

1. Husni: Government to unveil larger budget for 2016



KUALA LUMPUR: The Government is set to unveil a larger budget for 2016, with an increase in development expenditure and reduction in operational expenditure.

Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah (*pic*) said the increase in the budget was aimed at spurring the domestic economy in light of the current global climate.

"There will be a slight increase in the Budget to boost the domestic economy.

"However, we will be adopting a prudent fiscal position to ensure efficient expenditure," he told reporters at a press conference after launching of the Youth Housing Scheme here Thursday.

He said the emphasis will also be given on measures to alleviate status of the B40 household group comprising more 40% of Malaysians with household incomes of below RM2,500.

"The 2016 Budget is crucial at its the first budget under the 11th Malaysia Plan and one towards becoming a high-income nation by 2020.

"It is also very challenging as we have to balance between the current global economic situation and ensuring prosperity," he said.

He said Prime Minister Datuk Seri Najib Tun Razak will chair a budget meeting on Oct 7 to look at the issues highlighted by the respective ministries.

"We have a drafted a budget but will look at all the issues highlighted by the ministries before finalising it," he said.

He added that the Government was targeting to reduce its fiscal deficit from 3.2% to 3% next year.

He also said revenue to fund the budget will be based on current global oil prices but would be flexible to allow for a review.

Earlier, Ahmad Husni launched the Youth Housing Scheme for married couples between 25 and 40 years old with a monthly household income of not exceeding RM10,000.

The scheme offers loans of between RM100,000 and RM500,000 to eligible couples and is limited to 20,000 applicants.

2. PM: 1MDB model was idealistic



PRIME Minister Datuk Seri Najib Tun Razak (*pic*) has acknowledged the the business model of 1Malaysia Development Bhd (1MDB) was flawed as it was too idealistic and went into heavy debt financing.

"The business model was too idealistic. We did not use a lot government funds ... only RM1bil to undertake a huge property development and acquisition of power generation plants. So it was heavily into debt financing."

The Prime Minister said the debts were supposed to be reduced from a listing exercise that got delayed.

"It was to be based on the concept of IPO (initial public offering) but the exercise was delayed ... we got into that situation," he said in his opening address at an Invest Malaysia New York 2015 Partners session here on Wednesday.

1MDB was supposed to list its power generation arm - Edra Global Energy Bhd - in the first quarter this year to raise RM3bil but the exercise could not take off and the fund withdrew its application to list in March this year.

1MDB subsequently embarked on a rationalisation scheme to ease its cash flow problems and this included the sale of Edra.

However, the Prime Minister said there would be an announcement "in the coming days" on the significant reduction of 1MDB debt to the tune of RM16bil.

"As for Edra, there are two very real and huge proposals on the table to take off the Edra assets, domestically as well as foreign - two foreign sources combining to make a very attractive offer.

"So I'm quite confident that by the end of the year, we'll be able to show that 1MDB is a company that is able to go through the process of rationalisation with a massive reduction of debt," he said.

1MDB, which is the master developer of two large property development projects in Kuala Lumpur, has debts of almost RM42bil.

In 2012 and 2013, it acquired power plants that are valued in its books at RM18bil.

1MDB has engaged an investment bank to look for buyers for Edra Energy and the process is expected to be completed by the end of the year. Among local companies, Tenaga Nasional Bhd has put in a bid for Edra Energy while there are three foreign companies that have expressed interest on 1MDB's energy assets.

Speaking off the cuff and rather candidly about the 1MDB controversy to a mainly American audience, Najib said if there were concerns about governance, "We are going through the process" and if there were wrongdoings, they would be dealt with in accordance with the law.

He added that "there's a lot of noise from one of my predecessors" but he could manage that and concerns about 1MDB.

Najib said he had been given an undertaking of six months to resolve some issues and they were still within the timeframe of the six months until the end of the year.

He said Bank Negara had come out to say that there was no systemic risk related to 1MDB, "in other words we have more assets than liabilities".

"These are some of the short-term concerns you may have in Malaysia and I urge you to look at Malaysia and rise above all the blogs and the political noises.

"If you look at it in a rational manner, you'll see that Malaysia is still a very good place to do business," he told fund managers.

During the closed-door one hour dialogue session later, they posed about 15 questions to the Prime Minister on a range of issues, including the value of the ringgit; impact of the current world economic condition on Malaysia's development; 1MDB rationalisation plan; new growth area Malaysia will focus on to achieve high income nation; race relations and bumiputra policies to ensure equitable distribution of wealth.



Monday, 5 October 2015

3. Is 1MDB being unfairly blamed for volatile ringgit and other woes?



Economic fundamentals are being unfairly pummelled as some blame the (1Malaysia Development Bhd (1MDB) and political funding issues as sole reasons for the currency slide, without taking into serious consideration external developments outside our control.

