

Talks with IPIC to reduce debt ongoing, says 1MDB
MalaysiaKini.com
Jun 30, 2015

The negotiations between 1MDB and the International Petroleum Invest Company (IPIC) following a binding term sheet are still ongoing, 1MDB said in a statement today.

These discussions include what assets 1MDB will transfer to IPIC as part of their deal and once that has been decided, 1MDB will reveal the information to the public.

The statement further explained that the binding term sheet executed with IPIC was a key component of the 1MDB rationalisation plan as announced on May 29.

"A definitive agreement with IPIC will ultimately result in a debt reduction of approximately RM16 billion," 1MDB said.

1MDB also said this statement of theirs today was in response to former prime minister Dr Mahathir Mohamad (photo) who asked yesterday what assets IPIC would receive for taking over 1MDB's loans.

"What are the possible assets? If the power plants or the land, it would mean that these assets no longer belong to 1MDB to sell.

"So, how will 1MDB recover the RM42 billion it had borrowed?" Mahathir had asked in a blog posting yesterday.

IPIC is set to receive the 1MDB assets in June next year, after taking over 1MDB's obligations to pay all assets, due under two IPIC-guaranteed 1MDB bonds, amounting to US\$3.5 billion (RM13.23 billion), as announced on the London Stock Exchange.

Actively pursuing various options

1MDB also further clarified certain things confirmed in the rationalisation plan.

On June 12, 1MDB announced a request for proposal (RFP) process for the Bandar Malaysia development, seeking development partners for the 486-acre project in Sungai Besi.

Later that month, on June 30, 1MDB announced their intention to appoint an independent real estate consultant to help review expressions of interest received for the company's land parcels in Air Itam and Pulau Indah.

Not only that, 1MDB also said they are actively pursuing various options with regards to the monetisation of Edra Energy and has thus far received significant interest from both Malaysian and foreign potential investors.

"Combined, these actions will allow us to reduce 1MDB's debt significantly, and ensure that

maximum value is generated for the 100 percent ultimate shareholder, the government of Malaysia," the statement read.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source : <http://www.malaysiakini.com/news/303591>