

TRX, Bandar M'sia to slog for 1MDB
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Tun Razak Exchange (TRX) and Bandar Malaysia, two major developments under 1MDB, will be used to raise funds and help pay off the company's massive debts, Finance Minister II Ahmad Husni Hanadzlah announced today.

Husni said under this rationalisation plan which was presented to the cabinet this morning, TRX and Bandar Malaysia would be separated from 1MDB as independent entities.

They will then raise equity through third parties and then channel funds to 1MDB to help pay off its debt.

"This will see TRX and Bandar Malaysia established as standalone companies, with full autonomy and accountability for their operational and financial performance.

"The Finance Ministry will remain a key shareholder in TRX and Bandar Malaysia, which will raise equity via third party investors.

"Proceeds raised will be used for capital expenditure and to reduce 1MDB's debt," Husni said in a statement this afternoon.

Putrajaya eyes raising funds through Edra

Concurrently, Husni (photo) said options are being pursued for the 'monetisation' of Edra Energy, 1MDB's power plant unit.

Edra Energy's planned initial public offering to raise funds has been postponed repeatedly due to negative sentiments and poor market conditions.

In March, the government tasked CIMB to find suitable buyers for Edra Energy, but changed its mind a week later.

It remains unclear how Putrajaya plans to 'monetise' Edra Energy, amid negative investor sentiments.

Husni said he expects the rationalisation plan for 1MDB to be fully implemented by early next year to pare down the company's huge RM42 billion debt.

1MDB, a Finance Ministry-owned entity, has struggled to repay its debts after making several multi-billion dollar purchases.

It is also plagued with controversy over investments worth US\$1.103 billion, of which the exact status remains a mystery.

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