



STAR ONLINE

## China-Malaysia developers plan 5,000-acre man-made island off Johor

6/16/2014

A June 16, 2014 *Star Online* article describes Forest City as 5,000-acre (2,023.43ha) of reclaimed land in a project spanning more than 30 years.

Forest City, which will include a man-made island, will be near the second link (expressway connecting Singapore and Malaysia) in Johor. The article reports that a study on the matter was done more than a year ago. In an interview with *StarBiz*, Country Garden's regional president for Malaysia project Kayson Yuen said the China-based company had studied the mega project, known as "Forest City", for more than a year before it decided to invest in it.

"We decided in the investment because the land cost was reasonable. I cannot remember the exact price but we have committed towards the project," he said. Yuen also stressed that the slowdown in China did not have any impact on their overseas ventures.

"This is because we are able to collect a bigger deposit for our projects in China and this helps with cash flow," said Yuen.

In March this year, *StarBiz* reports that the Hong-Kong listed company was joining hands with KPRJ to build a massive man-made island near Pendas, Johor, for luxury homes.

"This will be a massive mixed development and the investment and commitment shows our confidence in the Malaysia market," he said, adding that it had hired local contractors for the reclamation works and involved an Australian consultant who had reclamation experience at Sentosa Island, Singapore.

The man-made island that had started land reclamation, however, raised eyebrows due to environmental concerns, among others. Country Garden intended to announce the project in March but held it back due to the incident of the missing flight MH370. Yuen conceded that the aviation mishap, which involved many passengers from mainland China, had affected sentiments of home buyers from that country but he was quick to

acknowledge that the political rapport between China and Malaysia was strong and would help normalize relations over time.

“It is only a matter of time before the confidence level of Chinese buyers recovers. We are still very confident with Malaysia’s fundamentals,” he said, adding that the company had studied this new market for a long time before penetrating into the country.

Forest City in Malaysia is Country Garden’s maiden overseas venture. But it is not the first project overseas, having made headlines with its massive project in Danga Bay, Johor, that is estimated to have a gross development value of RM18bil.

In August 2013, Country Garden attracted attention when it announced the sale of 6,000 out of its 9,000 units of condominiums on its development in Danga Bay. It attracted attention because a project of such a scale had not been seen in Malaysia.

It prompted allegations that the high take-up rate was due to huge discounts offered by Country Garden. There were reports that it even offered “buy-one-free-one” for its buyers from China. Yuen dismissed speculation that the company employed a “buy-one-free-one” approach to lure buyers.

“People who made those claims do not have knowledge of the property market. There is no logic in it,” he said.

Aside from Johor, Country Garden also has projects in Selangor, Malaysia. In the Klang Valley, it plans to launch the project in Serendah with its 55:45 joint-venture partner Malaysia Land Properties Sdn Bhd (Mayland) this year. The 67.58ha project has a gross development value (GDV) of RM1.5bil.

Its other project in Selangor is known as Diamond City in Semenyih. The RM2bil project, which was launched officially over the weekend, received overwhelming response with some 60% of the offered units sold.

Country Garden Properties (M) Sdn Bhd managing director Chai Keng Wai, who also represents Mayland, said he was confident that the remaining units would be fully taken up in “a few weeks’ time.” He said people had booked most of the units since the soft launch of the project last year.

Prices for its link houses, bungalows and mansions range from RM378 psf to RM430 psf while built-up

sizes start from 2,300 sq ft to 8,600 sq ft. The first phase of Diamond City sits on a 40ha tract and counts a clubhouse, a Spanish-style commercial street and an infinity pool as some of its facilities.

Country Garden is one of the top 10 developers in China and has more than 20 years of experience in township development.

Source:

<http://www.thestar.com.my/business/business-news/2014/06/16/china-developer-and-kprj-plan-to-reclaim-5000-acres-for-a-manmade-island-project-off-johor/>

## STAR ONLINE

### **Reclamation work at Johor Straits only involves 49 [hectares], no EIA report needed**

6/23/2014

A June 23, 2014 article from the *Star Online* describes some of the tensions created by the Forest City land reclamation project. The article reports that Singapore fears the project to have a possible impact on the island republic given that, at this time, according to the *Star Online*, the project did not require the Environmental Impact Assessment (EIA) report as the area reclaimed is not more than 50 [hectares].

According to the Johor Director of the Department of Environment (DOE) Mokhtar Abdul Majid, currently reclamation works at the Johor Straits, near the Gelang Patah Second Link expressway, only involved an area measuring 49 [hectares].

“As the area reclaimed is not more than 50 [hectares], it does not require the EIA report,” he told the Malaysian National News Agency on Monday when asked about the sea reclamation works that drew concern from the Singapore government.

He confirmed that the sea reclamation work at the Johor Straits was being implemented by a developer from China, Country Garden Holdings Ltd and a subsidiary of the Johor state government, Kumpulan Prasarana Rakyat Johor (KPRJ).

