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TRX plan: An artist's impression of the RM40bil Tun Razak Exchange with its master plan (inset).
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Mulia to build TRX tower

IMDB Real Estate signs deal with Indonesian developer

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PETALING JAYA: Malaysia Development Bhd (IMDB) has roped in Indonesian property firm Mulia Group to build the Signature Tower at the Tun Razak Exchange (TRX) project in Kuala Lumpur.

This comes a year after the fund announced it would partner Export-Import Bank of China (China Eximbank) to develop the 74-storey building.

In a statement released yesterday, TRX's master developer IMDB Real Estate Sdn Bhd said it had signed a sale and purchase agreement with Mulia Group for the development rights of the designated plot within the 70-acre TRX project.

The land transaction for the Signature Tower project is valued at RM665mil, IMDB revealed, without providing details of the transaction. It also did not offer any updates on the project or what had happened to the previous agreement with China

Eximbank.

"We are pleased to have the Mulia Group on board towards realising the potential of the TRX," IMDB Real Estate chief executive officer Datuk Azmar Talib said in the statement. The TRX project, billed as Kuala Lumpur's upcoming financial district and Islamic hub, was officially launched by Prime Minister Datuk Seri Najib Tun Razak on July 30, 2012.

Critics, including former Prime Minister Tun Dr Mahathir Mohamad, contend since the launching ceremony that TRX had very little to show the public in terms of development and claim that progress at the site had been very slow.

The TRX development is located within the KL city centre off the busy Jalan Tun Razak. Initially, the gross development value of the project was initially estimated at RM26bil and was recently reported to be as high as RM40bil.

The 70-acre project has been divided into several plots by its master developer IMDB Real Estate,

including one as a mixed-use - Lifestyle Quarter - on a 17-acre site that is being developed in partnership with Lend Lease Corp Ltd.

The Signature Tower was designed to the iconic landmark for the TRX project, IMDB had said.

Meanwhile, the latest agreement with Mulia Group marked IMDB's latest attempt to kick-start the project after a joint venture deal with China Eximbank signed in May last year failed to materialise.

IMDB had said then that each partner would contribute up to US\$300mil to the joint-venture company to develop the project.

There has been reports saying that IMDB is facing cash flow problems and has even relied on the Government to provide RM950mil in standby credit in March this year to run its operations.

But efforts to sell some of the plots of land at TRX, which will help IMDB ease its immediate cash flow issues, had suffered some serious setbacks.

A 1.56-acre plot of TRX land sold

to Lembaga Tabung Haji for RM188.5mil cash recently appeared to be making its way back to the market after the pilgrimage fund said it would sell back the land amid a public outcry over its purchase.

Meanwhile, the Retirement Fund Inc (KWAP), which was reported by StarBiz on Monday to be looking to move its headquarters to TRX in a deal worth RM1.2bil, had on Tuesday said that it had not committed to any purchase of building and land at the site.

The latest deal with Mulia Group could also come under intense public scrutiny.

"As one of the biggest commercial property developers in Indonesia, we are excited to be embarking on this project to develop the Signature Tower," Mulia president director Eka Tjandranegara said in the statement.

The Mulia Group, which owns office buildings, hotels and other businesses in Indonesia, was founded by the Tjandranegara brothers, Eka and Djoko Tjandra.