

THE SIGNING CEREMONY OF IWH CREC SDN BHD SHAREHOLDERS AGREEMENT

By : YAB. DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK, PERDANA  
MENTERI MALAYSIA

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Bismillahirrahman Nirrahim.

Selamat petang dan Salam 1Malaysia.

Yang Berhormat Dato Sri Mustapa Mohamed;  
Menteri Perdagangan Antarabangsa dan Industri,

Yang Berhormat Datuk Seri Tengku Adnan Bin Tengku Mansor;  
Menteri Wilayah Persekutuan,

Yang Amat Berhormat Dato Seri Mohamed Khaled Nordin;  
Menteri Besar Johor,

HE Dr Huang Huikang;  
China's Ambassador to Malaysia,

Yang Berbahagia Tan Sri Lim Kang Hoo;  
Executive Vice Chairman of Iskandar Waterfront Holdings,

Tuan-tuan dan Puan-puan sekalian,

1. Pertama-tamanya, marilah kita memanjatkan kesyukuran ke hadrat Allah SWT kerana dengan berkat limpah kurnia dan izin-Nya, kita dapat bersama-sama berkumpul pada hari ini, dalam bulan Ramadan yang mulia, untuk majlis yang amat besar ertinya untuk pembangunan negara.
2. Saya mengucapkan tahniah kepada IWH CREC Sdn Bhd dan pihak-pihak yang terlibat, diatas perkembangan terbaru dalam projek pembangunan Bandar Malaysia ini.

Ladies and gentlemen,

3. Today's ceremony comes hardly three months since we last gathered on 21st March for CREC's announcement that it would invest USD 2 billion to build its Asia Pacific Regional centre in Bandar Malaysia.
4. Much progress has been made since then. This is shown by the fact that three landmark agreements will be signed today to accelerate the roll out of the Bandar Malaysia development.
5. They are:
  - i. The Shareholders Agreement for Bandar Malaysia Sdn Bhd between TRX City Sdn Bhd, IWH CREC Sdn Bhd and the Ministry of Finance;
  - ii. The Memorandum of Understanding for the Bandar Malaysia Fund by a consortium of banks; and
  - iii. The Memorandum of Understanding for the Bandar Malaysia Integrated Transportation Terminal.

6. I want to congratulate CREC and IWH, represented by Mr Chang Jin Li and Tan Sri Lim Kang Hoo respectively, for working with the Government to move forward the Bandar Malaysia development plan.
7. I am particularly pleased that the Bandar Malaysia Shareholders Agreement will be concluded here today. Under this agreement, 40 percent of Bandar Malaysia Sdn Bhd will be owned by the Ministry of Finance Inc, and 60 percent by IWH-CREC. This joint venture company will lead and spearhead the Bandar Malaysia development.
8. What this means in practice is that the Government of Malaysia remains a key player in the progress of Bandar Malaysia.
9. Indeed, the Federal Government, together with the Johor State Government, will jointly hold 54 percent of the equity in this unrivalled, transport-oriented, integrated development, with IWH holding 22 percent and CREC holding 24 percent.
10. This is very much a Government project, with the support of strong and knowledgeable partners in IWH-CREC.
11. The Ministry of Finance in particular is proud to partner with CREC, a major international developer that is also a Chinese state-owned company.
12. This commitment by CREC is as a clear endorsement by China of its continued confidence in the strength and resilience of the Malaysian economy, which continues to register healthy growth, and is predicted to do so by leading organisations such as the OECD over the coming years.

Ladies and gentlemen,

13. I am pleased to note that a consortium of Chinese, Malaysian and London-based banks, including HSBC, will establish a special financing scheme for the Bandar Malaysia development. These banks have a total asset base of USD 12 trillion, providing more than sufficient firepower for all the required construction and business growth.

14. The Bandar Malaysia Fund will provide a convenient framework for local and foreign investors to source financing for this exciting opportunity.

15. With such a financing facility, which I am told is a first in Malaysia, I have no doubt that Bandar Malaysia can be accelerated, and tangible results benefiting the rakyat will be seen in a short span of time.

