

## National security concerns setback for Twin Towers

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Investment Commission spokeswoman Yang Shu-ling, left, in Taipei yesterday announces the committee's rejection of a bid by Hong Kong-based Nan Hai Corp to develop the Taipei Twin Towers project.

**Photo: CNA**

The Investment Commission yesterday rejected Hong Kong-based Nan Hai Corp's (南海外資) application to develop the Twin Towers project in Taipei, citing national security concerns over capital with Chinese origins.

The company was formed by Hong Kong-based Nan Hai Development Ltd (南海外資) and Malaysian property developer Malton Berhad. It applied to invest NT\$1 billion (US\$32.1 million) to set up an office in Taiwan and to build the multimillion-dollar project near Taipei Railway Station.

The commission said that it rejected the company's development plan based on Article 7 of the Statute for Investment by Foreign Nationals (外國人投資條例), despite it having previously won most-favored applicant status in bidding conducted by the Taipei Department of Rapid Transit Systems in December last year.

"The commission has determined a strong link between the investors and the Chinese market," commission spokeswoman Yang Shu-ling (楊淑玲) told a media briefing in Taipei.

She cited national security concerns behind the commission's decision because of the project's proximity to major transportation junctions such as the mass rapid transit system, the railway, the high-speed railway and the bus station.

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“The investor’s parent company, Bermuda Nan Hai Corp, revealed in its financial statement in 2018 that most of the company’s sales and employees are situated in China,” Yang said, adding that the company should be recognized as listed in China.

The commission said that Nan Hai’s executive officer is Chinese, while more than half of the company’s board members who are responsible for business operations and execution are also Chinese.

Two out of five members of the company’s nomination committee, which advises the board of directors, are likewise Chinese, the commission said.

Furthermore, the company’s real-estate branch, Nan Hai Development Ltd, has pledged its stock to China Digital Licensing Group Ltd (中数集团), which has four Chinese directors on a board of seven.

Chinese make up more than half of the members of the nomination committee established by the board of directors, the commission said.

Having previously lost its bid for the project, Hongwell Group (宏井集团), the property development arm of computer maker Clevo Co (联华电脑), yesterday said that it would make an all-out effort to seize the opportunity if it were asked to take over the project, the Central News Agency reported.

Hongwell said it is awaiting a decision by the Taipei Department of Rapid Transit Systems.

Taipei City Government deputy spokesman Ko Yu-an (柯育安) said that the city government has been informed of the result of the commission’s review of the project, adding that it would issue a response today after studying the information.

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