IN this combative climate, it is difficult for even the stubborn optimist to see a silver lining. The ringgit hitting record lows against the US dollar, a volatile stock exchange reacting to hot money flows, and the downward spiral of energy prices are fodder for worries. Throw in the widening trust deficit, and you end up with a heady mix where everyone is a critic and every critic knows best.

At Pemandu's Economic Update 2015, we took on our harshest critics and faced them head-on. We stood in their shoes, identified tough questions and answered them upfront through two key sessions.

The first, a panel of eminent government figures for inside-out perspectives. For balance, the second session took on an outside-in approach with representatives from three international ratings agencies.

I want to highlight five areas of criticisms in the hope it will clear the air of what has become an obfuscated space of sentiments and facts. Economic fundamentals are being unfairly pummelled as some blame the 1Malaysia Development Bhd (1MDB) and political funding issues as sole reasons for the currency slide, without taking into serious consideration external developments outside our control.

1. Depreciation in the ringgit is entirely due to issues surrounding 1MDB and political funding

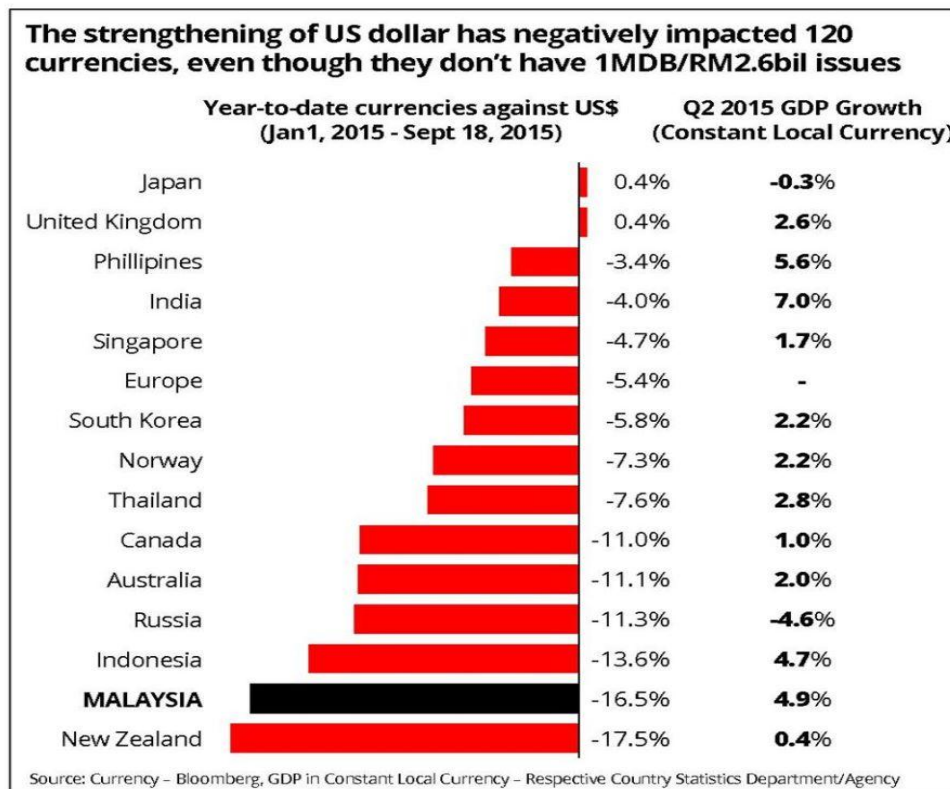
In a recent exclusive interview, Bank Negara governor Tan Sri Zeti Akhtar Aziz mentioned that 120 currencies had depreciated this year on the back of the strengthening US dollar. I presented two charts that showed some currencies which depreciated against the US dollar this year and also for the past five years.

The second chart shows that against the US dollar, the currencies of Japan, India, Indonesia and Russia depreciated more than the ringgit. Indeed, other than Malaysia, these 120 countries do not have 1MDB issues, yet their currencies have depreciated. It is thus erroneous to conclude the depreciation of the ringgit is entirely due to 1MDB and political funding issues.

Minister in the Prime Minister's Department in charge of the Economic Planning Unit, Datuk Seri Abdul Wahid Omar explains the "3 plus 1" factors affecting the currency. First, a reversal of investment from emerging markets to the strengthening US economy; second, as a net exporter of oil and gas, the drastic drop in oil prices has its impact; third, we are feeling the effects of a moderating Chinese economy. It is these three external factors plus the additional negative domestic sentiment triggered by the 1MDB and political financing that led to the current slide.

James McCormack of Fitch Ratings adds in his engagement with American investors, their concerns lie mainly in how markets are able to withstand external pressures. He shared an

anecdote where major investors from New York had no idea what he was referring to, when he brought up 1MDB.



