

- A**
- JB Central Business District
  - JB Conservation & Heritage Zone
  - Danga Bay

- B**
- Kota Iskandar
  - Puteri Harbour
  - EduCity@Iskandar
  - Medini Iskandar Malaysia

- C**
- Port of Tanjung Pelepas (PTP)
  - Free Trade Zone
  - RAMSAR World Heritage Park

- D**
- Tanjung Langsat Industrial Park
  - Pasir Gudang Port
  - Tanjung Langsat Port

- E**
- Airport City

# INVESTING IN ISKANDAR MALAYSIA



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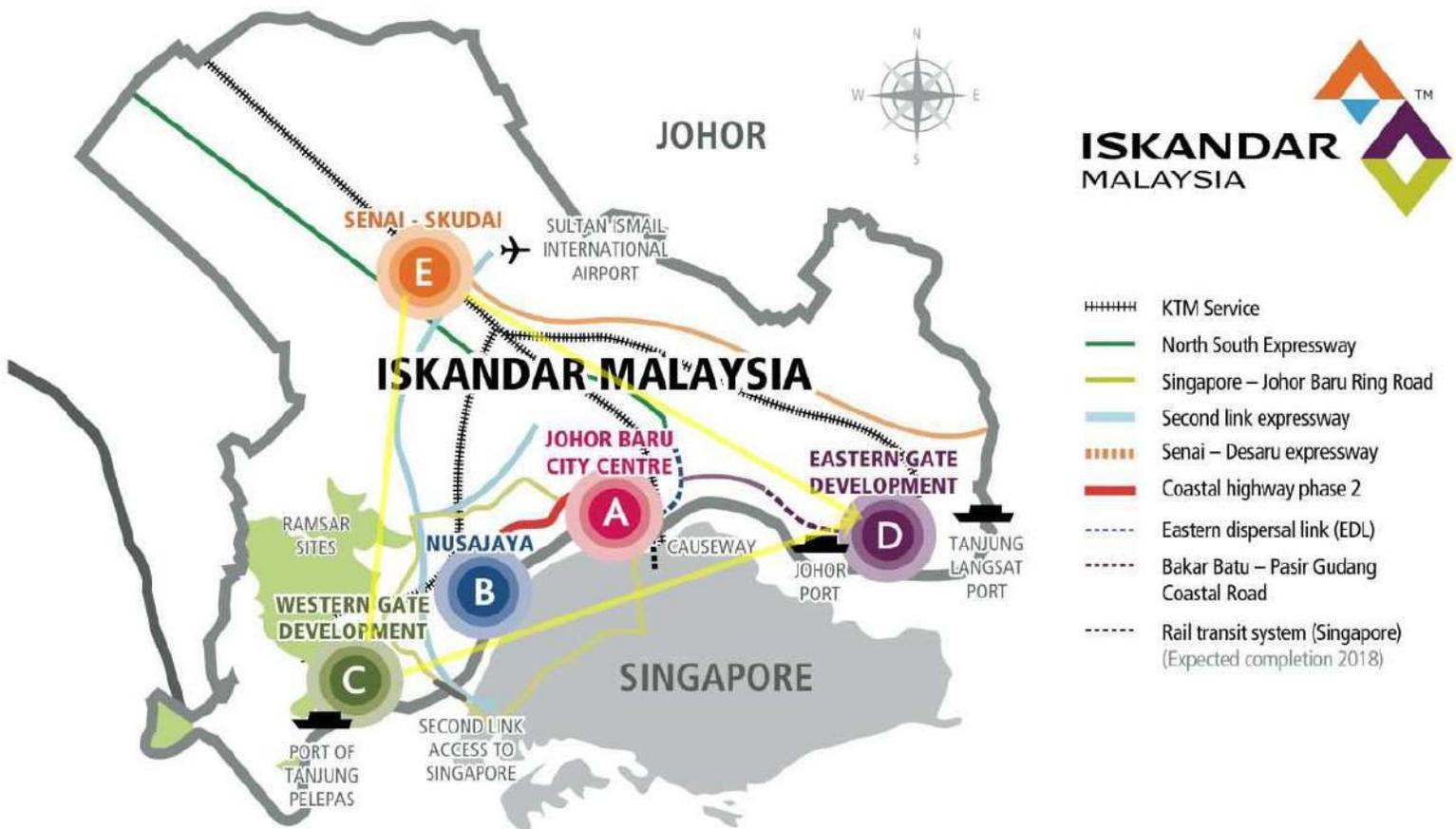
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## QUICK FACTS: ISKANDAR MALAYSIA

Iskandar Malaysia has been allocated RM6.83 billion by the Malaysia Government and is set to locate in Johor, the southern gateway to Peninsular Malaysia, its advantages include:

- Six (6) to eight (8) hours flight radius from Asia's burgeoning growth centres such as Bangalore, Dubai, Hong Kong, Seoul, Shanghai, Taipei and Tokyo.
- Within reach of a global market of some 800 million people.
- Accessible by air, land, rail and sea.
- Flanked by three major ports, the Pasir Gudang Port, Port of Tanjung Pelepas and Tanjung Langsat Port.



**Five Flagship Zones** have been designated as key focal points for development in Iskandar Malaysia. These flagship zones have been envisaged to both further strengthen existing economic clusters as well as diversify and develop targeted growth sectors. Refer to **Appendix** for more details.



## TAX INCENTIVES for Promoted Activities in Iskandar Malaysia:

1. **100% Tax Exemption up to a maximum of 10 Years on the statutory income ;**
2. **200% Tax Deduction up to a maximum of 10 Years on the investment activities.**

### a) Incentives through the Malaysian Industrial Development Authority ('MIDA')

Companies which are carrying out the following promoted activities and/or producing promoted products will be eligible for the following tax incentives provided under the Promotion of Investments Act, 1986 and/or the Income Tax Act, 1967.

