denied Prime Minister Najib Razak made the decision to terminate the deal to sell a 60% stake in Bandar Malaysia to a Malaysia-China joint venture.

The deputy prime minister said the cancellation of the share sale agreement with Iskandar Waterfront Holdings (IWH) and China Railway Engineering Corp (CREC) was made by the TRX City board of directors purely for commercial reasons.

He was referring to reports that Najib, who is also finance minister, had made the decision to pull the plug on the deal.

TRX City, which was formerly known as 1MDB Real Estate, is a wholly-owned company under the finance ministry.

“TRX City’s board of directors decided to proceed with the termination as the buyers (IWH-CREC) breached the terms of payment.

“They had not made any payments despite extensions given at least 10 times,” Zahid said in a meeting with staff from the home ministry in Putrajaya this morning.

“The opportunity loss with the Bandar Malaysia project not taking off within a stipulated time, was also another reason for the cancellation.”

Meanwhile, Zahid’s comments come amid reports that the finance ministry had returned the RM741 million deposit paid by the IWH-CREC consortium.

On May 3, TRX City announced that the SSA entered into on Dec 31, 2015, with IWH and CREC pertaining to the sale of 60% of the issued and paid-up capital of Bandar Malaysia Sdn Bhd, had lapsed.

TRX said this was because IWH-CREC failed to meet the payment obligations outlined in the conditions precedent under the SSA.

A day after TRX City made the announcement, IWH-CREC responded saying that it had fulfilled its payment obligations, but without giving any details.

“IWH CREC is concerned with the content of the termination notice and the subsequent press release issued by TRX City, which, given the factual matrix, does not fully and accurately reflect the circumstances and conduct of the parties in this matter.

“IWH CREC takes this matter very seriously and is at present reviewing the content of the termination notice and press release with its advisers and legal counsel,” the consortium said in a statement.

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Source: <http://www.freemalaysiatoday.com/category/nation/2017/05/11/zahid-najib-had-no-hand-in-cancelling-bandar-malaysia-deal/>