

1. 'Bring Jho Low in for questioning'

PETALING JAYA: Controversial 1Malaysia Development Berhad (1MDB)-linked billionaire businessman Low Taek Jho should be called in for questioning as soon as possible, says Cheras Umno division chief Datuk Seri Syed Ali Alhabshee.

The businessman, also known as Jho Low, should be brought before the task force assigned to probe the funds of the Government investment arm, Syed Ali said

"There is one name that keeps popping up when the issue of alleged misappropriation of funds belonging to the state development fund is discussed," Syed Ali wrote on the division website on Thursday. "And that name is Low Taek Jho, a self-styled flamboyant billionaire.

"The *rakyat* are waiting for answers and so am I.

"In sharp contrast, Jho Low has ticked off Umno Youth and is nonchalantly going about his business.

"Therefore, it is only fair that Jho Low, and everyone privy to the route the funds have travelled, face the anti-corruption commission, police and Attorney-General's Chambers," he added.

Noting the slow investigation into 1MDB, Syed Ali questioned whether Low would be called in at all.

"We cannot tolerate any more delays from the task force. Jho Low should be investigated immediately," he urged, adding that the money allegedly funnelled away was meant for the development of the country and its people.

According to claims by tell-all website Sarawak Report, Low has billions of dollars worth of 1MDB funds via a company he controls.

"Jho Low is right smack in the middle of the 1MDB financial mess," Syed Ali said, quoting Sarawak Report's allegations over the US\$1.93bil (RM6.8bil) that 1MDB lent to PetroSaudi.

In the April issue of the magazine *Euromoney*, Low claimed that he had been made a scapegoat in the entire saga and accused critics of blowing up a campaign centred around him.

Umno Youth called for a detailed probe into Low's involvement in 1MDB after the latter called the wing's leaders a bunch of "spinmasters" in the interview.

The Cabinet has ordered an audit of 1MDB, which is said to have built up a debt of nearly RM42bil.

2. PSC: Freeze on civil servant recruitment

PETALING JAYA: The Government has frozen all recruitment for civil servants, says the Public Service Commission (PSC).

PSC chairman Tan Sri Mahmood Adam confirmed the freeze, but declined to disclose further details.

It is understood that Public Service Department (PSD) director-general Tan Sri Mohamad Zabidi Zainal issued a notice to the PSC on April 22, notifying that recruitment of new employees in all Government departments and agencies were frozen effective immediately.

However, the recruitment process for applicants who had already started the interview process or pre-employment programme would continue.

Mahmood Adam told *Sin Chew Daily* that a total of 15 agencies with civil servants had received the notice, including the police, army, and the Education Ministry.

He said, however, some key positions were still vacant and if certain departments were in urgent need of additional staff, they could still make an application to the PSD.

However, he declined to name the departments concerned, saying job vacancies open for application earlier had not been cancelled.

3. Tabung Haji: No land deal with 1MDB

PETALING JAYA: Tabung Haji has denied a whistleblower report alleging that the pilgrimage fund has purchased plots of land owned by debt-ridden 1Malaysia Development Berhad (1MDB) at an unreasonably high price.

"Wrong. TH will release a statement as soon as possible," the pilgrimage fund chairman Datuk Seri Abdul Azeez Abdul Rahim (*pic*) said in response to a Twitter user on Wednesday night.

Social media was abuzz when a blog called The Benchmark released a set of documents on May 5, purportedly detailing the purchase of two plots of land at the Tun Razak Exchange (TRX) - one for RM194mil at RM2,860 per sq ft, and the other for RM578mil at RM3,900 per sq ft.

The blog, claimed that it had received confirmation from "little birds" in Tabung Haji, saying that it was a "fast-track deal" which had received government approval in less than two weeks and that the money had been paid to 1MDB in full.

The blog also claimed that 1MDB was believed to have been awarded the large tract of government-owned TRX land at a rate of RM60 per sq ft.

It claimed that 1MDB was also believed to have paid a slightly higher rate of about RM90 per sq ft for the Sungai Besi RMAF airport/base land.

When contacted, Abdul Azeez's special officer said the Baling MP was still at a meeting and was not available for comments.

"A statement will be released soon," he said.



Friday May 8, 2015

4. Don't use money to bail out 1MDB, Dr M tells Tabung Haji

PETALING JAYA: Tun Dr Mahathir Mohamad has questioned Lembaga Tabung Haji over its purchase of land at the Tun Razak Exchange from 1Malaysia Development Berhad (1MDB).

"1MDB paid RM194mil for 70 acres in the Tun Razak Exchange, but it is selling 1.5 acres to Tabung Haji for a reported RM188mil.

"Is this the way Tabung Haji uses the money entrusted to it by the people?

"Its contributors had hoped that their savings would be managed for their benefit but instead it is being used to rescue 1MDB which has lost billions of ringgit," Dr Mahathir said on his blog chedet.cc.

"It is sad that money is used to bailout 1MDB," he added.

The former prime minister urged Tabung Haji to cancel the deal as it is over paying for the land to

help pay for 1MDB's debts.

Tabung Haji has defended the purchase saying it was not a bailout, that it was forking out RM188.5mil for the parcel of land while its fair value was RM194mil.

Deputy chief executive officer Datuk Johan Abdullah said the decision to buy the land went through the fund's "usual and strict investment process."

On Tuesday, blog The Benchmark had released a set of documents purportedly detailing the purchase of two plots of land at TRX at an unreasonably high price from debt-ridden 1MDB.

The purchases, claimed the blog, were made of one plot of land for RM194mil at RM2,860 per sq ft, and for RM578mil at RM3,900 per sq ft for the second piece of land.

On another matter, Dr Mahathir refuted claims that his administration had misused public funds.

"The Malaysian Anti-Corruption Commission (MACC) advisory board chairman Tunku Abdul Aziz Tunku Ibrahim said that he is ready to investigate Jho Low and Riza Aziz if I lodge a report but in truth others have already made reports and no investigations were done.

"If he is so concerned about corruption, he should investigate and prove that I misused the people's money," Dr Mahathir said.



