

1MDB says got its money back with Edra sale despite Dr M's attacks

Malay Mail Online

November 29, 2015

A 1 Malaysia Development Berhad (1MDB) billboard can be seen in Kuala Lumpur, March 3, 2015. — Picture by Yusof Mat Isa

KUALA LUMPUR, Nov 29 — 1 Malaysia Development Bhd today refuted Tun Dr Mahathir Mohamad's claim that it did not recover its investments in the energy sector, saying it "broke even" with the sale of Edra Global Energy to a Chinese conglomerate. It further stated that nearly half of its RM42 billion in debt were held in ringgit, disputing the former prime minister who yesterday questioned the efficacy of the sale given the depreciation of the Malaysian currency since the time 1MDB acquired the power assets.

1MDB said the sale of Edra to China's General Nuclear Power Corporation (CGN) for a RM9.83 billion in cash also included the conglomerate assuming RM7.43 billion in liabilities, on top of RM2 billion in dividends that the firm received from the power generation assets.

"Tun Mahathir has repeatedly misled the public with false statements. Most infamously, he is on the record as saying 'RM42 billion hilang' (RM42 billion missing) from 1MDB," it said in a statement today.

"The sale of the Edra operating assets, with a debt reduction of up to RM17 billion, clearly shows how Tun Mahathir was and continues to be, wrong."

It also criticised Dr Mahathir for continuing to link the RM2.6 billion deposited in Prime Minister Datuk Seri Najib Razak's accounts in 2013 to 1MDB, pointing out that the Malaysian Anti-Corruption Commission has said that the funds were not from the state-owned investment firm.

Dr Mahathir yesterday cast doubt on the ability of the Edra sale to reduce 1MDB's debt burden, suggesting that the value of RM9.83 billion from the sale was lower due to the fact that the ringgit has depreciated sharply since the time 1MDB purchased the power assets.

On Monday, 1MDB said it has agreed to sell its Edra Global Energy arm for RM9.83 billion to CGN as it seeks to cut its debt and restore investor confidence.

Putrajaya granted CGN an exemption to the local law that caps foreign ownership of firms in strategic industries to no more than 49 per cent.

Copyright © 2015 Malay Mail Online

Sources: <http://www.themalaymailonline.com/malaysia/article/1mdb-says-got-its-money-back-with-edra-sale-despite-dr-ms-attacks>