2. Foreign investors are losing confidence and are no longer investing in Malaysia

This claim is false. First, actual investments have been reached record highs every year for the past five years since we launched the Economic Transformation Programme (ETP). Second, planned or pipeline investments also hit record highs each year. From an investment perspective, there is no loss of confidence. Record investments only tell us investors have strong confidence.

The problem is with speculators and traders taking positions on the ringgit and on the Malaysian stock market ("hot money"). To be clear, shifts in stock market value and currency are not classified as "investment" in official definitions of GDP or the economy. Hence, reduction in the value of the ringgit and the stock market do not reduce our investment and GDP figures per se.

Currently, the economy is being held ransom by sentiments. International Trade and Industry Minister Datuk Seri Mustapa Mohamed explains: "We are one of the most open

and trade-dependent nations in the world. For that reason, we have to be extra careful given the very volatile nature of markets."

Tok Pa, as we affectionately call him, acknowledges ups and downs are to be expected, regardless, "we have investments in the pipeline that Malaysian Investment Development Authority monitors for manufacturing and it has RM20bil between now and the next few months," adding, "We had until July about RM50bil."

I have consistently said private investment had grown steadily since the launch of the ETP in 2010, reflecting the private sector's confidence. Realised private investment increased 2.5 times post-ETP (CAGR between 2011 and 2014 at 13.6% versus 5.5% between 2006 and 2010). For the first half of 2015, private investment stood at RM108.5bil, contributing 71% of total investment.

3. Rating agencies have lost confidence in Malaysia and that they are contemplating a downgrade for Malaysia

Despite current challenges, all three ratings agencies are confident about Malaysia, having maintained current ratings. They believe that as long as Malaysia continues with its existing economic and financial reforms, it should avoid any downgrade.

Applauding Malaysia's firm stance and implementation of the Goods & Services Tax (GST) and rationalisation of subsidies, they agreed any weakening of resolve in pushing for reforms would be a red flag. As long as the Government does not relent to populist pressures to abandon its good economic and financial reforms, there should not be any worry about possible ratings downgrade.

In short, these agencies focus their attention on policies of the Government and their effective implementation. They say our economic and fiscal reform policies are good and we must continue and not get distracted. These good policies are the key factors that weigh heavily in country risk considerations.

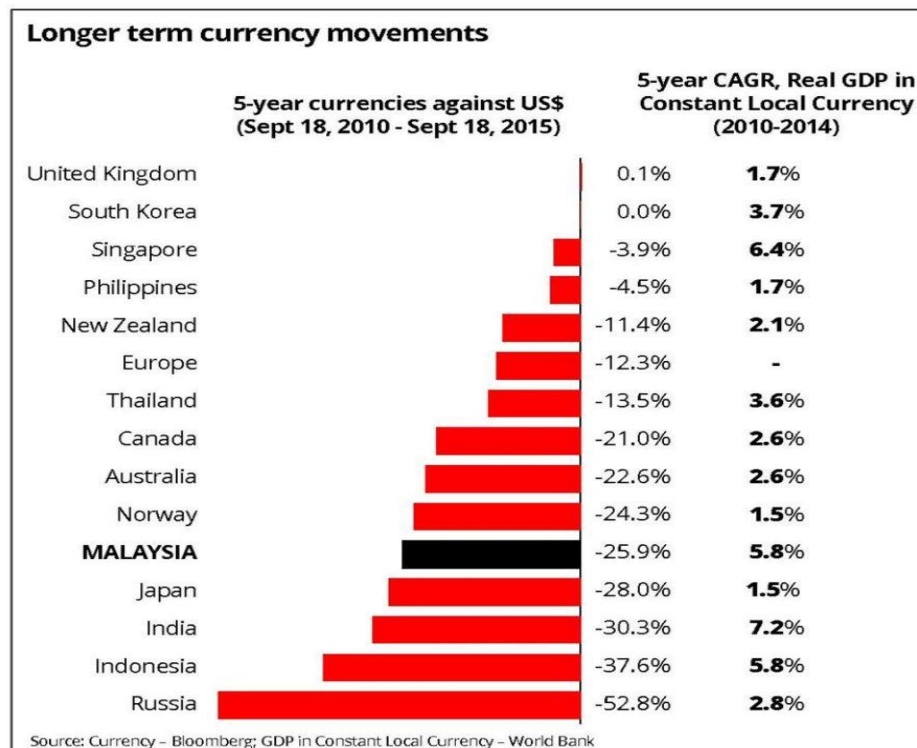
4. Malaysia is experiencing domestic capital flight

Zeti was crystal clear. She categorically asserted Malaysia is not experiencing domestic capital flight. At the peak of the Asian financial crisis, despite outflows and attacks on our currency by foreign speculative activity, domestic capital stayed with us.

She says, "they believed in the policies we were implementing, and that is why we did not have a currency collapse or a depletion in reserves. In this current situation, foreign

corporates and government-linked companies (GLCs) invest abroad as part of the diversification of their investment activity."