Friday May 8, 2015

5. Govt's credibility at stake over 1MDB issue, says Shafie Apdal

PETALING JAYA: Public concerns over Lembaga Tabung Haji's purchase of land from 1Malaysia Development Berhad (1MDB) should be addressed so that people will not lose confidence in the Government, said Umno vice-president Datuk Seri Shafie Apdal.

Shafie, who is Rural and Regional Development Minister, said the Government's credibility might be questioned if the matter was not handled well.

"I urge that this issue is looked upon seriously so that the public who have invested in Tabung Haji will not lose confidence," Shafie said in a statement on Friday.

He said that he has previously made known his reservations on the issues related to 1MDB.

"In the past, I have stated that the 1MDB issue needs to be taken seriously by answering every question (that the public has) in detail, as the matter is not just a source of worry for me but the public as well," he said.

He added that the seriousness of the matter is now compounded with the purchase of 1MDB's land by Tabung Haji, a fund management agency.



Sunday May 10, 2015

6. No graft among civil servants over post-flood aid, says MACC

KOTA BARU: No civil servants have been implicated for corrupt practices over the management of post-flood aid, said the Malaysian Anti-Corruption Commission (MACC).

MACC deputy chief commissioner for prevention Datuk Mustafar Ali said reports of corruption among government servants in managing the funds were found to be untrue.

"Since the committee set-up between the National Security Council (NSC), MACC, and several government agencies in January to monitor the fund distribution process, we have received complaints of mismanagement, and after investigation, it was found to be untrue.

"The operation room had been officially closed and we are satisfied with the management of funds.

"We will fine-tune regulations and make it a blue print as an action plan for future pre- and post-disaster fund distribution," he told reporters after attending a briefing on the Flood Fund Management Integrity Committee at the state MACC headquarters at Jalan Lundang here on Sunday.

Mustafar was asked to comment whether any government servants were involved in graft in the flood donation distribution process.

7. Ismail Sabri lauds Tabung Haji's decision to sell TRX land



Datuk Seri Ismail Sabri Yaakob

BERA: Lembaga Tabung Haji's decision to sell the land bought from 1Malaysia Development Berhad (1MDB) is a move in the right direction to regain the confidence of depositors.

Umno Supreme Council member Datuk Seri Ismail Sabri Yaakob said the pilgrimage fund's decision would end the controversy over the purchase of the 0.63 hectare land located in the Tun Razak Exchange (TRX) worth RM188.5mil.

"The decision can end accusations from certain parties and depositors. It can also put a stop to all kinds of speculation.

"Those who have deposited in the pilgrimage fund should not be worried about their money.

"The government has assured that money deposited in Tabung Haji will be refunded if there was any problem," he told reporters at the closing of a course for pilgrims from Bera district at Masjid Bera, here, Sunday.

The Agriculture and Agro-based Industry Minister also said Tabung Haji has expanded its investments to include various projects, such as commercial, industrial and plantation through Tabung Haji Properties, TH Travels, TH Engineering and TH Plantations.

On Saturday, fund chairman Datuk Seri Abdul Azeez Abdul Rahim, who denied allegations that the land was bought to bail out 1MDB, said the board decided to sell it after being advised to do so by Prime Minister Datuk Seri Najib Tun Razak.

He said three companies had offered to buy the land and a deal should be completed in a week or two.



Thursday May 14, 2015

8. Treasury sec-gen to meet PAC over 1MDB

PUTRAJAYA: Treasury secretary-general Tan Sri Dr Mohd Irwan Serigar Abdullah is prepared to meet the Public Accounts Committee (PAC) and answer all questions concerning the controversial dealings of 1Malaysia Development Bhd (1MDB).

"My meeting with PAC is on May 19. I will go and I will answer whatever they ask me," said Dr Mohd Irwan to reporters here yesterday.

When asked if PAC's probe will clear the air on the 1MDB issue, Dr Mohd Irwan simply said to "wait for the Auditor-General's report."

"Let's wait for the AG's report. Wait and see," he said, before ending the brief session with the reporters.

Dr Mohd Irwan and Economic Planning Unit director-general Datuk Seri Dr Rahamat Bivi Yusoff are the first individuals to be interviewed by PAC over the 1MDB investigation.

Auditor-General Tan Sri Ambrin Buang had said the audit on 1MDB could be completed next month.

Earlier, Dr Mohd Irwan officiated a ceremony by MyCreative Ventures Sdn Bhd, where about RM40mil worth of financing were awarded to 21 companies from the creative industry.

Prime Minister Datuk Seri Najib Tun Razak approved RM200mil in the Budget 2012 to help boost the industry.

9. EPF, KWAP invested over RM3bil in 1MDB and subsidiaries

KUALA LUMPUR: The Employees Provident Fund (EPF) and Retirement Fund Inc (KWAP) have both invested in 1Malaysia Development Berhad (1MDB) and its subsidiaries.

In a written response to Rafizi Ramli (*pic*) (PKR-Pandan), the Finance Ministry said that EPF had subscribed to RM200mil in bonds issued by 1MDB in 2009.

The bonds, the ministry added, were guaranteed by the Government.

"EPF also has exposure of RM1.5bil to 1MDB subsidiaries, Panglima Power Sdn Bhd (PPSB) and Jimah Energy Ventures Sdn Bhd (JEV)," said the reply.

The ministry said the EPF's investment in these subsidiaries, PPCB and JEV, took place in 2003 and 2005 before the government investment arm took over the companies in 2012 and 2014.

The ministry added that KWAP has invested a total of RM1.4bil in 1MDB and its subsidiaries as of Mar 31.

They were JEV, Bandar Malaysia Sdn Bhd, 1MDB Energy Limited and 1MDB Global Investment.

In his question, Rafizi had asked the Finance Ministry to state the details of KWAP and EPF investments in 1MDB and its subsidiaries, including its former subsidiary SRC International Sdn Bhd as of Mar 31.

10. Govt confident of plan to reduce 1MDB debt, says Najib



PUTRAJAYA: Prime Minister Datuk Seri Najib Tun Razak (*pic*) has expressed confidence that the Government can reduce 1Malaysia Development Berhad (1MDB)'s debts.

"There has been a lot of negativity regarding 1MDB. The issue will be answered in a short while because the Auditor-General will present the audit findings to the Public Accounts Committee (PAC).

