

## **KAJD SIGNS INVESTMENT COLLABORATION AGREEMENT IN BEIJING, CHINA WITH ITS THREE (3) STRATEGIC PARTNERS ON THE INVESTMENT & DEVELOPMENT OF MELAKA GATEWAY**

*Beijing, China 13 May 2017* – KAJ Development Sdn Bhd (KAJD), the master developer of Malaysia's iconic project Melaka Gateway, took the bilateral economic relations between Malaysia and China up a notch higher, when it finally inked an investment collaboration agreement with its three (3) partners for the investment and development of the Melaka Gateway project. The three partners are Powerchina International Group Limited (Powerchina), Shenzhen Yantian Port Group Co., Ltd (Yantian Port) and Rizhao Port Group Co., Ltd (Rizhao Port).

Arising from the initial Memorandum of Agreement (MOA) valued at RM30 billion which was signed and exchanged during the Prime Minister of Malaysia's visit to Beijing on 1<sup>st</sup> November 2016, today's investment collaboration agreement cements the joint collaboration framework by all four (4) parties to invest and develop the three (3) islands at Melaka Gateway. The investment and development will be for Island 1 (PME-1 for tourism), Island 2 (PME-2 for Smart-City and Commercial Hub), Island 3 (PME-3, Pulau Panjang for the Multipurpose Integrated Deep Sea Port).

The 4<sup>th</sup> Island at Melaka Gateway (PME-4), designated as a container and bulk terminal, shipbuilding & repair services and a maritime industrial park, will be developed by KAJD together with Guangdong, China and Chief Minister Incorporated (CMI).

The investment collaboration agreement was signed and witnessed by the Honorable Prime Minister of Malaysia YAB Dato' Sri Mohd Najib bin Tun Haji Abdul Razak.

With this investment collaboration agreement in place, all four parties have agreed to put in an initial investment to commence work on the reclamation works for the three islands at Melaka Gateway. KAJD's strategic investment partners have already embarked on the development of this project by carrying out field studies, soil investigations and design of the land reclamation work. Groundworks by Powerchina on the reclamation of Island 1 (PME-1) have commenced as of 19 April 2017. This portrays the strong commitment and dedication by all partners in ensuring the completion and total development of Melaka Gateway by 2025.

The investment collaboration agreement also highlights the development framework for the Multipurpose Integrated Deep Sea Port at PME-3, Pulau Panjang. Powerchina International, Yantian Port and Rizhao Port will take up and invest up to 50% of the total equity in the development of PME-3, Pulau Panjang. The balance 50% will be owned by KAJD. The parties from China will undertake the operation of the multipurpose integrated deep sea port, whereby groundworks have begun with the foundation-laying ceremony on 19 October 2016. With this investment collaboration agreement securely in place, KAJD and Powerchina stand to gain extensive benefits from Yantian Port Group's and Rizhao Port Group's technical expertise and experience in port construction, operations and management, as well as their extensive network of shipping lines and alliances around the globe. This will catapult Melaka Gateway and Malaysia as a prime location and international maritime gateway to the world.

This strategic investment collaboration agreement will undertake substantial foreign direct investment (FDI) into the country which will ensure the sustainable development of Melaka Gateway. This FDI will also bring greater benefits to the surrounding economic development in Melaka, thereby creating a greater multiplier effect. Melaka Gateway is clearly a landmark infrastructure project which needs to be developed today in order to secure the future opportunities for Malaysia tomorrow and to unlock its true potential.

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