Tok Pa iterates though outflow of capital is a reflection of a mature economy and holds longer-term benefits, he would like to see some balance. Moving forward there should be greater balance in terms of foreign investment as well as income from Malaysian companies abroad, resulting in a healthy boost for the balance of payments.



5. Malaysia's public debt and fiscal deficit is getting worse and this is the cause of the current malaise

I wish to highlight that fiscal reforms put in place the last five years have helped trim our deficit. Deficit as a percentage of GDP in 2014 was at 3.4% compared with 6.4% in 2009, with public debt at 53.7% (end-June 2015).

We are well ensconced within the "safe zone" which is for countries whose public debt is below 75% of GDP and deficit at 4% or below. We have also steadily reduced our reliance on oil and gas revenue from 40% in 2009 to 29.7% in 2014, shoring up revenue contributions from other sectors of the 12 national key economic areas.

There are two fundamental truths about the economy.

Firstly, the global economy goes through cycles of ups and downs and Malaysia is not spared. Secondly, countries that implement economic transformation and fiscal reforms to inject resilience will weather the storm better than others during any economic downturn.

Indeed, based on the BCG matrix, Malaysia enters the "safe zone" as a result of the country's transformation in the last few years.

The current problems will come to pass and Malaysia will ride the wave.

Overall, the no-holds barred conversations during the Economic Update 2015 tells me there are many good people working to keep us on track, ensuring Malaysia continues to be a growth story.



Tuesday, 6 October 2015

4. TNB to know outcome of bid for 1MDB's power assets this month

KUALA LUMPUR: Tenaga Nasional Bhd (TNB) will know the results of its bid for 1Malaysia Development Bhd's (1MDB) power assets by the middle of this month, according to its chief executive officer Datuk Seri Azman Mohd.

The utility giant had in the middle of July submitted a proposal to buy 1MDB power assets locally and abroad through an indicative non-binding proposal that will involve the acquisition of five domestic and eight international power assets held through 1MDB's power unit, Edra Global Energy Bhd.

Azman also said that there was no outside influence when the bid was submitted for these assets in July.

"For us, this was a commercial decision. And, of course, whatever decision we make will have to go through the extraordinary general meeting. This will be decided by minority shareholders," he told journalists on the sidelines of Khazanah Megatrends Forum 2015.

"We are very transparent and we follow all governance processes and let me tell you, we have no imposition from any parties at all. We are free to decide on our own," Azman added.

On the New Enhanced Dispatch Arrangement (Neda) that was recently announced, Azman said the whole purpose of it was to get the most economical power producers to be suppliers to the energy grid.

"If they are able to do this and that is the most economical to run, this will mean savings to the consumers. This is the whole concept - to get the independent power producers (IPPs) to reduce the energy charges if they can and the most competitive will get to run. This also involves TNB," he said.

Neda will soon require IPPs, whose power purchase agreements will be expiring soon, to apply for an operating licence for them to continue generating electricity for sale to TNB.

Meanwhile, Azman said TNB was in discussions with the Indonesian authority on a possible arrangement for power trading and connection between Malaysia and Indonesia.



Monday October 12, 2015

5. Health Ministry rejects TPPA patent proposal

GEORGE TOWN: The Health Ministry rejects the proposal by the United States to extend the expiry date of patents of medicines in the Trans-Pacific Partnership Agreement (TPPA) for the medical sector.

Deputy Health Minister Datuk Seri Dr Hilmi Yahaya said the duration of the patents should be reduced to enable a particular nation to produce generic medicines.

Previously, he said, the duration was 20 years, but the United States had suggested recently that the duration be extended to protect intellectual property rights.

"The Health Ministry has announced that we do not agree on the extension of the duration of patency of the medicines as it will burden the people," he said after launching the "Pesta Tanglung Universiti Sains Malaysia".

He said the production of generic medicines would not be allowed during the patent period if the US proposal was accepted.

6. A-G must come clean, says TI

PETALING JAYA: Attorney-General Tan Sri Apandi Ali must come clean as to why he is not pressing charges against 1Malaysia Development Berhad (1MDB) despite being told by Bank Negara Malaysia that it should be hauled up, said Transparency International Malaysia (TI-M).

TI-M president Datuk Akhbar Satar said there was a difference between helping the state investment arm to get out of its financial mess and bringing to justice those who have abused their power.

"The A-G has yet to explain why the request from Bank Negara was rejected despite Bank Negara making an appeal.

"Given the circumstances of the new A-G's appointment and his links with the ruling party, he should come clean and be transparent to explain why and what is the justification for not proceeding to press charges against the 1MDB officials," it said in a statement on Monday.

Akhbar also said the international corruption watchdog urged 1MDB officials to immediately comply with the central bank's instruction, which was to repatriate the investments abroad totalling US\$1.83bil (RM7.58bil).