"We believe our plans can reduce the debts of 1MDB, and this is being worked on by the Government," Najib said Tuesday in his speech to Finance Ministry staff at the ministry's assembly.

He added that he was confident the ministry would work with the Government in achieving its goal.

"Even though we are faced with a lot of criticism, eventually we will prove that we can achieve our aim," he said.

11. PAC begins probe into 1MDB



KUALA LUMPUR: The Parliamentary Public Accounts Committee (PAC) on Tuesday started an investigation into the government strategic investment company 1Malaysia Development Berhad (1MDB) which is facing allegations over its financial position.

The PAC, which convened at Parliament House at 11am, heard explanations from Treasury secretary-general Tan Sri Dr Mohd Irwan Serigar Abdullah, who is also a member of the 1MDB advisory board, and Economic Planning Unit (EPU) director-general Datuk Seri Dr Rahamat Bivi Yusoff.

The PAC, which is chaired by Datuk Nur Jazlan Mohamed (*pic*), comprises eight Barisan Nasional MPs and five opposition MPs.

A news conference is expected to be held after the PAC completes hearing the explanations today.

The PAC decided at a special meeting on April 30 that it would launch an investigation into the 1MDB.

Prime Minister Datuk Seri Najib Tun Razak had earlier instructed the Auditor-General, Tan Sri Ambrin Buang, to look into the 1MDB books.

Ambrin had said that an audit report on 1MDB would be released at the end of June



Wednesday, 20 May 2015

12. Former Tanjung Offshore director held, MACC says

KUALA LUMPUR: The Malaysian Anti-Corruption Commission (MACC) confirmed on Wednesday that a former Tanjung Offshore Bhd director has been detained to assist in investigations into the purchase of Gas Generators (M) Sdn Bhd.

"MACC will obtain a remand order tomorrow," an MACC spokesperson told Bernama when contacted here.

Tanjung Offshore has been on the news lately due to a boardroom tussle that led to the suspension of three company officials earlier this year.

Tanjung Offshore is principally involved in provision of engineering equipment, equipment maintenance services, drilling and production platform services to the oil and gas industry via its subsidiaries.

At the end of trading today, the company's shares price was flat at 47 sen with 35,100 shares transacted.



Wednesday, 20 May 2015

13. Khairy: PAC must probe Jho Low over involvement in 1MDB

PUTRAJAYA: Businessman Jho Low must be probed over his alleged involvement in the 1Malaysia Development Berhad (1MDB) issue, insists Khairy Jamaluddin.

The Youth and Sports Minister said that speculation over Low's role in the controversy is too great to be ignored by the Public Accounts Committee (PAC). "Whatever way you look at this issue, Jho Low's fingerprints are all over the place

"If you want to do a thorough investigation into 1MDB, you have to call him up.

"I believe the public wants this too," said Khairy to reporters after inspecting the Putrajaya Youth Festival site here on Wednesday.

On Tuesday, PAC chairman Datuk Nur Jazlan Mohamed said the committee saw no need at present to call up Low or Prime Minister Datuk Seri Najib Tun Razak for questioning over the 1MDB issue.

"I hold on to his (Nur Jazlan) words 'at the moment'. But eventually they have to call Jho Low up. There cannot be any sort of closure if Jho Low is not questioned," said Khairy.



Wednesday May 20, 2015

14. Advisory board urges govt to formulate laws on corrupt civil servants

KUALA LUMPUR: The Anti-Corruption Advisory Board (LPPR) has called for immediate formulation of provisions on corporate liability and misconduct of civil servants to improve the effectiveness of the Malaysian Anti-Corruption Commission (MACC).

In a statement issued here Tuesday, LPPR said the matter had been brought to the government's attention, but there was no follow-up action.

The board also proposes Section 23 of the MACC Act 2009 to be amended to ensure that civil servants do not manipulate any weaknesses in the law, particularly those pertaining to awarding of tenders, contracts, government projects and land ownership.

It also wants Section 36 of the MACC Act 2009 to be amended to ensure civil servants living beyond their means to declare their assets.

"One of the constraints facing MACC is to investigate the financial status and property ownership of an individual whose wealth is beyond their means," it said.

LPPR also urged parliamentary members to support amendment to the Federal Constitution, in particular on the MACC Chief Commissioner's service and the establishment of the Anti-Corruption Officers Services Commission.

"As one of the five independent bodies established in accordance with Section 13 of the MACC Act 2009, LPPR has the responsibility to advise MACC on all aspects of corruption in the country, to advise on MACC's policies and strategies to eradicate corruption, and to receive, examine and endorse proposals from MACC in an effort to be efficient and effective," it said.

The statement stated that at its second meeting today, the board expressed its appreciation to the Sarawak government under the leadership of Chief Minister Tan Sri Adenan Satem, the General Operations Force, State Forestry Department and the Inland Revenue Board for their cooperation in providing information in the recent "Ops Gergaji".

"Ops Gergaji" was held to combat corruption, illegal logging and forest clearing in Sarawak and actions by logging companies in Sarawak to avoid paying tax.



Wednesday May 20, 2015

15. 1MDB now says US\$1.103bil in S'pore in assets, not cash

KUALA LUMPUR: The Government has back-pedalled on its earlier answer that 1Malaysia Development Berhad's (1MDB) US\$1.103bil (RM3.98bil) from Cayman Islands transferred to a Singapore bank is not in a form of cash, but assets.

1MDB had explained that the balance of their investment has been redeemed in a form of assets in the currency of US Dollars in BSI Bank Limited Singapore (BSI), the Finance Ministry said in a May 19 reply to Tony Pua (*pic*) (DAP-Petaling Jaya Utara).

"The move was to balance the liability of US Dollars currency. The bank is acting as a custodian of the assets on behalf of 1MDB," it said.

On March 10, in a written reply to Pua, the Finance Ministry stated that the US\$1.103bil (RM3.98bil) managed by the Cayman Monetary Authority has been redeemed in a form of cash and still retained in the Singapore account.

At a press conference on Wednesday, Pua said the amendment in the ministry's statement was an admission that 1MDB had no cash in the Singapore bank.

