

Najib denies public funds used to settle 1MDB's 'woes'

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Prime Minister Najib Abdul Razak stressed today that public funds were not being used to resolve the financial woes of 1Malaysia Development Bhd (1MDB).

"An end to the issues faced by 1MDB is forthcoming, as I had promised six months ago.

"What we are glad about is that we are resolving it, not by way of a memorandum of understanding (MOU) but through an 'agreement', without touching any of the people's money," Najib said at the monthly assembly of the Prime Minister's Department staff in Putrajaya today.

Last Nov 23, Edra Global Energy Bhd, a subsidiary of 1MDB, sold off its assets to China General Nuclear Power Corp and its subsidiaries (CGN Group) for RM9.83 billion.

In a sale and purchase deal with CGN Group, 1MDB, Edra and its subsidiaries let go of their 100 percent ownership in Edra Solar Sdn Bhd, Edra Energy Sdn Bhd, Powertek Energy Sdn Bhd, Jimah Teknik Sdn Bhd, Jimah O&M Sdn Bhd, Mastika Lagenda Sdn Bhd and Tiara Tanah Sdn Bhd.

The transaction is expected to be completed in February this year.

On Dec 31 last year, 1MDB inked a sale and purchase agreement with IWH CREC Sdn Bhd consortium, involving 60 percent of its equity in Bandar Malaysia Sdn Bhd, for RM7.41 billion.

The Bandar Malaysia project is a 60:40 joint venture between Iskandar Waterfront Holdings Sdn Bhd (IWH) and China Railway Engineering Corporation (M) Sdn Bhd.

Najib, in his 2016 New Year message, said 1MDB had lessened its debts by RM40.4 billion after signing a number of agreements.

1MDB was earlier reported to have amassed a debt of RM42 billion, as of March 31, 2014.

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