Although 1MDB had said it would be able to do as the funds were either spent or were going to be used for debt transfer, Akhbar said this would only set a "dangerous precedent".

"TI-M urges 1MDB officials to immediately comply with Bank Negara's instruction. It is reiterated that, this is not a query from Bank Negara for 1MDB to explain, but a directive that 1MDB must comply.

"If 1MDB does not comply with Bank Negara's directives, this will be a very dangerous precedent where parties at fault are able to give excuses and justifications to avoid compliance," he said.

Akhbar then went on to slam the detention of former Batu Kawan Umno division deputy chief, Datuk Seri Khairuddin Abu Hassan and his lawyer Matthias Chang under the Security Offences (Special Measures) Act 2012 (Sosma).

"TI-M strongly condemns the use of this law to detain whistle-blowers without trial. If the police have strong reasons to believe the duo are a threat to national security they should be charged and tried accordingly.

"Detaining them for 28 days without trial is an abuse of power by the authorities. What has happened to all the government's promises of no-abuse when Sosma was first introduced?" he asked.

He said the detention contradicted the purpose of Sosma, which was to provide special measures relating to security offences.

"TI-M does not see the nexus between the objectives of the Act and with the detention of Khairuddin and Matthias," said Akhbar.



Wednesday October 14, 2015

7. A-G: 1MDB did nothing wrong

PUTRAJAYA: Bank Negara Malaysia did not stop 1Malaysia Development Bhd (1MDB) from remitting cash to investments abroad despite being the gatekeeper, said the Attorney-General.

Addressing reports on why the A-G's Chambers had not acted on Bank Negara's recommendation against the state fund, Tan Sri Mohd Apandi Ali said it was because there was no offence to act on.

He said the alleged offence under the Exchange Control Act 1953 only applied if the company involved knowingly made a false statement to the central bank.

He said the forms required to make a cash transfer did not require applicants to supply the names or bank account numbers of the recipients or the manner in which the funds were channelled.

"Since there is no requirement, the omission on the 1MDB official's part to disclose is not an offence under the Act," he added.

He put the blame on Bank Negara as the controller for not requesting further information from the fund, stopping the remittance or directing Deutsche Bank (Malaysia) Bhd to advise 1MDB to revert to Bank Negara for a review of the permission.



At a lightning-fast press conference, Attorney-General Tan Sri Mohd Apandi Ali said he had cleared 1Malaysia Development Bhd of any wrongdoing because it had answered all of Bank Negara's questions. His first press conference was over in minutes as he did not take any questions from the more than 50 journalists present.

1MDB had obtained three permissions from Bank Negara to make remittances on Sept 29, 2009, Sept 6, 2010, and May 20, 2011.

Mohd Apandi said Bank Negara had taken no more than three days to approve them on all three occasions.

This contradicts Bank Negara's decision on Oct 9 to revoke three permissions granted to 1MDB for investments abroad worth US\$1.83bil (RM7.58bil).

In a statement, the central bank had said that the permissions were revoked because the investments were obtained based on inaccurate or incomplete disclosure of information.

"If Bank Negara does not request certain information, how could 1MDB be faulted as it has filled up the form as required and responded to the queries made?" Mohd Apandi asked.

"In this respect and given the fact that there is no new evidence made available, we do not see the necessity to review," he concluded.



Thursday, 15 October 2015

8. TNB seen as top contender in 1MDB power assets sale

KUALA LUMPUR: Utility heavyweight Tenaga Nasional Bhd (TNB) is inching towards a multi-billion dollar purchase of energy assets from 1Malaysia Development Bhd (1MDB) after a rival bidder dropped out, a deal that would bring welcome financial relief to the state fund.

Hong Kong-listed CGN Meiya Power Holdings Co, the only firm beyond TNB to have openly expressed an interest for some 1MDB assets, said in regulatory filings on Friday it was no longer considering the transaction.

Other companies that had been initially shortlisted for the asset sale were not expected to bid before an end of week deadline, leaving the field open for the Malaysian suitor, bankers and sources close to the situation told *Reuters*.

TNB, 30% owned by sovereign wealth fund Khazanah Nasional Bhd, has a strong chance to clinch a purchase by mid-November ahead of a final agreement in December, these people, who asked for anonymity as they are not authorised to speak to the media, said.

The 1MDB assets had drawn initial interest from at least half a dozen suitors, including several from the Gulf.

But bankers say all these suitors appear to have quietly backtracked amid multiple investigations into 1MDB and allegations of financial mismanagement and graft.

The state fund will be likely dismantled after the sale of its power assets and real estate holdings.

Malaysian ownership laws state that foreign investors can only own up to 49% of domestic assets. This works in TNB's favour, the only local bidder, and may have discouraged foreign buyers who would be left without management control.

"No one but TNB can buy all of it due to the ownership laws. Besides, there would be no control premium in the deal.