"What they did was they shifted the paper assets in Cayman Islands into BSI Singapore.

"There is no money there. What is the value of the assets left?," he told reporters at the Parliament lobby.

He said 1MDB needs to explain the value of the assets since they were not in a form of cash.

"1MDB needs to explain because we have so far been led to believe that there is cash in Singapore," said Pua.



Thursday May 21, 2015

16. RM1.6bil in GST from imported goods

IN just 40 days, imported goods contributed RM1.689bil in Goods and Services Tax for the Government, said Deputy Finance Minister Datuk Ahmad Maslan.

Revealing that this sum was recorded from April 1 to May 10, he said the data was known earlier (than tax collected from businesses) because GST payments were made before imported goods were released by the Customs Department at entry points such as airports and ports.

Ahmad was answering a question from Dr Lee Boon Chye (PKR-Gopeng), who asked about the income generated from GST so far.

He said the Government estimated that RM23.2bil in GST would be collected within nine months from April 1, when the tax was implemented.

"However, this estimated sum excludes deductions for items which were recently made zero-rated after the Budget 2015 announcement, such as RON95 petrol and some types of medicine," he said.

He also said the Government was still unable to announce the latest amount of consumption tax collected from businesses because companies with an annual turnover of RM5mil and above have until the end of this month to file their tax returns.

For example, tax returns for the month of April can be filed any time between May 1 and 31, thus only allowing the Customs Department to determine the total collection for April in June, Ahmad said.

Companies earning less than RM5mil per annum need to submit tax returns once every three months.

To a supplementary question from Dr Lee, Ahmad said the Government would continue to ask manufacturers to announce lower prices following the replacement of the 10% sales and services tax with GST.

"We have asked manufacturers and factories of 295 types of products to announce lower prices, similar to how six car makers had done before," he said.

For example, companies such as Proton, Honda Malaysia and UMW Toyota Motor announced lower prices on many car models after April 1.



Thursday May 21, 2015

17. Najib: 1MDB investment turned into assets

KUALA LUMPUR: The balance of 1Malaysia Development Bhd's (1MDB) investment managed by the Cayman Monetary Authority amounting to US\$1.103bil (RM4bil) has been redeemed in the form of assets, and not in cash, said Prime Minister Datuk Seri Najib Tun Razak.

Najib, who is also the Finance Minister, gave a written reply to Tony Pua (DAP-Petaling Jaya Utara) at the Dewan Rakyat yesterday in response to Pua's query on whether 1MDB still had the cash in BSI Bank (Singapore) Ltd, based on a March 10 written reply from the Finance Ministry.

In the March statement, the ministry said the US\$1.103bil managed by the Cayman Monetary Authority has been redeemed and is still retained in the Singapore account.

Najib said the clarification is an amendment to the Government's reply to Pua in March.

"The amount was redeemed in US dollars and deposited in BSI Bank Ltd to balance 1MDB's US dollar liabilities.

"The bank is acting as a custodian of the assets on behalf of 1MDB," said Najib.

Later, during a press conference at the Parliament lobby, Pua said the amendment to the ministry's statement on Tuesday was an admission that 1MDB had no cash in the bank in Singapore.

"What they did was they shifted the paper assets in the Cayman Islands into BSI Singapore.

"There is no money there. What is the value of the assets left? 1MDB needs to explain because we have so far been led to believe that there is cash in Singapore," said Pua.

Meanwhile, Rembau MP Khairy Jamaluddin argued that businessman Low Taek Jho, popularly known as Jho Low, should also be called up for questioning by the Public Accounts Committee (PAC) over his alleged involvement in the affairs of 1MDB.

The Youth and Sports Minister who is also Umno Youth chief said speculation on Low's role in the controversy is too rife to be ignored.

"Whatever way you look at this issue, Low's fingerprints are all over the place.

"If you want to do a thorough investigation into 1MDB, you have to call him up," Khairy said to reporters here yesterday.

On Tuesday, PAC chairman Datuk Nur Jazlan Mohamed said the committee had yet to see the need to call Low or Najib in for questioning.

"I hold on to his (Nur Jazlan) words 'not for now'.

"But eventually they have to call Low up. As far as the public is concerned, there cannot be any sort of closure if he is not questioned," said Khairy.

The PAC began its inquiry into the dealings of 1MDB, a state investment firm that is said to have incurred about RM42bil in debts.

Treasury secretary-general Tan Sri Irwan Serigar Abdullah and Economic Planning Unit director-general Datuk Seri Rahmat Bivi Yusoff were the first to testify.

1MDB's former CEO Datuk Shahrul Ibrahim Halmi and current CEO Arul Kandasamy will appear next Tuesday.



Tuesday, 26 May 2015

18. 1MDB received PAC letter two weeks after it was mailed

KUALA LUMPUR: It's the case of where was the Public Accounts Committee (PAC) letter for two weeks after it was mailed?

1Malaysia Development Bhd (1MDB) president and group executive director Arul Kanda Kandasamy (*pic*) said 1MDB only received the letter sent by the PAC requesting the presence of the Arul and former CEO Datuk Shahrol Halmi on May 21.

According to Datuk Nur Jazlan Mohamed at a media conference on Monday, the letter was sent to MoF on May 6, giving notice of 20 days for Arul and Shahrol to appear before the PAC on May 26.

"Contrary to recent press reports and statements by certain individuals, we wish to clarify that it was only on May 21, 2015 that 1MDB received a letter from the Ministry of Finance, appending an invitation sent by the PAC," said Arul in a statement.

Arul said 1MDB responded to the Ministry of Finance on 21 May, the same day the company received the invitation.

Arul said the date for his appearance was currently being finalised. He said the date proposed earlier was in conflict with previously scheduled overseas commitments.

"We once again reiterate our intention to extend our full cooperation to the PAC and both Arul Kanda and Datuk Shahrol Halmi look forward to appearing before the committee and having the opportunity to clarify 1MDB's position."



Tuesday, 26 May 2015

19. PAC to set new date for key 1MDB witnesses

KUALA LUMPUR: The Public Accounts Committee will set a new date for two key witnesses in its inquiry into the affairs of 1Malaysia Development Bhd.

