

Putrajaya issues 1MDB RM970 million loan, says report
The Malaysian Insider
March 11, 2015
By Jamilah Kamarudin

Putrajaya has issued 1Malaysia Development Berhad (1MDB) a RM970 million loan, after a Cabinet meeting last month to discuss injecting funds into the debt-laden state investment arm, Singapore's Business Times reported today.

The news comes just a day after Auditor-General Tan Sri Ambrin Buang told a press conference that the audit on 1MDB had started, after the Cabinet ordered the national auditor to examine the firm's accounts.

The Business Times said the Finance Ministry had provided the nearly RM1billion loan to help 1MDB, which has debts of more than RM42 billion; an annual debt servicing of RM2.31 billion; and negative cash flow of RM2.25 billion in its financial year ended March.

Prime Minister Datuk Seri Najib Razak, who is also the finance minister, heads the advisory board of 1MDB which has ventured into two huge property developments in Kuala Lumpur and owns 15 power and water plants across Asia.

Citing an unnamed source, Business Times said the RM970 million was issued to 1MDB after the Cabinet met two weeks ago on the proposed cash injection.

It said Putrajaya had set certain conditions before the funds were disbursed to 1MDB.

Business Times said a spokesman of 1MDB declined to comment when contacted.

Last month, The Malaysian Insider reported that the Cabinet had rejected a proposed RM3 billion cash injection for 1MDB, narrowing the financing options for the strategic investor to repay its debts on time.

The majority of ministers during the February 25 Cabinet meeting did not approve the minutes of the previous week's meeting for the amount, it reported.

Sources told The Edge Financial Daily last month that the Finance Ministry was aware of 1MDB's cash flow problem and knew it may have no choice but to step in with the RM3 billion injection. But it would need the Cabinet's approval first.

Last week, whistleblower site Sarawak Report's exposés prompted opposition politicians, former Umno leaders and anti-graft bodies to demand a thorough investigation into 1MDB.

Najib then ordered the auditor-general to "independently verify 1MDB's accounts", with the findings to be passed to a bipartisan parliamentary public accounts committee.

The police as well as the Malaysian Anti-Corruption Commission said they would wait for the National Audit Department to complete the report on 1MDB before commencing with their own investigations into it. – March 11, 2015.

Copyright © 2015 Edge Insider Sdn Bhd

Source:

<http://www.themalaysianinsider.com/malaysia/article/putrajaya-issues-1mdb-rm970-million-loan-says-report>