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Developer's Suit Against FELDA, FIC Struck Out

Sometime in June 2014, Synergy Promenade Sdn Bhd (**SPSB**) signed a Development Agreement with FELDA's investment arm, Felda Investment Corporation Sdn Bhd (**FIC**), under which SPSB was appointed as the master developer of the Kuala Lumpur Vertical City Project (**Project**) — a mixed development on 24 parcels of land owned by FELDA along Jalan Semarak, Kuala Lumpur.

The Development Agreement, on its face, provides FIC was to deliver vacant possession of the land within 30 days of signing the agreement.

In July 2019, SPSB commenced a suit against FELDA and FIC seeking vacant possession of 23 out of the 24 parcels. SPSB claimed they were entitled to vacant possession of FELDA's lands as the master developer of the Project. SPSB sought specific performance of the terms of the Development Agreement.

FELDA and FIC applied to strike out SPSB's suit on, amongst others, the ground that the Development Agreement was null and void as the requisite Minister's approval was not obtained. SPSB, on the other hand, attempted to rely on the terms of the Development Agreement where FIC purportedly represented that they had obtained the necessary approvals and had the power to enter into the agreement.

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On Tuesday (23 November 2021), the High Court allowed FELDA and FIC's application to strike out SPSB's suit. The High Court agreed with FELDA's and FIC's contention and held that the Development Agreement was illegal and unenforceable as it was executed without the requisite Minister's approval *ultra vires* the Land Development Act 1956 (**LDA**). The High Court found that SPSB had not shown that the Minister's approval required under the LDA was obtained and was not entitled to rely on the terms of the Development Agreement to make such assumption.

The case has been reported in [Astro Awani](#), [The Edge Markets](#) and [Malay Mail Online](#), as well as in the national-language [BH Online](#) and [Sinar Harian](#).

The team representing FELDA and FIC consists of senior partner [Kumar Kanagasingam](#) and partner [Mong Chung Seng](#), along with associates, Wong Han Wey and Medha Ong Ann Ting, from the Banking & Insolvency Practice.

Kumar Kanagasingam and Mong Chung Seng

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