

1MDB says no decision to wind-up
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There has been no decision to wind-up ailing investment arm 1Malaysia Development Fund (1MDB).

According to a 1MDB spokesperson, the firm remains committed to achieving the objectives outlined in its strategic review, which was unveiled last month.

"In our strategic review, we stated our intention for TRX (Tun Razak Exchange) and Bandar Malaysia to be run as standalone entities with independent governance structures and responsibility for their own operations and finances, as is presently the case with Edra Energy.

"We also stated that Edra Energy will be monetised in 2015, whilst we expect TRX and Bandar Malaysia to sell land development rights and/or enter into profit-sharing joint ventures with government-linked or private companies who can contribute not only development expertise but also equity and debt to finance specific projects.

"We are solely focused on implementing these plans, and only when these are completed will we consider next steps," he told Malaysiakini.

The spokesperson was responding to an exclusive report today by Reuters which quoted sources as claiming that 1MDB would be left as a skeletal structure and possibly dissolved under a debt repayment plan in which most of its assets would be sold.

Audit ordered

The sources stated that under the aggressive restructuring plan by 1MDB's new president and executive director Arul Kanda, the fund would sell 80 percent of its power unit Edra Energy via a stock market listing.

"More than 18 billion ringgit of 1MDB's debt linked to its power assets would go under Edra Energy ahead of the listing, which is due to be kickstarted in 6-9 months time.

"The fund, which has (Prime Minister) Najib (Abdul Razak) (extreme right in pix at left) as chairman of its advisory board, would also sell the bulk of its land assets and stakes in two high-profile property projects, TRX and Bandar Malaysia, after splitting them into separate entities, as already partially indicated in a strategic review unveiled last month," read the report.

Yesterday, Najib instructed the auditor-general to look into 1MDB while the cabinet stated that it found no wrongdoings on the part of the firm.

The heat on 1MDB was turned up following a series of revelations exposed by

whistleblower website Sarawak Report recently.

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