



PRESS RELEASE

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**Knusford & Greenland join hands to bid
for mega building jobs in Iskandar Malaysia**

Tie-up will benefit Malaysian suppliers and sub-contractors

SHANGHAI, Wed. (Feb 11, 2015): One of China's biggest construction groups - Shanghai Greenland Construction Co. Ltd. (Greenland Construction) – has entered into a joint-venture with public-listed Knusford Berhad to bid for major building jobs and infrastructure projects in Malaysia and the region.

Greenland Construction, the construction arm of China's Greenland Group - a Fortune 500 company – had an order book of over US\$20 billion in construction jobs last year alone.

Under the deal announced here today, Knusford's wholly-owned subsidiary Kota Express Sdn Bhd and Greenland Construction's Malaysian entity - Greenland Malaysia Urban Development Sdn Bhd (GMUD) - will now join hands to form a new special purpose vehicle (SPV) to spearhead their strategic alliance

GMUD and Kota Express will hold 55:45 equity respectively in the SPV, which is expected to be fully operational by this year.

It is expected to bid for and participate in several major real estate development projects already announced by the Greenland Group, which has two massive real estate developments in Danga Bay and Tebrau Bay in Johor Bahru.

The SPV will also vie for other new and emerging construction and infrastructure jobs in the public and private sectors in Malaysia and the region.

Knusford chief executive officer Lee Hun Kheng and Greenland Construction chairman and president Tan Deqin signed the Heads of Agreement to establish the JV Company at the Greenland Construction headquarters in Shanghai, witnessed by Tunku Idris Iskandar Sultan Ibrahim, who represented Knusford chairman Tunku Ismail ibni Sultan Ibrahim.

Knusford, a diversified group involved in the supply of building materials and heavy plant machinery, also undertakes various infrastructure projects.

The deal with Greenland Construction will now give Knusford much-needed leverage to bid for major building jobs and infrastructure projects, especially by China conglomerates in Malaysia, and pass on the benefits to local suppliers and contractors.

For Greenland Construction, the tie-up with Knusford will enable it to tap into growing opportunities in Malaysia's building and infrastructure sector, including the expanding MRT and high speed rail network across the peninsular,

The vastly diversified construction group, has extensive experience in ultra high-rise urban building and engineering, and the development of large urban complexes, industrial parks and business districts.

Lee said the joint-venture will pave the way for Knusford to reshape the building industry culture and practices in Malaysia through faster and more cost-effective solutions.

"More importantly by joining hands with Greenland Construction, we can now ensure local businesses also get procurement jobs for building materials and other service from China developers in Iskandar Malaysia," he added.

Tan Deqin said Greenland Construction decision to join hands with Knusford was a demonstration of its commitment to expand its presence in Malaysia and especially in Johor.

"We have a clear understanding of the market requirements and have the necessary construction and infrastructure capability within this sector. We are eager to share our core competencies with a strong partner in Malaysia like Knusford" he said.

Tan Deqin added that the Greenland Construction's collaboration with Knusford will allow it to provide capabilities and experience that it has developed over decades to the Malaysian market.

"Through this joint-venture, we hope to further strengthen our capabilities and experience and provide an enhanced range of new building and related services to the construction industry in Malaysia and the region," he added.

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