

'Dr M failed to explain 1MDB issues properly'

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A former Umno Youth executive committee member (exco) today said that former prime minister Dr Mahathir Mohamad failed to explain the actual issue on 1Malaysia Development Bhd.

Tun Faisal Ismail Aziz said it included the fact that 1MDB is a company with a limited liability and the losses of the company were not borne by the government except for the bond guaranteed by the government.

He said Dr Mahathir did not state the fact that only RM5.8 billion of 1MDB's debt was guaranteed by the government and the rest was guaranteed by 1MDB, backed by assets or guaranteed by its share partner, namely International Petroleum Investment Co PJSC (IPIC), an investment company of the Abu Dhabi government.

Dr Mahathir in his blog had tried to give the impression as if all 1MDB's debts were guaranteed by the government and if 1MDB went bust, the government would bear the consequences, he said.

In his posting on his blog, 'tun faisal dot com', the former Umno Youth exco also explained the fact that 1MDB had fully paid up a debt of RM2 billion to Maybank and RHB on Jan 13, 2014, much earlier than the repayment period following the stipulated conditions and the balance of RM3.5 billion had been turned into a long-term loan ending August 2024.

The explanation was to refute claims that 1MDB had failed to settle a loan of RM5.5 billion borrowed from five banks, Maybank (58.9 per cent), RHB (32.4 per cent), Alliance Investment Bank Bhd (4.06 per cent), Malaysia Building Society Bhd (3.24 per cent) and Hwang DBS Investment Bhd (1.29 per cent).

Tun Faisal said some pro-Mahathir bloggers tried to equate the failure to pay the debts to the five banks with the failure of Renong-UEM (during Dr Mahathir's era) and systemic national financial and banking failure, although rating agency Moody's has denied the debts of 1MDB would result in a systemic failure.

He said Dr Mahathir in his blog also could have overlooked several matters such as the assets and the investments of 1MDB in the energy industry including ownership of 15 power and desalination plants in six countries, Egypt, Bangladesh, UAE, Sri Lanka, Pakistan and Malaysia with a capacity of a clean generation of 5594MW.

1MDB, too, he said, was involved in the construction of three more new power plants, namely Jimah East Power in Port Dickson, a gas power plant in Melaka and a solar plant in Kedah and the purchase of 125 hectares land in Pulau Indah for energy-related projects.

- Bernama

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