The government investment arm's president and group executive director Arul Kanda Kandasamy as well as its former CEO Datuk Shahrol Azral Ibrahim Halmi have sought a month's extension before they face the PAC.

They were originally scheduled to meet the PAC today.

PAC chairman Datuk Nur Jazlan Mohamed said the committee had not set a new date yet for the inquiry but it would depend on the availability of its members as well.

"We hope they can attend the hearing as soon as possible," he told the media after chairing a PAC meeting in Parliament yesterday.

The committee was notified by the Finance Ministry that Arul and Shahrol were unable to attend the PAC session as they were away on official business.

Nur Jazlan said, "They requested 30 days ... We may give them less."

He added that they would be calling auditors Deloitte, KPMG, and Ernst and Young as their next witnesses.

Shahrol was the first CEO of 1MDB until he suddenly left for the Performance Management and Delivery Unit (Pemandu). He was CEO from February 2009 to March 2013. Arul took over from CEO Mohd Hazem Abdul Rahman in January.

The bi-partisan PAC - made up of eight Barisan Nasional and five opposition MPs - is conducting an inquiry into 1MDB, which has debts of RM42bil.

The committee began its probe into 1MDB on May 19 when two senior government officials - Treasury secretary-general Tan Sri Dr Mohd Irwan Serigar Abdullah, also a 1MDB advisory board member, and Economic Planning Unit director-general Datuk Seri Dr Rahamat Bivi Yusoff - appeared before it.

1MDB, set up by the Government in 2009 to drive strategic investments, has come under severe criticism, including from former premier Tun Dr Mahathir Mohamad, for its massive debts and cash flow problems.



Wednesday, 27 May 2015

20. Probe on 1MDB's BSI account

KUALA LUMPUR: Bank Negara has handed over the investigative findings on 1Malaysia Development Bhd's (1MDB) controversial investment in BSI Bank Ltd in Singapore to the relevant enforcement agencies.

The central bank confirmed yesterday that it had already received the report by the Monetary Authority of Singapore (MAS) on 1MDB's account with BSI Bank in the republic, but it stressed that the report findings were confidential, and hence, could only be shared with relevant authorities in the country.

"They (MAS) announced that they sent it to us, so yes, we did receive it," Bank Negara governor Tan Sri Dr Zeti Akhtar Aziz said when asked whether the central bank had received the report from its Singapore counterpart.

"This information will be extended to enforcement agencies within the Malaysian jurisdiction," she said at a press conference in conjunction with release of The Labuan Financial Services Authority Annual Report 2014 here yesterday.

Zeti, however, declined to reveal which enforcement agencies that would be involved, citing confidentiality.

"The international community would not cooperate with us (in the future) if we release the information that was extended to us," Zeti explained.

"Therefore, disclosure will stop all investigations if we talk about it," she added.

Last week, Prime Minister Datuk Seri Najib Tun Razak revealed that 1MDB's US\$1.1bil (RM3.97bil) investment redeemed from its offshore account in the Cayman Islands and parked in BSI Bank, a Swiss-based private bank, in Singapore was not in cash but in the form of "assets".

Second Finance Minister Datuk Seri Ahmad Husni Mohd Hanadzlah later clarified that the deposit was in the form of "units".

The answers were in contrast to the Government's earlier written reply in March 10, where Najib, also the Finance Minister, stated that the balance of 1MDB's investment from Cayman Islands had been redeemed in cash and placed in BSI Bank in Singapore.

The episode led to 1MDB and Najib coming under fire from critics including former prime minister Tun Dr Mahathir Mohamed.

Dr Mahathir contended that something was not right as BSI Bank has filed a report with MAS stating that no 1MDB money was kept with them.

The former premier added that normally MAS would report such information to Bank Negara. He contended that it was clear from the admission that the report was governed by principles of international secrecy and the wish for secrecy under the Anti Money-Laundering Act.

In March, MAS told *Reuters* that it had been in touch with the Malaysian authorities over its investigations into the heavily indebted 1MDB. "We are committed to assist within the full ambit of our laws," MAS said in a statement then, adding that it could not provide more details as investigations in Malaysia were ongoing.

"As authorities that operate in the international environment, we will from time to time receive information from other jurisdiction; similarly, from time to time, we will extend information to other jurisdiction as well," Zeti said.

"If any irregular practices or transactions occur, these information will be extended to the bank. That's as far as we can comment because from time to time it will involve follow-up investigations.

"This sharing of information can only take place if we can ensure our counterparts that confidentiality will be maintained. If we release information that has been extended to us on a confidential basis, this information will stop being extended to us," she explained.

When asked if MAS had notified Bank Negara that there was no cash being held by 1MDB in BSI Bank Singapore as alleged, Zeti said: "We can't comment on an individual organisation."

Meanwhile, Zeti reiterated that 1MDB's loan default would not have a systemic implication on the domestic banking system. She said her references, however, did not include the issuance of bonds or borrowing from banks outside Malaysia by 1MDB.

She pointed out that the stress tests that are conducted regularly had proven that Malaysian banks would remain financially sound and well capitalised in the event of 1MDB defaulting on its loan.

"When any entity takes a loan exceeding RM2bil from banks here, it will be monitored very closely... we will put the company on the watch list, and from there, we will make an assessment on whether the organisation will have any systemic implication on the banking system," Zeti explained.

1MDB, a wholly-owned unit of the Finance Ministry, has come under heavy criticism for accumulating debts of RM42bil and is now facing cash-flow problems.



Thursday May 28, 2015

21. PAC to query 1MDB execs on absence at inquiry

KUALA LUMPUR: The two key witnesses in the Public Accounts Committee's (PAC) inquiry into 1MDB can expect to be questioned on their absence at Tuesday's hearing.

1Malaysia Development Berhad (1MDB) president and group executive director Arul Kanda Kandasamy, and its former chief executive officer Datuk Shahrol Azral Ibrahim Halmi were no-shows on the date, claiming they had prior commitments overseas.

"His answer to the PAC earlier that they were overseas, that they were informed at the last minute, these are all twisting and turnings. I want the CEO of 1MDB, president of 1MDB Arul Kanda and the former CEO to tell us if they are not twisting and turning, where were they on May 25 and 26 when the PAC asked them to attend the inquiry," Pakatan Rakyat representative to the PAC, Tony Pua (*pic*) said in Parliament lobby on Thursday.

