

**How Husni contradicted himself on 1MDB**  
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Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah spoke of the banking sector's confidence in the debt-ridden state fund 1Malaysia Development Bhd (1MDB) but contradicted himself towards the end of a live television dialogue tonight.

He said that if it was true that RM27 billion was indeed missing from the state fund, the lenders would be the first to raise the alarm bells, but added that in this case, the banking sector had not done so.

"If the financial sector is not saying anything about it until now, that simply means that the issue of the missing money does not arise at all," the minister said on state TV.

But towards the end of the interview, Husni spoke of the possible repercussions if the government had to take over 1MDB's debts, adding that this would cause the currency to drop in value, the country's deficit to hit above 4% and its credit rating to come down.

Husni also insinuated that Prasarana Malaysia Bhd (Prasarana) winning the contract to operate and maintain the Arafah-Mina Metro system during the Hajj season was due to 1MDB.

Prasarana was recently awarded a three-year contract worth US\$215.19 million (RM765 million) by the Saudi Arabian Ministry of Municipal and Rural Affairs to operate and maintain the existing Al Mashaaer Al Mugaddasah-Makkah metro route during the Hajj season.

Husni said this was possible due to the strategic partnership 1MDB had struck with Petro Saudi, controlled by the leadership of Saudi Arabia, in joint venture company Petro Saudi International.

"If we look at this strategic partnership, we see that Prasarana has been offered the metro route from Arafah to Mina.

"So when Malaysians go to Mecca and see the metro, we can be proud that it's not only a Malaysian company, but by Malay Muslims.

"Second, Prasarana was also engaged as the consultant to plan for the metro system in Mecca," he said, adding that this was due to the strategic partnership.

Husni had also said that the returns from 1MDB investment had 'been recouped with profits' and that there was no money lost.

Last month, the government admitted to making a mistake in claiming that 1MDB had redeemed its investments in the Cayman Islands in cash, which was then transferred

to a Singaporean bank.

Husni had said then that only "units" existed in the BSI Bank Limited Singapore account.

This was after Prime Minister Datuk Seri Najib Razak said that the remaining US\$1.103 billion (RM4.08 billion) of 1MDB's investment funds was transferred to its account in BSI Bank to ease the facilitation of transactions.

"The remaining US\$1.103 billion (RM4.08 billion) of 1MDB's investment funds managed by the Cayman Monetary Authority has been redeemed in cash and is kept in US currency by the BSI Bank Limited Singapore (BSI Singapore)," Najib had said in a written reply in Parliament, which was later rectified to be units. – June 4, 2015.

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