

Bio-XCell or how you burn Rm470m of public money



Malaysian Bio-XCell Sdn Bhd (Bio-XCell) has gone into receivership exposing over 80 acres of land within the Southern Industrial and Logistics Clusters (SILC) in Iskandar Puteri, Johor which will be put up for sale to recover money owed to investors.

The news of the company going into receivership is a shock to industry players and stakeholders in both the bio-industry and the energy sector.

Bio-XCell's demise started well before the change of regime in Malaysia and there are questions whether the Pakatan Harapan in power since May 2018 has pushed the entity to an abrupt downfall?

Inside sources tells of the decay at the company started with the appointment of new leaders at the Malaysian Bioeconomy Development Corporation Sdn Bhd. Bio-XCELL falls under Bioeconomy and was a money making entity in the stable of companies owned by Bioeconomy.

But a leadership change during ex-PM Najib Razak's last year in power in 2017 shifted the game, the source says, and this was the start of the demise of this once high flying entity.

Bio-XCell runs a biotechnology park which is touted as Malaysia's premier biotechnology park. It is a 60:40 joint venture formed in 2009 between Malaysian Bioeconomy Development Corporation (the Government Agency in charge of developing the Biotechnology industry and Bioeconomy in Malaysia) and property developer UEM Sunrise Bhd.

Bio-XCell Malaysia was established as a result of a stimulus to accelerate commercialisation of Biotechnology in the National Biotech Policy. The company was at the centre of a multi-billion dollar foreign direct investment programme and contributed to the success of the bio-industry in the country.

"But that was before but since then, the company's direction changed resulting in a bankrupt organisation that has to go into receivership. It is a sad end to a success story," says the source.

The government injected RM470 million in Bio-XCell which is now wasted, the source says, adding that it was surprising to see the rapidity with which the lenders went for the receivership.

"With the assets the company has, it

would have been easy for it to avert receivership but nothing was done to prevent this tragedy," the source says.

Bio-XCell spreads across a 160 acre park available to bio-manufacturing and bio-industrial companies and was created to enhance the biotechnology industry in Malaysia.

Its long term goal was to enable a an ecosystem with the aim to expedite the growth of the biotechnology industry in the country, namely in Healthcare and Industrial Biotechnology as well as to focus on FDI promotion and implementation of industrial projects and large scale bio-based manufacturing in Malaysia.

Representations were made to the Ministry of Finance to allow a listed company to get a contract to restructure Bio-XCell's Central Utilities Facility (CUF) but this was turned down.

At this stage, the source says, MOF imposed some conditions on Bio-XCell's request for additional funding and attached with these instructions was the award of the CUF contract to a little known entity, UAT Energy (<https://uatenergy.wordpress.com/>).

The source says the MOF this year interfered with the board's decision to press for the non-listed entity with no experience in the business to be awarded the contract.

