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MEDIA RELEASE

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SDB Clarifies Position on PacifiCity Project

Sabah Development Bank Berhad (SDB) acknowledges and empathises with the concerns of PacifiCity purchasers and remains supportive of efforts to find a viable solution for the long-abandoned project.

SDB is the financier of the project and, as at to-date, approximately RM300 million remains outstanding. While the project land is charged to SDB as security, SDB is not the registered owner of the land, which belongs to MAKSAB.

It is also important to note that on 31 July 2025, the High Court dismissed the claims brought against SDB and held that the Bank was merely the financier of the project. The Court found that responsibility for the purchasers' losses rested with the developer, which has since been wound up.

Following the winding-up of the developer, the project came under the administration of court-appointed liquidators and is currently managed by a Private Liquidator. Since its appointment, the Private Liquidator has engaged with purchasers and relevant government agencies, and conducted several tender exercises to identify potential investors or "white knights" to revive the project.

However, no investor has submitted a firm proposal to date. The principal challenge remains the substantial capital required to revive the development. Notwithstanding the significant outstanding debt, SDB has indicated its willingness to consider a substantial reduction of its exposure to support a credible rescue plan and attract potential investors. To date, however, no formal proposal has been submitted for consideration.

SDB remains committed to working with the Private Liquidator, relevant authorities, purchasers and other stakeholders to explore practical solutions. The successful revival of PacifiCity will ultimately depend on securing a financially capable investor prepared to undertake the significant investment required to complete the project.

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