Economic Drivers	Incentives		
<ol style="list-style-type: none"> <li>1. Electrical and Electronics</li> <li>2. Petrochemicals and oleochemicals</li> <li>3. Food and Agro-processing</li> <li>4. Biotechnology</li> </ol>		Pioneer Status	Investment Tax Allowance
	General	5 years Pioneer Status and tax exemption at 70% of statutory income	60% ITA on qualifying capital expenditure incurred within 5 years and can be set off against 70% of statutory income
	High Technology Projects	5 years Pioneer Status and tax exemption at 100% of statutory income	60% ITA for 5 years and can be set off against 100% of statutory income
	Strategic/ Prepackaged incentive Projects	10 years Pioneer Status and tax exemption at 100% of statutory income	100% ITA for 5 – 10 years and can be set off against 100% of statutory income
	<ol style="list-style-type: none"> <li>1. Exemption on import duty and/or sales tax on plant and equipment directly used in the manufacturing process</li> <li>2. Exemption from import duty and/or sales tax on raw materials and components used in the manufacturing process</li> </ol>		
<ol style="list-style-type: none"> <li>1. Logistics               <ol style="list-style-type: none"> <li>i. Integrated logistic services providers ('ILS')</li> <li>ii. International procurement centres ('IPCs')/ regional distribution centres ('RDCs')</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. 5 years Pioneer Status and tax exemption at 70% of statutory income, or</li> <li>2. 60% ITA for 5 years and can be set off against 70% of statutory income</li> <li>3. For IPCs and RDCs, full tax exemption for 10 years</li> </ol>		
<ol style="list-style-type: none"> <li>1. Tourism               <ol style="list-style-type: none"> <li>i. Establishment of hotels (up to 3 stars)</li> <li>ii. Expansion/modernization of existing hotels</li> <li>iii. Establishment and expansion of tourist projects</li> <li>iv. Establishment of recreational camps</li> <li>v. Establishment of convention centres</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. 5 years Pioneer Status and tax exemption at 70% of statutory income, or</li> <li>2. 60% ITA for 5 years and can be set off against 70% of statutory income</li> <li>3. Exemption from import duty and/or sales tax on selected equipment used in the hotel/tourism industry</li> </ol>		
<ol style="list-style-type: none"> <li>1. Education               <ol style="list-style-type: none"> <li>i. Technical or vocational training</li> <li>ii. Private Higher Education Institutions ('PHEIs') providing selected courses in Science (new set up) or existing PHEIs in the selected fields of Science undertaking additional investments for upgrading or expansion capacity</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. 100% ITA on qualifying capital expenditure incurred within 10 years to be set off against 70% of statutory income</li> <li>2. Special building allowance of 10% per year</li> <li>3. Exemption on import duty and/or sales tax on educational equipment including laboratory equipment</li> <li>4. Exemption on withholding tax on royalties paid to non-resident franchisors</li> </ol>		



	5. Incentives for Private Higher Education Institutions ('PHEIs) providing courses relating to multimedia and which have their own multimedia faculties are also available through MDeC.
1. Creative Industries i. Film and video production	1. 5 years Pioneer Status and tax exemption at 70% of statutory income, or 2. 60% ITA for 5 years and can be set off against 70% of statutory income 3. For other incentives, please refer to incentives provided through MDeC for multimedia development and applications.
1. Financial services, advisory services and consulting services i. Provision of regional headquarters services under business process outsourcing/ offshoring	1. 10 years tax exemption on the provision of regional headquarters services to related companies including certain types of business process outsourcing/ offshoring 2. See part IV below for incentives for selected services under Islamic Financial Services

## b) Incentives through the Multimedia Development Corporation ('MDEC')

Companies that develop or use multimedia technologies to produce or enhance their products and services are eligible for MSC Malaysia Status. These also include private higher educational institutions providing courses relating to IT.

A company seeking MSC Malaysia status must meet the following criteria:

- a. Be a provider or heavy user of multimedia products and services;
- b. Employ a substantial number of knowledgeable workers;
- c. Provide technology transfer and/or contribute towards the development of MSC Malaysia or support Malaysia's k-economy initiatives;
- d. Establish a separate legal entity for MSC Malaysia qualifying multimedia business and activities;
- e. Locate in a MSC Malaysia designated cybercity/cybercentre\*;
- f. Comply with environmental guidelines

(\*Menara MSC Cyberport, a building located within Iskandar Malaysia, is a designated cybercentre)

Economic Drivers	Incentives
1. Education i. Private Higher Education Institutions ('PHEIs") providing courses related to IT and which have their own multimedia faculties	1. 5 years Pioneer Status (extendable by another 5 years) and tax exemption at 100% of statutory income; or 2. 100% ITA on qualifying capital expenditure incurred within 5 years to be set off against 100% of statutory income. 3. Exemption on import duty and/or sales tax on multimedia equipment used in the MSC operations. 4. Exemption on withholding tax on payments to non-residents for technical services, licensing fees and interest on loans for technology development. 5. Owners of buildings in Cyberjaya whose buildings are rented out to MSC status companies are eligible for Industrial Building Allowance of 10% to be claimed over a period of ten years.
1. Creative Industries May include: i. Film and television (pre and post production, production) ii. Games and animation (content creation, production, post-production) iii. Online and mobile content generation iv. Online and mobile content aggregation and enablers	
1. Financial services, advisory services and consulting services i. Business process outsourcing/offshoring	



### c) Incentives through the Ministry of Agriculture

Projects in selected food production are eligible for a better form of tax incentives. The eligible 'food products' as approved by the Minister of Finance include vegetables, fruits, herbs, spices, aquaculture, rearing of cattle, goats and sheep and deep sea fishing. The incentives are for the company undertaking the approved food production activity as well as for the company investing in the approved food production company.