Ladies and gentlemen,

16. Bandar Malaysia is where the Integrated Transportation Hub for the High Speed Rail service to Singapore, will be located. It will also become the hub for the Express Rail Link to KLIA, the MRT, KTM services and the LRT link to various strategic destinations within the Klang Valley.

17. Bandar Malaysia is therefore an integral part of the Government's plans to move Malaysia ever-faster towards becoming a truly high-income developed nation.

18. Towards this end, I am happy to note that MRCB Berhad, which is 38 percent owned by the Employees Provident Fund, or EPF, will be participating as a joint-venture partner in the building of the Bandar Malaysia Integrated Transportation Terminal and development.

19. This is significant because it shows that qualified local companies will also benefit from the development.

20. The Ministry of Finance, as a major shareholder in Bandar Malaysia, will ensure tenders and contracts are awarded in an open and transparent manner, so that Malaysian companies can also participate and contribute significantly to the development of Bandar Malaysia.

Ladies and gentlemen,

21. In terms of connectivity, sustainability and liveability, Bandar Malaysia will be unbeatable as a destination for multinational corporations to set up, or to relocate, their regional headquarters. This will bring in international professionals, and make it attractive for qualified locals, who may otherwise decide to work abroad, to stay.

22. In this regard, Malaysia continues to welcome Foreign Direct Investment in all economic sectors and industries. And the government will continue to tailor incentives to bring in global-stature companies and individuals from around the world.

23. In fact, today I can announce that the Government has agreed to give the master developer of Bandar Malaysia and its wholly owned subsidiaries the following incentives:

- i. Income tax exemption for 10 years;
- ii. Exemption from stamp duty for eight years;

- iii. Exemption from Real Property Gain Tax for eight years;
- iv. Exemption from withholding tax for eight years; and
- v. Exemption from import duty on selected construction materials which are currently not being manufactured in Malaysia

24. In addition, the Government has also agreed to consider granting tax incentives to top high-ranked global companies and financial institutions.

25. And there is more. We are also considering other measures such as an industrial building allowance, accelerated capital allowance, deduction of rental payments, stamp duty exemption for service agreement or pre-package incentive, to other investors and tourism operators.

26. So at Bandar Malaysia there are tremendous opportunities for investment and business, not only in tourism, hotels, conventions, exhibitions and theme parks, but also in other sectors such as commercial and financial services, and much, much more.

27. I sincerely hope MNCs will seize the moment and come to Malaysia and to Bandar Malaysia, in particular. I can assure you that Bandar Malaysia will become the place to do business in the region. High standards have been set and we aim to rival other global cities of the world.

Ladies and gentlemen,

28. There is also a social element to this development which I want to highlight. The shareholders, MOF Inc and IWH-CREC, have committed to build 5,000

units of affordable homes in the first phase of the Bandar Malaysia development.

29. Construction of the affordable homes will be fast-tracked as a matter of priority. This is yet another manifestation of the Government's commitment to meet the needs of all sectors of the population, especially the low and medium-income groups.

30. I would also like to highlight the significant job creation that will happen as a result of the global and domestic investment in Bandar Malaysia. Once it is fully developed, the developers estimated that Bandar Malaysia will be a destination where over 200,000 high-income knowledge workers come to live and work.

31. On that encouraging note, Ladies and gentlemen, thank you again for inviting me. I would like to wish IWH, CREC, MRCB, the banks, and all other parties involved in the development of Bandar Malaysia, all the very best in their business and development plans.

32. I believe today marks another milestone in the creation of a vibrant new hub which will bring benefits to Kuala Lumpur and to all Malaysians.

33. I believe it will become known regionally and beyond as a symbol of Malaysia's continued success - as a progressive, multi-ethnic, multi-faith country that remains a shining example of how to develop sustainably, inclusively and harmoniously, cooperating with friends near and far, and ready to face the challenges of the 21st century gladly, and with an open heart.

34. With that, let me say - Sekian, Terima kasih. Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.

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