Two days ago, the Singapore Foreign Ministry had expressed concern over the possibility of cross border effects on the republic as a result of the real estate development project at the Johor Straits.

Its spokesman said there was an international responsibility on the part of the Malaysian authorities and Singapore to cooperate on this matter. He asked Malaysia to submit information of the reclamation work concerned. Mokhtar said the Johor DOE had already submitted certain information on the Forest City sea reclamation project measuring 49 [hectares] to the DOE headquarters for further action.

Source:

<http://www.thestar.com.my/news/nation/2014/06/23/reclamation-work-at-johor-straits-only-involves-49-acres/>

## THE MALAYSIAN INSIDER

### No EIA, but Johor coastal reclamation projects already underway say sources

6/23/2014

Jennifer Gomez writes in a June 23, 2014 article for *The Malaysian Insider* that while the Forest City coastal reclamation project is well underway in the Johor straits, no Environmental Impact Assessment has been completed.

In addition to concerns raised by Singapore, the project has drawn the worries from local fishermen and environmentalists.

An environmentalist who declined to be named questioned how work was allowed to proceed despite the projects being “illegal” in the absence of the EIA report. Several queries by *The Malaysian Insider* to the Department of Environment (DOE) on the status of the projects, their impact on the environment and the lack of an EIA report have not been answered.

As of June 15, 2014, publicly available information on the DOE web portal showed that no EIA report, either preliminary or detailed, was submitted by Country Garden Pacific View Sdn Bhd for the 2,000

ha project, and by Spektrum Kukuh Sdn Bhd for its reclamation off Tanjung Piai.

According to the source, most worrying of all was the coastal reclamation work stretching over 1,817ha by Country Garden Pacific View, dubbed the Forest City.

A company search in February revealed that one of the directors of Country Garden Pacific View is Datuk Daing A. Malek Daing A. Rahaman, who is believed to be a long-time friend of the Sultan of Johor and is a member of the council of the Royal Court of Advisers to the Sultan.

It was reported that Country Garden Holdings and Kumpulan Prasarana Rakyat Johor are jointly undertaking the new Forest City project, which is poised to become a tourism hub and an international residential project.

Two weeks ago, Johor Menteri Besar Datuk Seri Mohd Khaled Nordin had assured the state assembly that the land reclamation for the development of the Forest City project in Iskandar Malaysia would not affect the environment.

He had also said that the state government had issued a notice to the developer, Country Garden Pacific View to prepare an action plan to effectively clear any sediment caused by the reclamation work.

He also reportedly said that the DOE would be closely monitoring the activities carried out throughout the duration of the project to ensure that the environment was not compromised.

“There are serious environmental concerns here because the area is surrounded by fishing villages, given the rich sea grass and marine diversity,” the source said of the projects. “Their livelihoods will be affected by the coastal reclamation.”

The source questioned how the land reclamation was allowed to be carried out without detailed EIA reports as required under the law for coastal reclamation projects over 50ha in size. This requirement is stated under the Environmental Quality (prescribed activities) (Environmental Impact Assessment) Order 1987 to be read together with the Environmental Quality Act 1974.

*The Edge Review* had reported three weeks ago that Singapore’s diplomatic feathers had been ruffled over concerns that the Country Garden project would extend the Johor coast around the Second Link right up to the edge of the boundary separating

Malaysia from Singapore.

Media reports said Singapore Prime Minister Lee Hsien Loong had written to Prime Minister Datuk Seri Najib Razak to voice his concerns over the project.

Another letter was handed to Minister in the Prime Minister's Department Datuk Seri Wahid Omar when he was in Singapore recently, according to the report.

The Sultan of Johor, when officiating the opening of the second session of the state assembly last month, had made remarks about the DOE and had said that environment and water issues were state matters. The sultan had said in his speech that in carrying out development work, environmental issues needed to be given priority and that EIA reports needed to be prepared for development projects.

"However, there are irresponsible quarters who use their powers with the EIA as a weapon to stop a development that does not benefit them. For instance, the development project by Benalec, where the MOU was signed three years ago and witnessed by the prime minister himself, has yet to obtain the EIA approval until now," Sultan Ibrahim Sultan Iskandar had said. The sultan had further questioned why certain quarters were bent on delaying the approval, and said that such actions only hindered the development of the state and drove away investors.

"Johor is for the people of Johor and only the people know the conditions and the needs of the state so why are there outsiders who are trying to interfere or even trying to teach us what we should do in our own state?" the sultan had asked.

The Johor ruler had also suggested that the jurisdiction on environmental issues be handled by the state government because it was related to land and water matters.

Source:

<https://sg.news.yahoo.com/no-eia-johor-coastal-reclamation-projects-already-underway-225834843.html>