Economic Drivers	Incentives
1. Food and agro-processing	<ol style="list-style-type: none"> <li>1. Approved Food Production company               <ol style="list-style-type: none"> <li>i. 100% tax exemption on statutory income for 10 years</li> </ol> </li> <li>2. 1. Company which invests in Approved Food Production company               <ol style="list-style-type: none"> <li>i. The investor company is entitled to a tax deduction equivalent to the amount invested in the subsidiary (must be at least 70% owned) which undertakes the food production project; or</li> <li>ii. The investor company will be given group relief for the losses incurred by the subsidiary company</li> </ol> </li> <li>3. Exemption on import duty and/or sales tax on plant and equipment directly used in the operations</li> </ol>

### d) Incentives through the Malaysia Islamic Financial Centre ('MIFC')

General banking and financial services providers are not eligible for any tax incentive in Malaysia. To promote Malaysia as an Islamic Financial Centre (MIFC), tax incentives are available for eligible companies carrying out Islamic banking services, takaful operations, stock broking, fund management services and etc. The incentives for Islamic financial services include the following:

- a. tax exemption for Islamic Financial Institutions on transactions in international currencies
- b. tax exemption for Special Purpose Vehicles issuing Islamic securities
- c. tax deduction for expenditure on the issuance of Islamic securities
- d. tax exemption for Islamic fund management companies
- e. tax deduction for the establishment of an Islamic stockbroking firm
- f. tax exemption on income received by non-resident experts in Islamic finance

### e) Incentives through the Malaysian Biotechnology Corporation

A company which is a provider of a product or services based on life sciences or substantially utilize biotechnology processes and with research capabilities in specific focus areas is eligible to apply for a BioNexus status. The application for BioNexus status is to be submitted to the Malaysian Biotechnology Corporation (Biotech Corp). The incentives are:

- a. 100% income tax exemption for ten years commencing from the first year the company derives profits; or
- b. Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of five years.
- c. Upon the expiry of the tax exemption period, a BioNexus status company will be given a concessionary tax rate of 20% for ten years on income from qualifying activities.
- d. A company which invests in its subsidiary (at least 70%), which is a BioNexus Status company is granted tax deduction equivalent to the amount of investment made in that subsidiary;
- e. A company or individual investing in a BioNexus status company is given a tax deduction equivalent to the total investment made in seed capital and early stage financing;
- f. Exemption of import duty and sales tax on raw materials/components and machinery and equipment;
- g. Double deduction on expenditure incurred for R&D;
- h. Double deduction on expenditure incurred for the promotion of exports; and
- i. Buildings used for biotechnology activities will be eligible for Industrial Building Allowance to be claimed over a period of 10 years.

## f) Incentives through the Halal Industry Development Corporation (HDC)

Halal is a way of life and promotes a healthy lifestyle by how we eat, live and conduct our business. HDC Malaysia has been tasked to develop and promote Malaysia as a 'Global Halal Hub' through standards development, branding enhancement as well as commercial and industry development.

The following incentives are available for the different type of activities within the supply chain to bring halal certified products to the market.

Activities	Incentives
<p><b>Halal Park Operator</b></p> <ol style="list-style-type: none"> <li>- Development of halal parks</li> </ol>	<ol style="list-style-type: none"> <li>10 years Pioneer Status with tax exemption at 100% of statutory income; or</li> <li>100% ITA on qualifying capital expenditure incurred within 5 years to be set off against 100% of statutory income</li> <li>Exemption from import duty on equipment directly used in the Cold Room Operations</li> </ol>
<p><b>Halal Logistic Operator</b></p> <ol style="list-style-type: none"> <li>Services provided must be integrated similar to services provided by an "integrated logistic services provider" which had been approved with tax incentives</li> </ol>	<ol style="list-style-type: none"> <li>5 years Pioneer Status with tax exemption at 100% of statutory income; or</li> <li>100% ITA on qualifying capital expenditure incurred within 5 years to be set off against 100% of statutory income</li> <li>Exemption from import duty on equipment directly used in the Cold Room Operations</li> </ol>
<p><b>Halal Industry Players</b></p> <p>Activities must be in four industry sectors</p> <ol style="list-style-type: none"> <li>Specialty Processed Food</li> <li>Cosmetic and Personal Care / Pharmaceutical</li> <li>Halal Ingredients</li> <li>Livestock and Meat Product</li> </ol>	<ol style="list-style-type: none"> <li>Exemption on statutory income from export sales for 5 years; or</li> <li>100% ITA on qualifying capital expenditure incurred within 10 years to be set off against 100% of statutory income</li> <li>Exemption from import duty on raw materials used for the development and production of halal promoted products</li> <li>Double deduction on expenses incurred in obtaining international quality standards such as HACCP, GMP, Codex Alimentarius (food standard guidelines of FAO and WHO), Sanitation Standard Operating Procedures and regulations for compliance for export markets such as Food and Traceability from farm to fork.</li> </ol>

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# Appendix I

## Flagship A: Johor Bahru City



The city of Johor Bahru is Malaysia's 'Southern Gateway', receiving 60% of foreign tourists who visit Malaysia. It is a major holiday and shopping destination for neighbouring Singaporeans due to the comparatively lower cost of goods and services.

### Overview

#### Location

Johor Bahru is located within the central region of Iskandar Malaysia. It is bound by Senai to the north, Nusajaya to the west, Singapore to the south, and Pasir Gudang to the east.

#### Key Landmarks

Besides the Causeway connecting Malaysia to Singapore, other key landmarks in Flagship A include Danga Bay, Sultan Ibrahim Building, Istana Besar, Istana Bukit Serene and the City Centre.

Johor Bahru is the Central Business District and the State Capital of Johor. It is also the main gateway into and out of Singapore (via the Causeway).

The current key economic activities in Flagship A are financial services, commerce and retail, arts and culture, hospitality, urban tourism, plastic manufacturing, electrical and electronics (E&E) and food processing.

As of February 2008, land prices in Flagship A range from RM30 to RM150 (US\$9 - US\$45) per sq ft for residential use, and RM70 to RM280 (US\$20 - US\$45) per sq ft for commercial use.

