Friday, Mar 09 2018

MEDIA RELEASE

MINISTRY OF FINANCE MALAYSIA

MKD SIGNATURE SDN BHD RE: TRX TOWER

1. The Minister of Finance Incorporated (MOF Inc.) wishes to confirm that it has agreed with The Mulia Group to jointly develop the Exchange 106 tower at TRX (“TRX Tower) which construction is expected to be completed by the second half of 2018. The MOF Inc, via its wholly owned subsidiary, MKD Signature Sdn Bhd (“MKD”) took over 51% of the shareholding in Mulia Property Development Sdn Bhd in July 2017.

2. Mulia Property Development Sdn Bhd (“Mulia”), a company incorporated in Malaysia has a paid up share capital of RM500,000.00 and it is jointly owned by The Mulia Group (49%) and MKD (51%) . The cost of the development of the TRX Tower will be borne by the two shareholders based on their respective proportions of shareholding in the JV based on the original cost of the development.

3. MKD has made arrangement with the HSBC Bank for a standby line to finance its proportional construction cost of 51% without any added premium by the JV company.

4. To recall, in May 2015, Mulia Property Development Sdn Bhd bought the 3.42 acres TRX land at the price of RM665 million from TRX City Sdn Bhd. The sale of the TRX land to Mulia was done on commercial terms with no discount accorded to Mulia.

5. The MOF Inc’s participation on the development of the TRX Tower was agreed at the onset to only materialise when the project has reached certain development milestone. The strategic location of the TRX Tower and the iconic nature of the development gave strong impetus for the MOF Inc to participate in the development and management of the tower. With the entire TRX development area expecting to command a gross development value of RM40 billion, it is therefore vital for the MOF Inc to ensure that it secures another strategic position in the progress and success of TRX development.

6. The TRX Tower will have a Nett Lettable Area of 2.8 million square feet space. Upon its completion, the tower will be one of Malaysia’s three iconic structure, following PETRONAS Twin Towers and Permodalan Nasional Berhad’s (PNB) Merdeka 118. The TRX Tower is also set to be the 15th tallest building in the world by the time of completion.

7. Of significance, this is not the only strategic partnership by the MOF Inc in TRX development area. The MOF Inc had, in fact, entered into a partnership with Lendlease (Australia) to develop the Lifestyle Quarter, a 17-acre mixed-use development area within the TRX with an equity structure of 60% owned by Lendlease and MOF Inc owning the remaining the 40%.

8. The completion of the TRX Tower will serve as the catalyst for the development and construction of the surrounding commercial plots within the TRX. Reputable organizations such as HSBC, Prudential Insurance, Affin Bank Berhad, Tabung Haji, Landlease (Australia) have already committed to take up commercial plots within the TRX and

negotiations are underway for other international organizations to participate as well. The TRX Tower will be the crowning success for the Tun Razak Exchange's synergistic role in positioning Malaysia's growing prominence in the world of global finance.

The Minister of Finance Incorporated
8 Mac 2018