"They told us that they had a prior appointment overseas. We want to know where they were. Were they in Dubai, did they take a short flight to Singapore? Did they go together? Did they go separately? We even want to know when was the flight booked. Was it booked after the date the notice was given or before the notice was given?" said the Petaling Jaya Utara MP.

"What meeting were they having overseas such that they could not attend the inquiry? These are questions that we will ask again when they come to see the PAC at a date that will be fixed by PAC chairman Datuk Nur Jazlan Mohamed," he said.

Arul and Shahrol were originally called in to meet the PAC on Tuesday. It is understood that Arul was away on official business while Shahrol has requested a month's extension to prepare for the hearing.

The committee decided to allow Arul and Shahrol time but the duo were warned against further delays. They are expected to face the PAC sometime in mid-June.

A letter was mailed to the Finance Ministry on May 6 requesting for Arul and Shahrol to attend the inquiry on May 26. However, Arul claimed to have received the letter from the Ministry only on May 21.

The bi-partisan PAC is conducting an inquiry into the debt and cashflow problems of 1MDB.

The PAC began its probe into 1MDB on May 19 when two senior government officials - Treasury Secretary-General Tan Sri Irwan Serigar Abdullah, also a 1MDB advisory board member and, Economic Planning Unit director-general Datuk Seri Dr Rahmat Bivi Abdulla - appeared before it.

1MDB auditor Deloitte has been called to meet the PAC on June 10 while previous auditor KPMG will meet the committee on June 17.

Another previous auditor, Ernst & Young, is set to be called at a later date.



Thursday May 28, 2015

22. Govt denies investment company received RM500mil before becoming 1MDB

KUALA LUMPUR: The Government has denied that a company, that was later expanded into the 1Malaysia Development Bhd (1MDB), had received a start-up fund of RM500mil.

Finance Minister Datuk Seri Najib Tun Razak (*pic*) on Thursday dismissed claims by an Opposition MP that the Terengganu Investment Authority (TIA) received RM500mil before it became the 1MDB.

"From the information given by the 1MDB to the ministry, the claims made by YB Sepang on TIA receiving RM500mil in start-up funds are not true," Najib, who is Prime Minister, said in a written reply.

He was responding to a question from Mohamed Hanipa Maidin (PAS - Sepang) who asked whether the TIA, set up in 2008 before the 1MDB, was given a capital of RM500mil.

Najib said the Federal Government took over the TIA from the Terengganu government on Sept 25, 2009 with a price of RM1,000,002.

"TIA's name was later changed to 1MDB," he said.

It was reported that the TIA was expanded to the 1MDB with the aim of investing in energy, real estate and hospitality sectors in the country.

In a separate written reply, Najib said 1MDB was confident and able to settle all necessary loans according to their payment schedules for the 2015 financial year.

"1MDB will also ensure that the previous incident will not recur," he said, referring to the RM2bil the 1MDB owed to local banks but was later settled.

Jeff Ooi (DAP - Jelutong) had asked the Prime Minister to state the amount and repayment schedule for 1MDB loans that must be paid for 2015 so that the incident in February did not recur.

It was reported on Feb 14 that the 1MDB had settled the RM2bil loan it owed local banks, in advance of the due date.

1MDB had reportedly missed payments on a bridge loan that was due at the end of Dec last year but was given a final deadline of Feb 18 to settle it.

Meanwhile, Datuk Seri Dr Shahidan Kassim said the Auditor-General was not given a time frame to study and audit the accounts of 1MDB.

The Minister in the Prime Minister's Department said the audit on 1MDB is currently being conducted.

"The Attorney-General's Chambers have ordered the police to give priority to the Auditor-General to obtain relevant documents without any interference for the purpose of their audit," he said in reply to Datuk Othman Abdul (BN - Pendang).

Dr Shahidan said the Auditor-General would present its audit report on 1MDB to the Public Accounts Committee (PAC) before the police resume its investigations.

"The terms of the audit will be made known in its initial report to the PAC at the end of June," he said.

23. PAC: No need to scrutinise 1MDB witnesses' whereabouts

KUALA LUMPUR: It is not important to scrutinise the whereabouts of the absent 1MDB key witnesses, said Public Accounts Committee (PAC).

Its chairman Datuk Nur Jazlan Mohamed (*pic*) said their explanation in the PAC hearing was more important than the reason behind their absence.

"We want answers during their tenure in 1MDB. That is more important than whether or not they have a good reason not to turn up at the PAC hearing," he told reporters after chairing the PAC meeting here in Parliament, Thursday.

Earlier, Petaling Jaya Utara DAP MP Tony Pua said the parliamentary committee would query 1Malaysia Development Berhad (1MDB) president and group executive director Arul Kanda Kandasamy and its former chief executive officer, Datuk Shahrol Azral Ibrahim Halmi on their Pua, who is also a PAC member, said he was not convinced when told that the 1MDB figures had a prior appointment overseas, when they were supposed to attend the hearing on May 25 and May 26.

But Nur Jazlan said this was the least of the committee's concern.

"When they come, then we ask them-lah whether it's true or not they were not in the country at the time they were supposed to see us.

"But what's more important is their answer during their tenure in the company," he said.

The Pulai MP however said their questioning would be aggressive if both Arul Kanda and Shahrol were found to deceive the committee on their explanation.

"If there's any proof that they deceive us, the PAC members will not be sympathetic towards them.

"We are not, in the first place, but now we are going to be even less sympathetic towards them," he said.

Asked whether the aggressive questioning would include telling them to prove their whereabouts in their absence, Nur Jazlan said, "No, no don't focus on that. Focus on what they are going to answer, come on".

Earlier, PAC had called three witnesses from Ministry of Defence on the construction and management of Wisma Perwira in Padang Tembak.

The matter came to light when the 2014 Auditors General report said that the federal government did not get "value for money" in the building, that cost an extra RM330,000 due to a construction delay of more than a year.

Nur Jazlan said they would call more from the ministry to testify for other projects cited in the AG report.