In the future, a multi-modal terminal will be developed in Flagship A, as well as an MRT/LRT system connecting Johor Bahru City Centre to other areas in Iskandar Malaysia.

Key players in Flagship A include global financial institutions - Citigroup, HSBC and Kuwait Finance House, major manufacturers - YKK, Celestica, Lion Group, Sumitomo and Kerry's Ingredients as well as local developers - Danga Bay Holdings, Pelangi, Mah Sing and Crescendo.

#### Historical Background

Johor Bahru was founded in 1855 by Temenggung Daeng Ibrahim, the father of Sultan Abu Bakar, one of the best-remembered Malay Sultans, together with a Chinese businessman, Wong Ah Fook. The town was originally named Tanjung Puteri, and it started out as a small Malay fishing village. Sultan Abu Bakar moved the seat of government from the old capital at Teluk Belanga in Singapore to this city in 1866. He changed the name of the new capital of his kingdom to Johor Bahru.



## Population

One of Southeast Asia's most populous urban areas, Johor Bahru is an important industrial, tourist and commercial hub for Southern Peninsular Malaysia. With a population slightly above 1 million in the city, the population growth rate is among the highest in Malaysia.

## Connectivity

There are two major highways linking the city centre to the suburbs, with the Tebrau Highway linking the city to the north-east and the Tun Abdul Razak (TAR) Highway/Senai-Skudai Highway linking it to the north-west. The Pasir Gudang Highway and the connecting Johor Bahru Parkway cross Tebrau Highway and TAR Highway about midway, serving as the Middle Ring Road of the metropolitan area. The Causeway links the city to Singapore with a six-lane road and a railway line. Additionally, three more highways are being constructed which are the Coastal Highway (Danga Bay-Nusajaya), the Eastern Dispersal Link (JB CIQ-North/South highway) and East-West Link (Permas-Pasir Gudang).

## Key Landmarks

### Danga Bay

Danga Bay is an integrated waterfront development within Iskandar Malaysia covering approximately 450 acres. Set to dominate the financial, commercial, residential, educational, tourism and leisure sectors, this "Vision City of the South" has all the makings of a luxury lifestyle centre - that include an international financial and commercial centre, a multi-modal terminal and other iconic developments. As an oasis along the coast of Johor Bahru, Danga Bay is one of the must-visit sites in the south of Peninsular Malaysia. The name Danga Bay is synonymous with luxury, high standards and exclusivity. This prime waterfront city offers an integrated and sophisticated lifestyle for all ages with a wide range of attraction. Every year, many interesting events which incorporates fireworks are held there especially during festive seasons. A vision city in the making, the development comprises of five precincts. Each precincts has its own distinct planning mixture to reflect the development intent. These parcels will be constructed in phases.



## CIQ Complex

The Bangunan Sultan Ibrahim (BSI) is the largest Customs, Immigration and Quarantine Complex in Malaysia. Located at Bukit Cagar (formerly the site of Lumba Kuda flats, Kampung Bukit Cagar and recreation park), it occupies an area of 232,237 sq m. Comparisons have been made to Kuala Lumpur International Airport, a major entry point into Malaysia, and Singapore Changi Airport, a major entry points into Singapore.



## The Causeway

The Johor-Singapore Causeway (*Tambak Johor* in Malay) is a 1,056-metre causeway that links the city of Johor Bahru in Malaysia across the Straits of Johor to the town of Woodlands in Singapore. It serves as a road, rail and pedestrian link, in addition to supporting the water pipeline system into Singapore. The Causeway connects the Skudai Highway (Federal Route 1) on the Malaysian side and the Bukit Timah Expressway on the Singaporean side. On a typical day, it carries 60,000 vehicles.



## Sultan Ibrahim Building

Constructed in the 1940s, the Sultan Ibrahim Building, located at Bukit Timbalan, dominates the Johor Bahru skyline. The Japanese army used it during World War II in their final assault on Singapore. Today, the building serves as the main office building of the State and houses the State Secretariat. The Saracenic character and mosaic detail make this one of the most interesting buildings in Johor Bahru. State civil service offices had since moved to Kota Iskandar in Nusajaya in the fourth quarter of 2008.

Source: [www.iskandarmalaysia.com.my](http://www.iskandarmalaysia.com.my)



# Appendix II

## Flagship B: Nusajaya

### Introduction



Nusajaya, a key component of Iskandar Malaysia with 24,000 acres of contiguous development-ready land, is one of the largest property development in South East Asia.

Flagship B will be a major new growth centre of Iskandar Malaysia where most of the catalyst projects will be developed within the area. The projected population size for this area by 2025 is 500,000.

Current key economic activities in Flagship B are focused on mixed property development, state & federal administration and logistics. Going forward, Flagship B would be the hub for creative arts and entertainment, medical facilities, educational institutions, tourism, biotechnology and hi-tech manufacturing. Hence, Flagship B offers a wide range of investment opportunities for investors to participate in the development of Iskandar Malaysia, either by embarking in joint-venture developments or acquiring parcels of prime development land in Nusajaya.

Key players in Nusajaya are property developers including UEM Land, Iskandar Investment Berhad and Mulpha International Bhd, SP Setia, to name a few. In August 2007, the Middle Eastern Consortium (Mubadala, Kuwait Finance House and Millennium Development) and Iskandar Investment Berhad had signed a MOU to develop a RM4.2 billion (US\$1.2 billion) integrated international city development, referred to as Medini (formerly known as Node 1).

Most land banks in Flagship B are Residential (freehold and leasehold) and Industrial types (freehold or 20+40-year leasehold).

### Overview

#### Location

Nusajaya is located west of Johor Bahru, in close proximity to Port of Tanjung Pelepas and Gelang Patah. It is also strategically located within a 45-minute drive from Singapore's Changi International Airport, a regional aviation hub, and 20 minutes from Johor's Senai International Airport. The regional city combines residential, commercial and industrial elements.

