

## **1MDB undertakes call for US dollar denominated bondholders**

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State-owned fund 1MDB has undertaken the first update call for its US dollar denominated bondholders.

In a statement issued last night, 1MDB said it had provided the latest update on the status of the bonds and had also outlined the next step of the process.

The update call, which took place yesterday, also discussed reasons behind 1MDB's decision not to make the interest payment on the Langat notes.

The state investment arm also updated bondholders on the progress it has made on its rationalisation plan.

1MDB also reiterated its commitment to working openly with International Petroleum Investment Company (IPIC) to resolve the dispute.

"1MDB is committed to an open dialogue with bondholders throughout this process and there will be further update calls held in due course."

The company, earlier this month, announced that it had started an [engagement process](#) with its US dollar denominated bondholders following the default on the US\$1.75 billion 1MDB Energy (Langat) Ltd (Langat notes) fixed rate 5.75 percent notes due 2022.

1MDB and IPIC got into a dispute over claims of breaches of their earlier agreement where the latter was supposed to take over 1MDB's debts and obligations.

IPIC had claimed that 1MDB failed to disburse payments and transfer assets to it in lieu of the debts it agreed to shoulder, and as such, said it was no longer obligated to pay the interests and debts owed by 1MDB.

1MDB however said that it had held up its end of the bargain and demanded that IPIC honour their earlier commitment.

The dispute had led to 1MDB technically defaulting on two bond interest payments IPIC had earlier agreed to pay off.

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