

1MDB Regrets Dr Mahathir Persists In Issuing Misleading Statements

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KUALA LUMPUR, Nov 29 (Bernama) -- 1Malaysia Development Berhad (1MDB) regrets that former Prime Minister Tun Dr Mahathir Mohamad persists in issuing misleading and wrong statements on 1MDB.

In a statement today, 1MDB said it was then reported in an irresponsible manner, without analysis or journalistic enquiry, by certain online media portals.

Referring to a blog post relating to the sale of Edra Global Energy Bhd, 1MDB said Dr Mahathir

had failed in his numerous attempts to politicise the 1MDB issue.

"Through the sale of Edra to CGN Group (China General Nuclear Power Corporation), based on Edra March 31, 2015 financial statements, 1MDB will receive for its equity, cash of RM9.83 billion. In addition, CGN Group will take over debt in the Edra operating assets of RM7.43 billion.

"Accordingly, through cash receipts and debt transfer, 1MDB will achieve debt reduction of up to RM17 billion, which is well within the anticipated RM16 billion to RM18 billion range per the rationalisation plan.

"It is important to clarify that the up to RM17 billion debt reduction is over and above the approximately RM2 billion cash dividends that 1MDB has received over time from the power assets during its ownership," it said.

The statement added that 1MDB has essentially "broke even" on its investment, through an international tender process, despite having to sell its assets whilst under sustained and misleading attacks from the opposition and Dr Mahathir himself.

"If Tun Mahathir took the trouble to review Note 29 (v) of 1MDB's March 31, 2014 publicly available audited financial statements, he would realise that of the RM42 billion 1MDB debt, RM19.82 billion of debt is denominated in Ringgit Malaysia and RM22 billion is denominated in USD. Accordingly there is more than enough RM denominated debt to be settled from the RM9.83 billion Edra sale cash proceeds," it said.

It said as for the USD debt which concerned Dr Mahathir, per the binding term sheet executed with International Petroleum Investment Company (IPIC) on May 28, 2015, it is the intention of 1MDB that US\$3.5 billion of IPIC guaranteed bonds would be settled via a "debt-for-asset swap" with IPIC.

"This envisages 1MDB transferring to IPIC, 1MDB assets comprising USD denominated cash deposits and USD denominated fund units, in return for IPIC taking over the US\$3.5 billion of bonds that it has guaranteed," it said.

The statement said Dr Mahathir had also misled his blog readers by failing to mention that the independent power producer (IPP) tariff for the Edra assets were fixed for the life of the PPA (power purchase agreement) period.

"On average across all the Edra power plants, this is for the next 10 years. So, there is no question of the IPP tariff being increased for the life of the PPA, despite the change of ownership," it said.

1MDB also requested that Dr Mahathir uses facts and figures in his arguments and to stop misleading and wrong political attacks on 1MDB.

The company also urged online news media to properly analyse and use critical analysis prior to publishing such wrong and misleading statements by the former politician.

"Tun Mahathir has repeatedly misled the public with false statements. Most infamously, he is on the record as saying "RM42 billion hilang" ("RM 42 billion missing") from 1MDB.

"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.

"Secondly, Tun Mahathir has repeatedly insinuated that RM2.6 billion in the accounts of Prime Minister Datuk Seri Najib Tun Razak was from 1MDB," he said, adding that this was despite the MACC publicly issuing three statements that no funds from 1MDB went into the accounts of Najib.

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