#### Historical Background

Nusajaya's planning was seeded in the mid 1990s when the Malaysia-Singapore Second Link was in the planning process. However, the regional financial crisis in 1997 took its toll and set the development back by several years. In 2003, there was a restructuring of land use. A revised Master Plan, approved by the Johor State Government, formulated a framework that included several catalyst developments that were deemed necessary to kick-start Nusajaya's growth.



## Key Functions/Activities

Nusajaya comprises seven signature developments: Kota Iskandar (Johor state new administrative centre), the Southern Industrial and Logistics Clusters (SiLC), Puteri Harbour Waterfront Development, EduCity, Afiat Healthpark, International Destination Resort and Nusajaya Residences, all within a city that sets the benchmark for integrated developments across the globe.

## Key Landmarks

### Kota Iskandar

Kota Iskandar will be an integrated development, comprising Johor State and Federal government department offices, that will be fully completed by 2012. Spanning 320 acres, the components that will be established in Kota Iskandar are the Johor State Assembly Building, Chief Minister and State Secretary Complex, State and Federal Government Office Complexes and a ceremonial plaza. The land is under the ownership of State Secretary Johor (Incorporation).

Kota Iskandar's milieu of state and federal government complexes within one area will facilitate the government machinery's efficiency to a level befitting its status as a centre of modern and progressive administration. With improved facilities, connectivity and efficiency, the public sector administration will offer enhanced support to existing business within Nusajaya as well as attracting interest and investments from companies that can make a positive impact on the economy and quality of life in this region.

## Connectivity to Singapore

Flagship B is conveniently accessible from the Linkedua Highway via the Pulai Interchange, as well as via the B5 Road from the Gelang Patah Interchange. It is only a 15-minute drive from Nusajaya to the Linkedua Highway.



### Puteri Harbour

Puteri Harbour is a 688-acre integrated waterfront development that offers exceptional waterfront living. Featuring 10.8km of waterfront properties, this area boasts developments that include canal homes, condominiums, service apartments, resorts, hotels, convention centre, quayside lifestyle stores, fine dining, alfresco cafés & harbour view offices, CIQP / ferry terminal / transport hub and 276 Marina berths. The land is under the ownership of UEM Land Berhad.



### **EduCity @ Iskandar**

EduCity @ Iskandar is a 305-acre fully integrated best-in-class education hub comprising universities and institutes of higher education, academia-industry action and R&D centre, accommodation and recreational facilities and sports facilities. Newcastle University from the UK is currently building its medical faculty in EduCity and planning to open its campus in 2011. The land is under the ownership of Iskandar Investment Berhad (IIB).



### **Afiat Healthpark**

Afiat Healthpark spans 67.2 acres and caters to three distinctive areas under the health spectrum, namely modern medicine, traditional and complementary medicine (TCM) and wellness. Afiat Healthpark developments include Columbia Asia's 80-bedded private hospital that will be supported by other health facilities such as private specialist clinics, a health screening centre, a commercial village, a nursing college, a rehabilitation centre, a dialysis centre and facilities for traditional and complementary medicine. The land is under the ownership of UEM Land Berhad.



### **LEGOLAND Malaysia**

This full-day experience theme park is being built within Medini Iskandar Malaysia. It is expected to be ready by 2012. The Master Planning stage has been completed and earthwork on site is due to commence end of 2009. The 64-acre integrated theme park will feature 19 rides and more than 20 attractions within the park as well as F&B and retail outlets, games and guest service facilities. Surrounding LEGOLAND will be one million sq ft of retail outlets, offices, and two hotels.



## Southern Industrial Logistics And Clusters (SiLC)

Labelled a clean, green and world-class managed industrial park, SiLC capitalises on its proximity to an established network of two international airports and five seaports. An industrial zone with a unique green industrial park concept, SiLC is designed and planned to meet the current demand for environmentally sustainable development that complements both the economy and quality of life. The land is under the ownership of UEM Land Berhad.



## Nusajaya Residences

Nusajaya Residences combine the best of urban living and the refreshing, de-stressing power of nature. Complemented by modern amenities and infrastructure that put safety and security foremost, they are set amidst an oasis of greenery in the form of landscaped parks, gardens and the tropical mangroves of coastal Johor. Each development will boast signature features that distinguish it from the rest, elevating them from mere bricks and mortar to embodiments of refined lifestyle statements. Among the residential areas being developed are Horizon Hills, Ledang Heights, East Ledang and Nusa Idaman. The land is under the ownership of UEM Land Berhad.



## Medini Iskandar Malaysia

Medini Iskandar Malaysia is a 2,230-acre international mixed-used development, encompassing of FOUR development components:

- Medini North
- Iskandar Financial District
- Medini Central
- Medini South
- 

IIB is in a strategic partnership with their middle-eastern counterparts Global Capital and Development Sdn Bhd and Medini Central Sdn Bhd to jointly develop Medini Iskandar Malaysia, with an initial investment commitment of US\$1.2 billion (RM4.1 billion). The development has expected Gross Development Value (GDV) of US\$20 billion over 15 – 20 years. The development plan will be 20% completed by 2014, during which a targeted population of 50,000 will also be expected.

### i) Mubadala Consortium

This consortium will act as the master concessionaire and land developer (MCLD) investing about US\$520 million (or RM1.8 billion) for the lifestyle and leisure cluster - comprising a city centre, golf village, amusement bay, residential district, and a medical and wellness village - in an area of about 1,240 acres.

### ii) Kuwait Finance House Consortium

This consortium will act as MCLD investing about US\$330 million (or RM1.2 billion) for the cultural cluster - comprising the logistics village, creative park and heritage district - in an area of over 620 acres.

Source: [www.iskandarmalaysia.com.my](http://www.iskandarmalaysia.com.my)



# Appendix III

## Flagship C: Western Gate Development

### Introduction



The key economic activities in Flagship C are port and marine services, warehousing, logistics, engineering, hi-tech manufacturing, food production, petrochemical industry, entreport trade. Flagship C boasts a logistic centre, regional distribution centres, regional procurement centres and utilities (power).

