

## **Tanjong PLC helped settle 1MDB debt, says minister**

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**By Eileen Ng**

Putrajaya has denied tycoon T. Ananda Krishnan helped 1Malaysia Development Berhad (1MDB) settle its RM2 billion debt last month, saying that it is the billionaire's company Tanjong PLC which helped the state investor vehicle pay off the sum.

Second Finance Minister Datuk Seri Ahmad Husni Mohamad Hanadzlah said today Tanjong roped in private investors to come up with the money.

He said the RM2 billion is a form of refinancing or rollover.

"Tanjong arranged from private investors to come up with the RM2 billion, with the principal to be paid in 15 months, with the interest to be paid in six months.

"There is no exchange risks. The loan is given by private investors, it is not from Tanjong," he told Sim Tze Tzin (PKR-Bayan Baru) when wrapping up the debate on the Royal Address in Parliament today.

Husni said Tanjong helped with the transaction because of 1MDB's purchase of Powertek Investment Holdings Sdn Bhd (PIH). 1MDB had acquired PIH for RM8.5 billion, a move which was criticised by opposition leaders who insisted the firm had overpaid the purchase.

On February 13, The Malaysian Insider reported that the government-owned strategic investment fund had settled the loan with funds from Ananda Krishnan, six days before bankers were to trigger a default.

The loan was settled on February 12 with intervention from the tycoon, whose company Usaha Tegas had guaranteed it, according to those with knowledge of talks between Ananda Krishnan and 1MDB.

The lenders were Maybank, which had 58.99% of the RM2 billion loan, while RHB had 32.41%. The others were Alliance Investment Bank Bhd (4.06%), Malaysia Building Society Bhd (3.24%) and Hwang DBS Investment Bhd (1.29%).

However, 1MDB president and group executive director Arul Kanda Kandasamy had dismissed talk of Ananda Krishnan's assistance as speculation.

The RM2 billion was part of a RM5.5 billion bridging loan taken by 1MDB subsidiary, Powertek Investment Holdings Sdn Bhd to refinance a RM6.17 billion bridging loan taken in 2012. It was to part finance the purchase of power assets. – March 25, 2015.

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