"So valuations would be further depressed if 1MDB goes for a foreign investor," said a banking source aware of the discussions



Thursday, 15 October 2015

9. FBI examines Goldman's role in 1MDB

PETALING JAYA: Investigators at US' Federal Bureau of Investigation (FBI) and the Justice Department have begun examining Goldman Sachs' role in a series of transactions at 1Malaysia Development Bhd (1MDB).

The inquiries are at the information-gathering stage and there is no suggestion of wrongdoing by the bank, the *Wall Street Journal* (WSJ) said yesterday, citing people familiar with the matter.

Investigators "have yet to determine if the matter will become a focus of any investigations into the 1MDB scandal," it added, quoting a spokeswoman for the FBI.

Recall, 1MDB had incurred a goodwill of RM2.6bil to buy power plants owned by Tanjong plc and the Genting group in 2012. The goodwill is part of the RM10.88bil that 1MDB had paid for these power assets to mark its foray into the power sector in which it had no track record.

During the purchase, 1MDB had issued US\$3.5bil debt papers in two tranches of US\$1.75bil each. The papers were issued by 1MDB Energy Ltd and 1MDB Energy (Langat) Ltd.

One of the tranches - 1MDB Energy Ltd - was arranged by Goldman Sachs, and according to reports the fees incurred was US\$196.2mil (RM627.84mil).

In March 2013, 1MDB had issued a US\$3bil debt paper to undertake the development of Bandar Tun Razak with a group from Abu Dhabi. Goldman was also reported to be involved in the fund raising of that debt paper and in return received a generous fee.

In its article yesterday, WSJ pointed out that Goldman chief executive Lloyd Blankfein had pushed the Wall Street bank to expand aggressively into emerging markets. In a presentation to investors five years ago, he outlined a strategy "to be Goldman Sachs in more places" and noted that 31% of the firm's new hires in 2010 occurred in growth markets, compared with just 8% five years earlier, it said.

"Malaysia was an early area of success for Goldman, which had strong relationships in the country."

1MDB, a sovereign wealth fund owned by the Government, is being investigated by the police and the Malaysian Anti-Corruption Commission for its transactions outside the country.



Friday October 16, 2015

10. Mustapa: MPs must first understand TPPA before deciding

KUALA LUMPUR: International Trade and Industry Minister Datuk Seri Mustapa Mohamed wants all Members of Parliament (MPs) to understand the Trans Pacific Partnership Agreement (TPPA) before they vote at a special Dewan Rakyat session to be held in January.

Mustapa, who has been busy holding dialogue sessions with various groups in the country since TPPA negotiations was concluded on Oct 5, said the text of the trade deal would be released in the coming weeks.

"We want everyone in Parliament to understand first before deciding. Once a decision is made, no one should question our MPs," he told reporters after a #TanyaGomen session on TPPA at Platinum Sentral on Friday.

He said that parliamentarians will be given time to read and understand the text before the special session is held.

Mustapa expects that among the concerns of MPs and the public will be the country's sovereignty and bumiputra rights. He assured that the Government will ensure that both issues will be protected.

Malaysia and 11 other Pacific Rim countries reached a deal on Oct 5 to cut trade barriers and set common standards.

The countries involved in the TPPA - Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam - form 40% of the world economy.



Friday October 16, 2015

11. Paul Low: A-G, BNM must resolve 1MDB issue



Low

KUALA LUMPUR: Bank Negara Malaysia (BNM) and the Attorney-General's Chambers (AGC) must resolve issues between them over the investigation into 1Malaysia Development Berhad, says Minister in the Prime Minister's Department Datuk Paul Low.

"As a member of the Cabinet, I think it is not proper for me to comment. They know what they are doing but they need to resolve this.

"However, the most important part is upholding the rule of law," Low told reporters when asked to comment on the contradictory statements made by the two institutions that investigated (1MDB).

He made the remark after launching the Corporate Integrity Pledge (CIP) Monitoring Workshop organised by the Inspection and Consultancy division of the Malaysian Anti-Corruption Commission (MACC) on Friday.

On Oct 9, [the AGC cleared 1MDB of any wrongdoing](#) with regards to its overseas investments despite Bank Negara's recommendation.

Bank Negara later [revoked three permissions granted](#) to 1MDB for investments abroad worth USD\$1.83bil (RM7.58bil).

It said the permissions were revoked because the investments were obtained based on inaccurate or incomplete disclosure of information.



Wednesday, 21 October 2015

12. Audit partner jailed a year, fined RM400,000 for misleading statement to Bursa

KUALA LUMPUR: The KL Sessions Court on Wednesday convicted a licensed audit partner for abetting listed cable support system maker United U-Li Corp Bhd in making a misleading statement to Bursa Malaysia Securities Bhd.