### Overview

#### Location

Flagship C is located within the south-western region of Iskandar Malaysia. It is bound by Mukim Jeram Batu and Mukim Jelutong to the north; Mukim Serkat and Mukim Sungai Karang to the west; Selat Tebrau to the south; and Gelang Patah and Nusajaya to the east. It covers an area of more than 30,000 acres.

#### Key Landmarks

Besides the Port of Tanjung Pelepas (PTP), other key landmarks in Flagship C include **Ramsar** sites (Mukim Sungai Karang and Hutan Simpan Kekal Sungai Pulai), the Tanjung Bin Power Plant, the Second Link Access to Singapore and medium density residential areas (from PTP towards Leisure Farm).

MMC Corp Bhd, a public-listed company in Bursa Malaysia, is the main player in Flagship C via its shareholdings in the Port of Tanjung Pelepas (PTP) and the Tanjung Bin Power Plant. Most of the land banks in Flagship C are agricultural lands and mangrove forests.

In terms of land bank availability, about 700 acres in the Free Trade Zone in Port of Tanjung Pelepas (PTP) are still available for development in various sectors including warehousing, international procurement and more. The proposed 2,215 acres of the Maritime Centre at Tanjung Bin also offer investment opportunities to players in oil and gas industry.

As of February 2008, land prices in Flagship C ranged around RM18 (US\$5) per sq ft (for industrial/commercial use). Convenient expressways connect the area to Johor Bahru and Kuala Lumpur. It takes only 30 minutes to drive from Flagship C to Johor Bahru and the Senai Airport. In the future, there will be a MRT/LRT system connecting Flagship C to the Johor Bahru City Centre and elsewhere.

#### Connectivity

Flagship C is accessible via local roads from the Second Link Expressway and is also connected to the North-South Expressway and Pasir Gudang Highway. By sea, it is accessible via the Port of Tanjung Pelepas.

#### Population

The total population of Flagship C is about 45,000, mostly concentrated near the Port of Tanjung Pelepas (est. 25,000), Mukim Jeram Batu (est. 11,000), Mukim Serkat (est. 5,000) and Mukim Sungai Karang (est. 2,000).



## Historical Background

Back in 1994, Flagship C used to be a fishing village surrounded mostly by **Ramsar** zones and agricultural land banks. Today, the area has been developed into one of the most important maritime hubs in Malaysia. Its flagship, Port of Tanjung Pelepas (PTP), is located on the eastern mouth of the Pulai River in South-western Johor, Malaysia.

## Key Landmarks

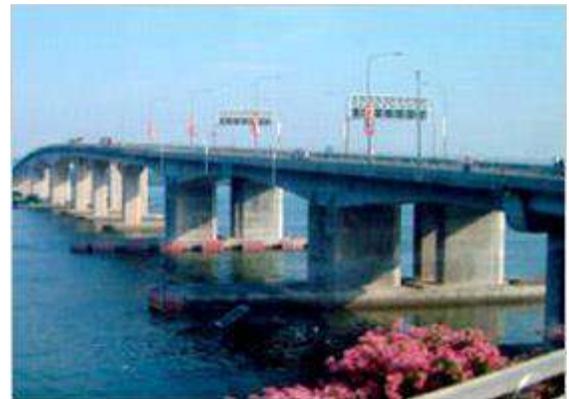
### Port of Tanjung Pelepas (PTP)

Since its humble beginning in 1999, the Port of Tanjung Pelepas (PTP) has grown into one of the world's major container ports. In 2000, PTP was ranked 148th among the world's busiest and most well run ports and in 2008, it was ranked 17th. PTP is currently spending RM1.4 billion to expand its quay with the addition of four berths. This expansion project will increase the handling capacity of PTP to 12 million TEUs. The port was also voted 'Asia's Container Terminal of the Year' in 2004 and 2006.



### Second Link To Singapore

The Malaysia-Singapore Second Link is a bridge connecting Singapore and Johor, Malaysia. In Singapore, it is officially known as the Tuas Second Link. It was opened to traffic on 2 January 1998. The bridge was built to reduce traffic congestion on the Johor-Singapore Causeway. The twin-deck bridge supports a dual three-laned carriageway linking Kampong Ladang at Tanjung Kupang, Johor to Jalan Ahmad Ibrahim at Tuas, Singapore. The total length of the bridge over water is 1,920m (6,300ft).



## Ramsar Heritage Park

Pulau Kukup, Sungai Pulai and Tanjung Piai were designated as Ramsar sites on 31 January 2003. Covering about 23,000 acres, the Ramsar site in Johor is the largest uninhabited mangrove island in the world. The Ramsar sites provide great opportunities for tourism activities. The location of three of Malaysia's six Ramsar sites in Iskandar Malaysia gives IM a unique position in the eyes of the world because these areas are recognised worldwide as wetlands of international standing. What makes the Johor Ramsar sites unique is the concentration of 25 species of mangroves, which cannot be found anywhere else in the world, in all three sites.



## Tanjung Bin Power Plant

Tanjung Bin Power Sdn Bhd has been granted a licence to construct, operate and own a 2,100MW coal-fired power plant in Tanjung Bin, Johor, for a 25-year period, effective from the commercial operation date of the first unit. The power plant comprises three power-generating units, each with a nominal net capacity of 700MW. Tanjung Bin Power Sdn Bhd is a 90% subsidiary of Malakoff Corporation Berhad which in turn is a 51%-owned subsidiary of MMC Bhd.



## Bunker Terminal

There is a plan to develop a Regional Petroleum Hub on the Government's reclaimed island at Tanjung Bin, Johor. The hub will have a Tank Farm facility with a capacity of approximately 1 million cubic metres as well as two jetties and seven berths. Currently, work is proceeding on a fast-track schedule.



