

**1MDB's RM3 billion request showed depth of troubles, says Muhyiddin  
Malaysian Insider  
Oct 24, 2015  
By Ram Anand**

Former deputy prime minister Tan Sri Muhyiddin Yassin today said he realised the seriousness of 1Malaysia Development Berhad's (1MDB) controversy after the debt laden firm sought a RM3 billion cash injection from the Cabinet earlier this year, which was rejected.

"That was when I realised how serious this was. They just received RM2 billion from Tan Sri Ananda Krishnan and now they were seeking RM3 billion from the cabinet," Muhyiddin said in his speech during a "Bicara Minda" dialogue organised by publisher Karangkrak and Sinar Harian in Johor Baru today.

Muhyiddin, who was dropped as Datuk Seri Najib Razak's deputy in July, said he expressed his concerns to the prime minister after seeing the proposal.

Najib is also the finance minister and chairman of 1MDB's advisory board.

"They just took on more debts to settle previous debts, it was like a mountain of debts, layers after layers," Muhyiddin said.

The Malaysian Insider had also reported in February that the RM3 billion cash injection sought by 1MDB from the cabinet was rejected.

Muhyiddin in his speech described 1MDB not as a sovereign wealth fund, but a "sovereign debt fund".

The Finance Ministry-owned firm, meant to be a strategic investor and a catalyst for new development, is now undergoing a restructuring exercise to shave off its debts.

"I did not have any malice in expressing my concerns. I did not have the intention to see 1MDB fail. I just gave honest opinions, I could not keep quiet," said the Umno deputy president, whose removal from the cabinet came after he had questioned Najib publicly about Putrajaya's handling of the firm's controversies.

Muhyiddin said he led calls from the within the cabinet for a meeting to be held with 1MDB chief Arul Kanda Kandasamy, but said Arul Kanda showed up without any documents.

"He did show up at a cabinet meeting, but he did not come armed with anything. We had two big screens at the cabinet meeting room, but neither was used. He gave a talk for 15 minutes, and that was about it," he said.

Muhyiddin, who remains Umno deputy president, also quipped that although he asked Najib to fire those responsible for 1MDB crisis, it was he who got fired instead.

"I told him to fire those who are managing 1MDB, but instead I got fired," he said.

"I told him (Najib) to relinquish his post as the chairman of the board of advisors, because as long as he is in that position, he can't separate himself from the decisions 1MDB took in case wrongdoing is established.

"He did not take my advice very well," he added.

Muhyiddin also claimed that in a meeting with Bank Negara Malaysia Governor Tan Sri Zeti Akhtar Aziz, he was informed that 1MDB had broken many financial regulations of the central bank in its dealings.

After the proposal for the RM3 billion cash injection was rejected by the cabinet, the government proceeded to prepare a RM950 million standby credit for 1MDB through the Finance Ministry.

"After we rejected the RM3 billion injection, they got a RM950 million standby credit," he said. – October 24, 2015.

Copyright © 2015 Edge Insider Sdn Bhd

Source:

<http://www.themalaysianinsider.com/malaysia/article/1mdbs-rm3-billion-request-s-howed-depth-of-troubles-says-muhyiddin>