

## **Wanda group's money dries up – more trouble for Bandar Malaysia?**

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Bandar Malaysia, the fortune 500 project, is facing grim prospects with the curtailing of the Dalian Wanda Group's loans in China.

This is due to Chinese regulators ordering the nation's big banks to put the brakes on loans to Dalian Wanda Group, the giant property and entertainment company owned by billionaire Wang Jianlin, said The Wall Street Journal today.

The Journal also said Chinese banking regulators met with executives at the country's big state-owned lenders June 20 and advised them that six of Wanda's foreign acquisitions were subject to government capital restrictions.

This means Wanda, approached by Prime Minister Najib Razak of Malaysia to help salvage the shaky project, may not be able to heed Malaysia's call.

The Chinese authorities action would appear to block Wanda from getting new financing in connection with them from Chinese banks. It also clouds financing for the two deals yet to close.

The Journal said in addition, the government is preventing the company from using funds parked in the mainland to further finance any of these deals. Wanda is also banned from injecting any of these foreign assets into its listed company in China.

The document appears to shed light on Dalian Wanda's surprise decision last week to sell most of its theme parks and hotels to developer Sunac China Holdings Ltd. for \$9.28 billion.

On May 4, the Malaysian Ministry of Finance (MoF) announced a dramatic turnaround in the Bandar Malaysia development scenario, saying it terminated a deal with one of China's biggest government owned corporation.

The MoF said the consortium called ICSB comprising Iskandar Waterfront Holdings Sdn Bhd (IWH) and China Railway Engineering Corp (M) Sdn Bhd (CREC), was out of the deal to develop the choicest piece of land in the city.

According to a statement by TRX City Sdn Bhd, an entity under the Ministry of Finance Inc (MoF), the share sale agreement (SSA) governing the development of the 486 acres of land in Sungai Besi has lapsed because ICSB failed to meet the payment obligations despite being granted repeated extensions.

This latest development comes as Prime Minister Datuk Seri Najib Tun Razak cancelled a scheduled visit at the last minute to the Bandar Malaysia development yesterday evening, catching officials off-guard.

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