The Securities Commission (SC) said in a statement that Yue Chi Kin, 47, was sentenced to a year in jail and was also ordered to pay a fine of RM400,000, in default six months of imprisonment.

The misleading statement, it said, was in relation to United U-Li's audited financial results for its financial year ended Dec 31, 2004. As a result of the misleading statement, United U-Li's profit before tax for the year was inflated by about 26%.

"This is the first case where the SC had charged an auditor for abetting a public listed company in making a misleading statement to Bursa Malaysia Securities," the regulator said.

SC said Yue was at the material time the audit partner of Roger Yue, Tan & Associates which audited United U-Li's financial results for the 2004 financial year. He was charged in April 2009 and the trial began in March 2011.



Thursday October 22, 2015

13. Najib: MACC to meet SRC duo 'in near future'

KUALA LUMPUR: SRC International Sdn Bhd directors, Nik Faisal Ariff Kamil and Datuk Suboh Md Yassin, will meet the Malaysian Anti-Corruption Commission (MACC) soon to assist in investigations, said Finance Minister Datuk Seri Najib Tun Razak.

"Based on information from the management of SRC International, Mr Nik Faisal Ariff Kamil and Datuk Suboh Md Yassin are in the midst of making arrangements to be interviewed by the Malaysian Anti-Corruption Commission (MACC) in the near future in order to assist in the commission's investigations," Najib said in a written reply to Teo Nie Ching (DAP - Kulai) in Parliament on Thursday.

"Therefore, the question of their positions as board members of SRC does not arise," said Najib, who is also Prime Minister.

Teo had asked the minister to state if the appointments of Nik Faizal and Suboh as SRC International directors will be cancelled due to their "refusal to cooperate in MACC investigations."

The MACC probe of the former 1Malaysia Development Bhd (1MDB) subsidiary is expected to be completed by the end of the year.

SRC International is now under the Finance Ministry after the takeover from 1MDB.

The MACC had previously encountered difficulty locating the two board members.



Sunday October 25, 2015

14. 1MDB boss looks forward to being questioned by PAC

KUALA LUMPUR: 1Malaysia Development Berhad (1MDB) president and group executive director Arul Kanda Kandasamy has reiterated that he "looks forward" to being questioned by the Public Accounts Committee (PAC).

"Yes. We have confirmed to this publicly many times. We look forward to the PAC hearing in order to provide answers to the lawful authorities of the country," said Arul when he was asked by reporters before leaving Wisma MCA here Sunday.

He was present at Malaysia's Economic Outlook Seminar to give a briefing on 1MDB's history as well as to hold a question-and-answer session for MCA members.

Applause could be heard from the seminar room when Arul concluded his session.

Participants could be seen smiling and holding the thumbs up to the media when they exited the room.

Some even used words such as "excellent" and "good" to describe the seminar, but refused to divulge what was discussed.

Arul later said that he believed he gave satisfactory answers to questions, which were "very good" and "very difficult" posed by party members.

"I think they liked the ability to interact directly ... to get answers straight from the horse's mouth," he said.

When asked why was he willing to conduct the session here, Arul replied that it was part of 1MDB's new approach to be more open and to "interact much more" with the public.

"We have done various interviews. Not just with local (media) organisations. I've been with TV3, with NST, and The Edge. And also with foreign press such as The Financial Times and BBC," he said.

Reporters also asked about the recent leaked minutes of the board of directors' meeting, requesting to redeem US\$700mil (RM2.6bil) from PetroSaudi International Ltd (PSI).

Arul expressed his concerns on how such confidential documents could have been leaked, speculating that it could have been "sold to third parties".

"That is not fair to those being investigated and it questions the integrity of the investigating authorities," he added.

He urged the press as well as the public to refer to a list of questions and answers on the 1MDB website on its dealings with PSI.

Arul also explained Bank Negara's request for 1MDB to bring back the US\$1.83 (RM7.58bil) from its foreign investments.

"US\$1.4bil of that, in fact, has been redeemed in cash, which I'm sure you know. The balance US\$940mil of fund units are allocated for a debt for asset swap with IPIC (International Petroleum Investment Company, 1MDB's Abu Dhabi-based partner)," he said.

Arul assured the public that the company has given verbal as well as a written explanation to Bank Negara.

"We await their (Bank Negara's) feedback on this," he added.

Earlier, the media was told leave the venue when Arul arrived for the seminar at 1.55pm at the 13th floor.

Reporters had to complete their stories at a coffee shop on the ground floor of Wisma MCA.

At 2.35pm, members of the media were invited to continue working on the 9th floor where the office of Datuk Dr Wee Ka Siong was located.

15. Defence Ministry lays out plan on how to spend RM17b

KUALA LUMPUR: Defence Minister Datuk Seri Hishammuddin Hussein has laid out his plan on how to spend the RM17bil allocated to his portfolio in Budget 2016, with Sabah's security, the army's welfare and reviving the National Service Training Programme (PLKN) taking centre stage.

