

BOOK ANSWERS CLAIMS OVER 1MDB ISSUES

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By Super Admin

(The Star) – Allegations on 1MDB ranging from Terengganu oil almost being used as collateral and Tabung Haji deposits used as a bailout to claims that investment returns went into controversial businessman Jho Low's accounts have all been answered.

A book titled *Siapa Kata Tidak Dijawab* (Who Says It's Unanswered), in explaining the Terengganu issue, said that in 2009, discussions between the federal and state governments were held over the issue of contribution of each party to Terengganu Investment Authority (TIA) where the initial plan was for it to have a paid-up capital of RM11bil.

Among the plans was for the Government to guarantee the raising of sukuk worth RM5bil by TIA but the state government eventually decided to pull out of the deal.

"In September 2009, TIA became a federal agency and was renamed 1MDB. Therefore, there is no issue of 1MDB trying to use the state's oil and gas as collateral," it said.

The book also explained that the purchase of land by Tabung Haji was not a bailout, pointing out that discussions to buy a plot of land at Tun Razak Exchange went on as early as 2013 and that Tabung Haji was interested as the company wanted to be involved in the development of an international financial hub.

It clarified that Tabung Haji did not buy the lot to develop "Signature Tower" but had bought a lot – at a discounted price of RM2,860 per sq foot and located at a prime area in TRX – to develop some serviced apartments.

In the book, it was also denied that any money from 1MDB had gone into Low's accounts or that of any third party, after PetroSaudi returned US\$2.318bil to the company which comprised initial investment of US\$1.83bil and US\$488mil in revenue.

"1MDB received a short-term loan of RM950mil from the Government in March. This was needed while waiting for asset monetisation to be done," it said on why the company needed government help.

On why it needed a rationalisation plan, it was explained in the book that this was important to drastically reduce 1MDB's debts and to ensure its business plans in the energy and real estate sectors could proceed.

Under the rationalisation plan, the company will merge its activities, increase corporate administration and monetise its assets to reduce debts.

“To date, the plan has shown success where the company’s debts had been reduced by RM3.6bil. A deal with International Petroleum Investment Company (IPIC), our Abu Dhabi-based partner, will reduce another RM16bil from the debts,” it said.

On the development of TRX, a joint venture with Australian company Lend Lease was signed in March to develop 6.8ha of land and Indonesia’s Mulia Group had purchased land to build “Signature Tower” at RM665mil, while for Bandar Malaysia, 1MDB received proposals from over 40 local and international companies and an independent consultant was appointed to conduct a feasibility study for plots of land in Air Itam in Penang and Pulau Indah in Klang.

The book said that although 1MDB was facing challenges, concrete steps had been taken to ensure that the company achieved its objectives, settled its debts and the Government and people benefited from programmes outlined by it.

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