

1MDB remains focused on rationalisation plan despite recycled allegations
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1Malaysia Development Berhad (1MDB) remains focused on its rationalisation plan despite recycled and unproven allegations by former prime minister Tun Dr Mahathir Mohamad in his latest blog post.

In a statement today, 1MDB said the allegations had been addressed by 1MDB in various statements, including a detailed explanation on the flow of funds from its investment in a joint venture with PetroSaudi International.

1MDB said these recycled allegations not only cast aspersions on 1MDB, but also affected its day-to-day operations.

"We have also explained, on several occasions, our rationale for the price we had paid in the acquisition of our energy assets.

"As we explained in our statement dated June 30, 2015, 1MDB believe that the value we had paid for these assets – which may have involved a premium in certain instances, as is common when acquiring another business – is commensurate with their existing and future potential.

"1MDB would now like to remain focused on the successful implementation of our rationalisation plan, which was presented to the Cabinet on May 29, 2015," 1MDB said.

Since then, 1MDB said it had been making good progress, beginning with the repayment of a US\$975 million (RM3.6 billion) loan and execution of a binding term sheet with International Petroleum Investment Company (IPIC) that would ultimately result in the reduction of approximately RM16 billion of the company's debt.

"We have also appointed an independent real estate consultant for monetisation of the company's land parcels in Bandar Malaysia, Air Itam and Pulau Indah," 1MDB said.

On Bandar Malaysia, 1MDB said it had received expressions of interest from 40 local and international parties to become development partners for the project spanning 486 acres and they were now in a detailed due diligence process.

1MDB is also now in due diligence with shortlisted local and international parties over the sales of its investment in Edra Global Energy Bhd, it added.

It said collectively, these tangible actions by 1MDB would significantly reduce debt and ensure the long-term sustainability of its three core assets, namely TRX, Bandar Malaysia and Edra Global Energy. – Bernama, August 10, 2015.

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