Friday May 29, 2015

24. Najib: Claims about start-up fund for 1MDB untrue

CLAIMS that 1Malaysia Development Bhd (1MDB) had received a start-up fund of RM500mil is not true, said Finance Minister Datuk Seri Najib Tun Razak.

He said there was no basis for the claims made by an opposition MP that Terengganu Investment Authority (TIA) had received the fund before it became 1MDB.

"From the information given by 1MDB to the ministry, the claims are not true," Najib, who is Prime Minister, said in a written reply.

He was responding to a question from Mohamed Hanipa Maidin (PAS-Sepang) who asked whether the authority, set up in 2008 before 1MDB, was given a capital of RM500mil.

Najib said the Federal Government took over the authority from the Terengganu state government on Sept 25, 2009, with a price of RM1,000,002.

Its name was later changed to 1MDB, he said.

It was reported that the authority was expanded into 1MDB with the aim of investing in the energy, real estate and hospitality sectors in the country.

In a separate written reply, Najib said 1MDB was confident and able to settle all the necessary loans according to their payment schedules for the 2015 financial year.

"1MDB will also ensure that the previous incident will not recur," he said, referring to the RM2bil the 1MDB owed to local banks but was later settled.

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Meanwhile, Datuk Seri Dr Shahidan Kassim said the Auditor-General was not given a time frame to study and audit the accounts of 1MDB.

The Minister in the Prime Minister's Department said the audit on 1MDB was being conducted now.

The Attorney-General's Chamber has ordered the police to give priority to the Auditor-General to obtain the relevant documents without any interference for the purpose of its audit, he said in reply to Datuk Othman Abdul (BN-Pendang).



Friday May 29, 2015

25. Cabinet to get 1MDB briefing

PETALING JAYA: The Prime Minister and his Cabinet will be given first-hand and latest information on the controversial 1Malaysia Development Bhd where a special paper has been prepared to brief the ministers on its current status.

The presentation will be made by Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah at the weekly meeting today.

It is learnt that the paper will provide information on the company's debt status.

Sources told *The Star* that Datuk Seri Najib Tun Razak and the Cabinet would also be informed on how 1MDB "plan to move forward" following the controversy.

"The way forward is an important element which the company must address.

"True, we need information on their financial status but how 1MDB is going to move on, meet its target and be committed to the smooth and efficient running of the company is equally crucial," said a source.

1MDB officers are expected to be on standby to answer further queries from the ministers.

Sources pointed out the fact that a special paper had been prepared to further brief the Cabinet on the issue reflected Najib's commitment to resolve the issue.

"This is a good signal. Let's hope that once the air is cleared, the administration can truly focus on running the country, especially in executing what has been planned under the 11th Malaysia Plan," a source said.

Former Prime Minister Tun Dr Mahathir Mohamad has been criticising Najib on a number of issues including on 1MDB.

On March 4, the company and its auditors Deloitte were called to brief the Cabinet about its situation and responded to questions from the ministers, including from the Prime Minister and his deputy Tan Sri Muhyiddin Yassin.

Pledging that 1MDB would face legal repercussions if there was any wrongdoing, Najib directed the Auditor-General to verify its accounts and forward the findings to the Public Accounts Committee.

The PAC has begun its own probe on May 19 when two senior officials - Treasury secretary-general Tan Sri Irwan Serigar Abdullah, also an advisory board member of the government-linked investment arm, and Economic Planning Unit director-general Datuk Seri Dr Rahmat Bivi Abdullah - appeared before it.

1MDB president and group executive director Arul Kanda Kandasamy and its former CEO Datuk Shahrol Azral Ibrahim Halmi were supposed to meet the PAC on Tuesday but both requested for another 30 days to prepare.

Two of the three 1MDB auditors - KPMG and Erns & Young - have been summoned by the PAC to appear on June 10 and 17.

26. Ahmad Husni: IPIC to provide US\$1b to 1MDB



KUALA LUMPUR: International Petroleum Investment Company (IPIC) to provide US\$1bil by June 4 to 1Malaysia Development Bhd (1MDB) to repay US\$975m (RM3.5bil) loan to a syndicate of international bank lenders.

Below is the statement issued by Second Finance Minister Datuk Seri Ahmad Husni Hanazlah on Friday:

"Earlier this morning, I presented a plan for the rationalisation of 1MDB to the Cabinet. This followed an announcement by 1MDB, in February 2015, of the conclusion of a strategic review. As has already been achieved with Edra Energy, this will see TRX and Bandar Malaysia established as standalone companies, with full autonomy and accountability for their operational and financial performance.

"Whilst options are being pursued with respect to the monetisation of Edra Energy, the Ministry of Finance will remain a key shareholder in TRX and Bandar Malaysia, which will raise equity via third party investors. Proceeds raised will be used for capital expenditure and to reduce 1MDB's debt.

"Given the above, I am pleased to announce that 1MDB has entered into a binding agreement with the International Petroleum Investment Company ("IPIC") and its subsidiary Aabar Investments ("Aabar"). As part of this agreement, IPIC will make a payment of USD 1 billion, on or before 4 June 2015.

"This USD 1 billion payment will be used to repay a USD 975 million (RM3.5 billion) loan, in advance of its due date, to a syndicate of international bank lenders. The agreement will also include further measures to comprehensively address the various financial asset and liability transactions between the parties, further details of which will be announced in due course.

"This agreement marks a significant step towards reducing 1MDB's overall debt levels, and is a crucial part of the rationalization plan I presented to Cabinet earlier, which we expect to be implemented in full by early next year."



Saturday May 30, 2015

27. 1MDB to scale down ops

PETALING JAYA: 1Malaysia Development Bhd that has come under relentless attack for its financial transactions will be wound down by early next year.

According to sources, a programme is being crafted whereby Abu Dhabi will inject sovereign funds of up to US\$4.5bil (RM16.4bil) into 1MDB - money that would be used to reduce its debts of RM42bil.

"The first tranche of the money will come in next week. The announcement is already out. The remaining amounts will come in batches and by early next year 1MDB will be wound down," said a source.

The reduction of its debts will allow 1MDB to "downsize" its operations significantly and transfer the remaining liabilities to its three subsidiary companies, which are into property development and generation of electricity.