## Maritime Centre

MMC has proposed to develop a 2,215-acre maritime centre at Tanjung Bin that will comprise oil terminal activities, drydocks, a shipyard, conventional cargo handling facilities, logistic parks and real estate development. The proposed development has drawn considerable interest from foreign investors with potential investments totalling RM16 billion. Work is currently proceeding.

Source: [www.iskandarmalaysia.com.my](http://www.iskandarmalaysia.com.my)



# Appendix IV

## Flagship D: Eastern Gate Development

### Introduction



As one of the key components of Iskandar Malaysia, the industrial and manufacturing hub in the southern region of Peninsular Malaysia encompasses 31,132 ha of the Pasir Gudang area. Flagship D covers Pasir Gudang Port, Pasir Gudang Industrial Park, Tanjung Langsat Port and Tanjung Langsat Industrial Complex.

Current key economic activities in Flagship D are focused on heavy industries and logistics, including electrical and electronics (E&E), chemical, oleochemical, food and engineering-based industries as well as ports and logistics and warehousing. Flagship D has the largest concentration of palm oil refining industries and downstream activities in the world.

Key players in Pasir Gudang include both local and international companies such as Bahru Steel, Panasonic, Titan, Kiswire, Western Digital and IOI Lodgers.

Most land banks in Flagship D are industrial zone (leasehold: '30+30'-year lease or 60-year lease) and residential-type (freehold and leasehold).

As of 15 February 2008, the price of industrial land in Pasir Gudang ranged between RM14 - RM20 (US\$5 - US\$7) per sq ft for a '30+30'-year lease and RM17 - RM30 (US\$6 - US\$10) per sq ft for a 60-year lease.

### Overview

#### Location

Pasir Gudang is located 30 km east of Johor Bahru. It is located at the western end of the Johor Bahru metropolitan area. The population is around 100,000.

#### Key Functions/Activities

Key economic activities in the Pasir Gudang area are electrical and electronic (E&E), chemical, oleochemical, chemical biofuels, food products, engineering-based industries, ports and logistics, warehousing, research and development (R&D) and plastics.

#### Historical Background

The name Pasir Gudang originated from the existence of a sand mine at Kampung Ulu. Sand or 'pasir' in Malay was mined and stocked in sand pits/stores (or 'gudang' in Malay) before it was exported to Singapore, hence the name 'Pasir Gudang'. Pasir Gudang was initially an agricultural area in the early 20th century. In 1969, FELDA land schemes were founded in the Pasir Gudang area. To further develop the western part of Johor, the State Government converted the estate lands into industrial and housing areas in order to develop Pasir Gudang into an industrial area.



## A Key Industrial Hub In Southern Peninsular Malaysia

To date, there are more than 300 factories in the Pasir Gudang area that have provided more than 30,000 employment opportunities to the community of 100,000 people in Pasir Gudang.

## Connectivity

Currently, Flagship D is connected by the four-lane Pasir Gudang Highway, a trunk road and a railway line to Johor Bahru.

## Key Landmarks

### Tanjung Langsat Industrial Complex

Tanjung Langsat Industrial Complex is located in the southern region of Johor, bound by the Straits of Johor in the south and the Johor river basin in the east. The complex is an extension of the existing Pasir Gudang Industrial Area and comprises an area measuring 4,198.52 acres dedicated to light, medium and heavy industries. The land is under the ownership of Johor Corporation.



### Tanjung Langsat Port

Tanjung Langsat Port (TLP) is the third port in Johor, Malaysia, designed to complement the Port of Tanjung Pelepas and Johor Port in Pasir Gudang. Positioning itself as Southeast Asia's premier speciality terminal, it handles bulk cargo such as liquefied petroleum gas (LPG) and dangerous chemicals.

Initiated in 1995 and commencing partial operations in 2003, TLP is situated 12 nautical miles (22 km) from the international shipping lane, 5 km from Johor Port and 30 km from Johor Bahru. It has more than 750 acres of land within the port area and a 4.5 km shoreline fronting the Straits of Johor. Tanjung Langsat Port is a subsidiary of Johor Corporation.



## Pasir Gudang Industrial Park

Pasir Gudang Industrial Park, which covers 3,764 acres of land, is one of Johor Corporation's many successful industrial estates. It is also among the most successful industrial townships in Malaysia. Currently, the Pasir Gudang Industrial Area has more than 300 manufacturing companies. Meanwhile, the existing tank farm facilities in Pasir Gudang are the world's largest edible oil tankage facility catering for the throughput from the companies operating within the hinterland of Pasir Gudang.



## Pasir Gudang Circuit

Built in 1986, the Johor Circuit is the first international-class motor racing circuit outside of the Klang Valley. It initially catered to local enthusiasts but it soon gained recognition not only regionally, but also internationally. Although it was then a comparatively new circuit, its challenging 3.86 km configuration soon attained respect and admiration amongst the racing fraternity. In 1990, just four years after it was built, the circuit was upgraded in accordance to the strict FIM World GP homologation requirements. In 1998, it hosted the World Motorcycle Grand Prix Championship. Ever since then, it has been hosting regular local and regional events.



## Johor Port

Johor Port services include cargo handling for a diverse range of cargo (dry cargo, general cargo, liquid bulk and containers). They also include the provision of marine services such as towage, piloting, ship-to-ship transfer, bunkering and supply of fresh water. Port facility management includes the running of the Johor Port Free Zone, property management and warehousing. Johor Port is a subsidiary of MMC Corporation Berhad.



Source: [www.iskandarmalaysia.com.my](http://www.iskandarmalaysia.com.my)

# Appendix V

## Flagship E: Senai - Skudai

### Introduction



Current key economic activities in Flagship E are airport services, engineering, electrical and electronics (E&E) and education. Going forward, Flagship E would also be the hub for agro and food processing, ICT and retail tourism.

With more than 1,000 acres of available land bank within the vicinity of Senai Airport, investors will have the advantage of setting up large-scale commercial and airport-related enterprises at attractive low rates. Other strategic land banks owned by developers also offer various investment opportunities.

