The New Straits Times - 1MDB To Be A Run-Off Company

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KUALA LUMPUR: 1Malaysia Development Bhd (1MDB) will be a run-off company following the transfer of all its assets to the Minister of Finance Inc (MOF Inc).

Second Finance Minister Datuk Johari Abdul Ghani said 1MDB would not be sealed off immediately after the asset sale.

“We will sell the assets and run off the company as it has debts to repay. We will slowly retire the debt with the plans we have, which is selling and developing the land in Bandar Malaysia and Tun Razak Exchange (TRX),” he said.

So far, 1MDB has transferred the ownership of Bandar Malaysia Sdn Bhd and TRX City Sdn Bhd to MOF Inc.

1MDB also owns land in Air Itam in Penang, and Pulau Indah in Klang.

For the land at Westports in Klang, Johari said MOF Inc was in the process of getting a buyer.

For the 104.52ha in Air Itam, it intends to work closely with a suitable developer for a mega project.

Johari said for assets like Bandar Malaysia and TRX, the plan was to team up with the private sector to develop the land.

“We have signed agreements with Iskandar Waterfront Holdings Bhd and China Railway Engineering Corp for Bandar Malaysia and can expect the gross development value (GDV) to reach RM50 billion to RM60 billion.”

He said 1MDB was a company that started with a very noble idea.

According to Johari, the idea was basically to use 1MDB to leverage its ability to borrow money and do something that an ordinary company could not do — to develop huge assets like Bandar Malaysia and TRX, and at the same time, consolidate the energy sector.

“Unfortunately, along the way, things went wrong. I am quite pleased to see that the government is willing to come out openly to allow the Public Accounts Committee to do a report and allow people like myself to study that report,” he added.

Johari said three conclusions were made following the report. They included a wrong business model for 1MDB, weak management and lack of corporate governance.

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