"The subsidiaries have assets and can hold some amount of debt. The holding company does not have adequate assets and that is why it faces cash-flow problems to service its debt obligations," said sources.

The power generation company, which is Edra Global Energy, has three major power plants worth some RM13bil.

The property subsidiaries are broken into two - one holding the Tun Razak Exchange Development and the other the 200.3ha Sungai Besi airport land that is to be developed into Bandar Malaysia.

"The value of the land in TRX and Bandar Malaysia is estimated to be RM4.3bil," said a source.

Yesterday, 1MDB announced that it had entered into an agreement with International Petroleum Investment Company (IPIC) and Aabar Investments whereby the Abu Dhabi companies would inject US\$1bil (RM3.6bil) into the Malaysian fund.

By early next year, it is estimated that an additional sum of US\$3.5bil (RM12.6bil) would be pumped in as part of the agreement.

In return, the Abu Dhabi companies would take over some of the assets held by 1MDB, including the "units" held in Singapore's BSI Bank.

1MDB, established in 2009, is the brainchild of Prime Minister Datuk Seri Najib Tun Razak. It was supposed to spearhead Malaysia into projects that bring high impact to the economy.

However, it has come under scrutiny for its opaque financial transactions with companies based in the Middle East.

Among them is Petro Saudi International (PSI), which was the first joint venture partner that 1MDB locked up with in 2009.

The joint venture with PSI started with an initial sum of US\$1bil. But the investment later ballooned to US\$2.32bil (RM8.5bil) that was parked with funds based in the Cayman Islands.

A portion of the funds came back last year, according to 1MDB. But an amount of US\$1.1bil (RM4bil) that was supposed to find its way back to help 1MDB redeem its debts was placed with BSI Bank in Singapore. The Finance Ministry has said the sum was in the form of "units".

Apart from the investment with PSI, the fund has also come under fire for the high cost incurred in raising US dollar debt papers.

It raised US\$3.5bil (RM12.7bil) in 2012 and another US\$3bil (RM10.9bil) on March 19, 2013 - just a few weeks before the general election.

The funds were raised with a high degree of collateral and cost, something that is not usual for an entity such as 1MDB that is fully backed by the Government.

According to sources, the Cabinet was briefed that 1MDB has become a political hot potato to the extent that it is hurting Umno.

"The party comes above everything else for Najib. That is why he is deciding to wind down 1MDB," said the source.

28. MACC: Only 80% of suggestions are being implemented by Pahang

CAMERON HIGHLANDS: The Pahang government has yet to fully implement 12 suggestions proposed by the Malaysian Anti-Corruption Commission (MACC) to improve land management and to prevent abuse of power.

It is learnt that only about 80% of the suggestions were being implemented since they were conveyed to the state government last October.

Among the suggestions were setting new policy for development, controlling of foreign workers intake, re-demarcation of state or reserve land and the setting up of a task force for effective enforcement.

It also called for separate jurisdictions between the district council and the land office.

MACC Inspection and Consul-tation Unit officer Mahmod Ab Hamid said issues concerning land management and natural disasters had plagued the highland for decades, adding that he would meet the Pahang authorities to find out why the proposals had yet to be carried out.

"It was only when it became a big issue, where someone was killed, that people finally took note," he told journalists during a round table meeting between the MACC, environmental organisations and farming associations on Friday.

Mahmod said suggestions were also made to the Federal Govern-ment.

"There is no co-ordination between the federal and state."

Meanwhile, MACC deputy chief commissioner (management and professionalism) Datuk Seri Zakaria Jaffar said about 800 certified integrity officers (CeIO) were needed for government agencies to combat corruption.

The MACC, he said, had trained about 316 CeIO and hoped more could be produced.

29. Ex-IGP: Cops must probe 2009 dealings of 1MDB

PETALING JAYA: Former IGP Tan Sri Rahim Noor has urged the police's commercial crime division to start investigations on the 1MDB dealings of September 2009 as these seem questionable.

He said 1MDB had signed a joint venture with PetroSaudi Holdings (Cayman) Ltd (PSI Cayman) only on Sept 28, 2009, and yet upon the signing, PSI Cayman, which did not inject any cash into the joint venture (1MDB Petro Saudi Ltd), was already asking it to repay US\$700mil (RM2.56bil) for a loan taken on Sept 25. "How can that be? The agreement wasn't even signed on Sept 25," he said in an interview.

He also questioned why a day after the joint agreement was signed, 1MDB had paid out US\$1bil (RM3.6bil) in two cheques, of which one cheque amounting to US\$700mil (RM2.6bil) went into a Zurich bank account, to a Good Star Limited.

He said it was odd that six months later on March 31, 2010, the joint venture came to an end.

"So where did that money go? Did someone who is not supposed to receive it take it? Was it misappropriated or diverted?" he asked.

He added that the audited account of 1MDB Petro Saudi Ltd (JV Co) was only ready on Jan 31, 2011, and even then there was a change in the auditors.

"It seems like offences might have been committed. As an ex-policeman, I feel strongly that police should come in and investigate whether a commercial crime has been committed and if there was any hanky-panky going on.

"I would like the police to check the audited account of that joint venture," he said.

Rahim said he felt compelled to speak out on the issue because the amount involved was massive and Malaysians were worried.

"I urge the police to come in and probe the issue. The police need to do this to instil confidence," he said.

Rahim said he was speaking out against 1MDB not because he was anti-Prime Minister Datuk Seri Najib Tun Razak or that he was being influenced by Tun Dr Mahathir Mohamad's attacks on the 1MDB.

"I am speaking out from my own observations," he said.

In a related development, Public Accounts Committee deputy chairman Dr Tan Seng Giaw said the committee had not set its sight on Low Taek Jho, who is reported to be in Kuala Lumpur.

He said the PAC's priority was on calling 1MDB's CEO Arul Kandasamy, auditors Deloitte Malaysia and examining the findings of the Auditor-General.

"As an important committee of the House, PAC acts according to Standing Order: it examines the accounts of the Federation, public authorities and other bodies administering public funds. 1MDB is owned by the Ministry of Finance," he said.