As of February 2008, land prices in Flagship E ranged from RM4 to RM19 (US\$1.5 - US\$6) per sq ft for industrial/commercial use and RM80 to RM300 (US\$18 - US\$90) per sq ft for residential use.

Flagship E is synonymous with Senai International Airport and Universiti Teknologi Malaysia (UTM). Other key players include Lee Rubber, Boustead, Genting Property, IOI Properties and Johor Corporation.

Senai Airport is envisaged to be the No. 2 airport in the region after Changi Airport by 2025. It takes only 30 minutes to drive from Johor Bahru to Senai Airport. In the future, a multi-modal terminal and cyber city will be developed in Flagship E. There will also be an MRT/LRT system connecting Flagship E to the Johor Bahru City Centre and elsewhere.

### Overview

#### Location

Senai-Skudai development is located within the northern region of Iskandar Malaysia. It is bound by Mukim Sedenak to the north; Gunung Pulai to the west; Mukim Tebrau to the south; and Seelong to the east.

Senai is a transit town situated 25 km from Johor Bahru, Malaysia. Flagship E covers 2 small towns in Iskandar Malaysia, namely Senai and Skudai. Skudai is a rapidly expanding suburb of Johor Bahru. Skudai is part of the new growth corridor of south-west Johor. Senai is located 4 km south from Kulai, and 4 km north of Skudai. Expressway E3 links Senai Airport with Tuas in Singapore at the other end.

#### Historical Background

The name Senai is derived from a local tree, Sinai, which thrived in the region in the early 20th century.



## Key Functions/Activities

Apart from Senai International Airport, it is also the base for several major multinational electronics manufacturers. Other key landmarks in the Senai-Skudai area include Universiti Teknologi Malaysia (UTM) and Johor Technology Park.

## Connectivity

Currently, Flagship E is accessible to other regions via air through Senai International Airport. It is also well-connected via the Second Link Expressway and North-South Expressway. It takes less than 45 minutes to drive from Senai to the Malaysia-Singapore Second Link (and Port Of Tanjung Pelepas) and the Johor Causeway.

## Key Landmarks

### Sultan Ismail International Airport (Senai International Airport)

Constructed in 1974, the airport is now managed by Senai Airport Terminal Services Sdn Bhd (SATSSB), the first private airport operator in Malaysia after taking over the operations from Malaysia Airports Holdings Berhad in 2003. Being the only international airport serving the Iskandar Malaysia; Senai International Airport is able to handle up to 3.5 million passengers and 80,000 tonnes of cargo per annum.



### Senai Free Zone

A dedicated industrial area gazette with free zone status consist of 80 acres (Phase 1) and 528 acres (Phase 2), situated adjacent to Senai International Airport. Coupled with advantages like strategic location, integrated logistics support, conducive business environment and state-of-the-art business facility makes it ideal for regional distribution centre, warehousing activities, logistics provider and export-oriented manufacturing base.



## Senai Aerospace Park

The only aerospace park in Iskandar Malaysia with total land of 50 acres (Phase 1) and 250 acres (Phase 2), focus on aviation and aerospace-related activities. Located within airport's airside and linked to the runway, the park is ideal for maintenance, repair and overhaul (MRO), fixed base operation (FBO), light aircraft assembly, aircraft conversion, main frame manufacturing and other related aviation activities.



## Senai Airport City

An integrated 2,718 acres of free zone and mix industries development located in close proximity to the Senai International Airport. The components of the Senai Airport City development are:

- High Tech Park (the second high tech park in Malaysia after Kulim High Tech Park) ~ 1,138 acres
- Cargo and Logistics Park ~ 928 acres
- Commercial and Residential Park ~ 652 acres

Variety of business opportunities lies in this unique integrated development from cargo, passenger, aviation, aerospace, commercial or industrial and even residential; you will find everything you need in this unique airport city.



## Universiti Teknologi Malaysia (UTM)

Universiti Teknologi Malaysia is the oldest public engineering and technology university in Malaysia. Known by the abbreviation UTM, the university specialises in technical studies, with separate faculties established for Education, Pure Sciences, Management and Human Resources Development. The university has a number of international academic collaborations and offers 108 postgraduate programmes in Engineering and Technology.



### MSC Malaysia Cyberport

The Bandar MSC Cyberport is a new mixed property development township project to be developed on a 150-acre freehold land area in Indahpura, Kulai. It has been identified as the first MSC Malaysia Cybercity in Johor. The cyber city is designed to have world-class infrastructure and a clustering effect that would create an environment to nurture technopreneurs and grow businesses. The Bandar MSC Cyberport is expected to be developed in phases from the end of 2008. The land is currently under the ownership of MSC Cyberport Johor.



### Johor Premium Outlets

Johor Premium Outlets is a joint venture between Genting Berhad and Simon Property Group. As the first Premium Outlet Center® in South East Asia and the 70th outlet centre in the Premium Outlets® portfolio, the 175,000 sq ft phase I of this outlet center will feature more than 80 leading designers and name brand stores offering impressive savings of 25% to 65% every day. Designed in a unique outdoor settings, the upscale outlet center will offers a rewarding and exciting shopping experience for all its visitors. The center is scheduled to open in November 2011.



Source: [www.iskandarmalaysia.com.my](http://www.iskandarmalaysia.com.my)

## About ShineWing TY TEOH

ShineWing TY TEOH is a leading regional chartered accountants, tax, transfer pricing, valuation and consulting group with office presences in Malaysia to provide a diverse spectrum of business solutions and consulting services to the corporate client including Audit & Assurance, BPO & Business Advisory, China Desk, Digital Transformation and Data Analytic, Family Office & Private Client Services, Financial & Transaction Advisory, Japan Desk, Migration Advisory, Market Entry Advisory, Myanmar Desk, Offshore Advisory, Risk & Governance Advisory, Singapore Desk, Tax Advisory, Transfer Pricing Advisory and Valuation Advisory.

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