Of the sum, RM13.4bil will go into the army's management while RM3.8bil will be used in developing Malaysia's defence.

Much of the Budget will be spent on the military's presence in the eastern coast of Sabah.

"Focus will be given to the operations of the Tun Azizan and Tun Sharifah Rodziah naval bases, the Scorpene submarine restoration project and placing 12 AV8 GEMPITA armoured vehicles in Tawau's Kukusan Camp.

"Malaysia's radar capabilities in Lahad Datu and Labuan will also be upgraded.

"Another RM523mil will be allocated to developing the Esscom military camp in Felda Sahabat," he said in a statement.

Also joining the military's arsenal would be six new Littoral Combatant Ship, a Very Short Range Air Defence weapons system, armoured vehicles, an A-400M Airbus, and technology to enhance the "Intelligence, Surveillance and Reconnaissance" capability of Mindef's agencies.

Hishammuddin said that RM160mil would be used to build and upkeep the army's family homes around camps nationwide.

He expects about 4,000 Rumah Keluarga Angkatan Tentera to be built next year.

"Housing for the army is my most important agenda. This is to ensure their quality of life and comfort is taken care of."

He also said that he did not want to see any more military children taking trucks to school.

"So far, only the children in the Klang Valley use school buses, thus an expansion could benefit another 13,000 military children nationwide," he said.

He added that another portion of the Budget would be used to care for army veterans.

On PLKN, Hishammuddin said next year would see a new curriculum for trainees, touching more on creative thinking and technical skills training.



Tuesday, 27 October 2015

16. 1MDB Real Estate gets planning nod for Bandar Malaysia development



"With this planning approval, the value proposition of Bandar Malaysia is now clear and we are another step closer to realising our vision of making Bandar Malaysia the country's leading transit-oriented development," said 1MDB RE chief executive officer Datuk Azmar Talib (Filepic Art Chen / The Star. 20 August 2015.)

PETALING JAYA: 1MDB Real Estate Sdn Bhd (1MDB RE) has received the planning approval for its Bandar Malaysia development in Sungai Besi from Dewan Bandaraya Kuala Lumpur.

In a statement, the property developer said the "approval-in-principle", granted based on Bandar Malaysia's masterplan, was for a mixed-used development with an average gross plot ratio of 4.05, across the entire 486-acre site.

"With this planning approval, the value proposition of Bandar Malaysia is now clear and we are another step closer to realising our vision of making Bandar Malaysia the country's leading transit-oriented development," said 1MDB RE chief executive officer Datuk Azmar Talib.

Having previously shortlisted four bidders, 1MDB RE, the master developer of Bandar Malaysia, said reputable domestic and international property specialists were conducting detailed due diligence to become development partners in the project.

"We are confident of receiving final and binding proposals within the next two weeks, selecting preferred bidders and executing definitive documentation before the end of the year," Azmar said.

Strategically located about 7km from the Kuala Lumpur city centre, Bandar Malaysia will serve as Kuala Lumpur's gateway for the high-speed rail to Singapore.

There are also advanced plans by the Government to improve and provide new highway connections from the city centre to the south that will seamlessly link Bandar Malaysia to other areas within Greater KL.

Bandar Malaysia will be a mixed-use urban development that is expected to serve as a catalyst for the transformation of Greater Kuala Lumpur.

The masterplan for the 486-acre development include plans for creating quality city living, establishing a global business and creative enterprise hub, and becoming a retail, lifestyle and tourism destination.

Currently undergoing commercialisation process, Bandar Malaysia is part of the rationalisation plan to revive the financial position of the highly indebted and cash-strapped state investment fund 1Malaysia Development Bhd (1MDB), the holding company of 1MDB RE.

17. Absolutely no cover-up over 1MDB, says Arul Kanda

KUALA LUMPUR: There is no cover-up on 1MDB, its president and group executive director Arul Kanda Kandasamy said.

"Absolutely no in relation to 1MDB. And if there were attempts to do so, that's impossible. Because there are five investigative agencies looking at 1MDB - Bank Negara, the Auditor-General, police, Malaysian Anti-Corruption Commission and Public Accounts Committee.

"All these agencies have been given information about the company. Those investigations are ongoing. We give fullest cooperation to the authorities," he said in a special Bernama TV programme aired over Astro 502, HyppTV 410 and www.bernama.com last night.

Asked whether it was possible that some of 1MDB's RM42bil debt "went into someone's pocket", he said all the money had been fully accounted for through various financial statements.

"In fact, this June we published exactly where the fund was utilised. It's a mixture of investments ... purchase in energy assets as well as purchase of land.

"Every sen of our debt has been accounted for. It can be verified through a review of our financial statement," he added.

Arul Kanda said the 1MDB financial statement was available to the public at the Companies Commission of Malaysia website and could be downloaded. — Bernama.