

Najib: 1MDB posts RM425 mil net profit
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1Malaysia Development Bhd (1MDB), the strategic development company, posted a net profit of RM425 million for its first financial year ended March 31, 2010.

The result underscores the company's strong corporate governance as it strives to be a strategic enabler for new ideas and source of growth, said Prime Minister Najib Abdul Razak.

"Indeed, this strengthens my confidence in 1MDB as a critical enabler in the government's economic transformation programme for Malaysia to have a high performance and market-driven economy as well as become a high-income nation."

Najib, who is also 1MDB advisory board chairperson, said this at a signing ceremony between the company and Abu Dhabi-based company today.

The prime minister said there would be scepticism but 1MDB must continue to have the courage to innovate and explore new opportunities and the determination to persevere in the face of adversity.

"I look forward for more strategic initiatives from 1MDB on its mission to drive long-term sustainable growth," he said.

1MDB and Mubadala Development Company (Mubadala) sealed two strategic agreements today, which will pave the way for a multi-billion ringgit investment by the latter in Malaysia.

The first agreement will enable Mubadala to part take in the Kuala Lumpur International Financial District (KLIFD) development led by 1MDB, said Najib.

"The KLIFD has an estimated cost in excess of RM26 billion, which will provide significant stimulus for the construction and other related industries," he said at the signing ceremony.

Under the second agreement, Mubadala will commit RM21.7 billion (US\$7 billion) in long-term projects in the Sarawak Corridor of Renewable Energy (Score) that will generate spillover economic activities in multiple sectors.

"These activities are expected to create more than 10,000 jobs in the construction sector and another 2,000 specialised skilled jobs," said Najib.

KLIFD project will begin next year

As for the KLIFD, the prime minister said it was crucial in the development of a dynamic and globally competitive financial sector that would promote economic growth, attract foreign direct investments and create jobs.

"It is a key component in the government's initiative to further leverage on financial services as both a growth sector as well as enabler of growth of other sectors," said Najib.

Construction on a 34-hectare site will begin by middle of next year.

Najib said the KLIFD was intended to tightly cluster banking and financial entities.

"The plan is to have key regulators and institutions, together with major banks and professional services firms, including syariah specialists, co-located in the KLIFD," he said.

He said Malaysia looked towards Abu Dhabi to help the country shape the long-term economic growth in Malaysia.

"We intend to make advance growth by forging international partnerships in the firm belief the right partners can contribute mutual prosperity," he added.

Meanwhile, Abu Dhabi Executive Affairs Authority's chairperson Khaldoon Khalifa Al Mubarak said their visit was significant because they viewed Malaysia as an ideal investment platform, linking Abu Dhabi to this vibrant region.

He said the Abu Dhabi government was very optimistic about Malaysia's prospects as an investment destination of choice.

"Our investment is a long-term endorsement of that view and the Abu Dhabi government shares our confidence in 1MDB as an ideal partner for our projects in Malaysia," he added.

Mubadala, established and owned by the Abu Dhabi government, is the catalyst for the economic diversification of Abu Dhabi.

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