

PRESS RELEASE

IMMEDIATE RELEASE

**Bandar Malaysia JV Partners settle contractual obligations to
Government**

All is clear for Project to take off now

KUALA LUMPUR, SEPTEMBER 15 2020 – Bandar Malaysia, the single largest city development in the region, is now ready to take off with the settlement of the RM1.24 billion payment due to TRX City Sdn Bhd (TRXC), a wholly-owned subsidiary of the Minister of Finance Incorporated (MOF Inc.) by IWH-CREC Sdn Bhd.

A total of RM1.24 billion has been paid by IWH-CREC, under the revised share sale agreement and shareholders' agreement, which includes the 10-per cent deposit and a RM500 million advance payment to TRX City Sdn Bhd, which is wholly owned by Minister of Finance Inc.

Under the agreements, IWH-CREC will take up a 60-per cent stake in Bandar Malaysia Sdn Bhd, the project's master developer, from TRX City, with the remaining 40- per cent held by TRX City.

IWH-CREC is a joint venture between Iskandar Waterfront Holdings Sdn Bhd (IWH) and China state-owned enterprise, China Railway Engineering Corporation (CREC).

The Johor State Government also has an interest through Kumpulan Prasarana Rakyat Johor Sdn Bhd (KPRJ), which owns 37-per cent of IWH.

At a ceremony today, IWH, led by its executive vice chairman Tan Sri Dato' Lim Kang Hoo and CREC Malaysia Chairman Mr Chen ZhiGong handed over a cheque for RM1.24 billion to TRX City Sdn Bhd represented by Dato' Asri bin Hamidon, witnessed by Minister of Finance YB Senator Dato' Sri Tengku Zafrul Tengku Abdul Aziz, Minister of Transport Datuk Seri Dr Wee Ka Siong, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to Malaysia, H.E. Bai Tian and Menteri Besar of Johor, Menteri Besar Datuk Ir Hasni Mohammad.

This marks the official fulfilment of IWH-CREC's initial contractual obligations to TRXC to kick start work on Bandar Malaysia.

Tan Sri Lim said IWH-CREC's ability to fulfil its commitment to the TRX City Sdn Bhd, a wholly-owned subsidiary of the Minister of Finance Incorporated (MOF Inc.) despite the Covid-19 pandemic and its devastating economic consequences, is proof of the JV partners' confidence in the Bandar Malaysia project.

"This is also very significant because it shows that foreign investors are still upbeat and confident about Malaysia and its economy," he said, adding that Bandar Malaysia would serve as an intelligent new city to draw high impact global finance, technology and entrepreneurial firms.

The view was also shared by Mr Chen ZhiGong who said Bandar Malaysia is a testimony of the strong and long-term bilateral relations and economic benefits shared by the people of Malaysia and China.

"I am very confident Bandar Malaysia will have a major impact on Malaysia's economy as it will serve as a hub to further attract high-impact global multinationals," he said.

IWH-CREC will shortly invite qualified local and foreign investors, developers, consultants and contractors to submit their proposals to participate in this development. There will be strong opportunities for Bumiputera & Malaysian company participation, while the use of Malaysian construction materials, technologies and local talents will be prioritised.

Bandar Malaysia will be home to the Express Rail Link (ERL), KTM and Mass Rapid Transit (MRT) Line 2 and 3 and the existing ERL railway which connects Kuala Lumpur International Airport (KLIA) and Kuala Lumpur Sentral transportation hub. The MRT2 have already designated two stations in Bandar Malaysia which is set to be completed by 2021, as well as the Setiawangsa – Pantai Expressway (SPE) formerly known as DUKE 3 slated to be complete by 2021, which is linked to 12 other highways into KL city, will be aligned to Bandar Malaysia.

To be developed over 20 years, Bandar Malaysia will shape the future direction of Kuala Lumpur by offering a liveable new lifestyle city with modern infrastructure to become an iconic development within the ASEAN region.

In addition to providing Grade A office premises, it will encompass other key components like hotels, shopping, healthcare, education and wellness facilities. There will also be 10,000 affordable homes to benefit low-and-medium income groups.

The RM140 billion integrated development will feature integrated components covering finance, technology, medical science, education, tourism and entrepreneurship, as well as being an Intelligent City. It is designed to attract multinational corporations and Fortune 500 companies and top 100 finance institutions to relocate their operations here. This will further increase high-income employment opportunity as well as alleviate the brain-drain in the country.

This is in line with the government's policy of offering special tax incentives for various qualified economic sectors to attract MNCs to Malaysia to invest in high-tech and high-value fields.

The project is further expected to relieve the Klang Valley's excess supply of office space and residential properties as these are expected to be filled quickly by foreign companies and their high-skilled workers and expatriates.

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About IWH-CREC Sdn Bhd

IWH-CREC is a joint venture between Iskandar Waterfront Holdings Sdn Bhd (IWH) as well as China Railway Engineering Corp (M) Sdn Bhd (CREC). IWH holds a 60% stake in the JV, with the remaining 40% stake owned by CREC.