

1. Be more innovative when fighting corruption, Malaysia told

PUTRAJAYA: Malaysia must be more innovative in finding ways to fight corruption, says an expert from India.

Fifth Pillar president Vijay Anand said there "is always a way forward if we start innovating and thinking laterally."

"In India, especially Fifth Pillar, we believe in breaking the silence and myths among the Indian people.

"There is always a way to adopt innovative methods. We have to be consistent and persistent in combating corruption," he said at a workshop session titled What is People Power and How Does it Impact Corruption and Impunity at the the International Anti-Corruption Conference.

Fifth Pillar, a citizen's coalition in Tamil Nadu, encourages, enables and empowers Indians to eliminate corruption at all levels of society.

A participant from Malaysia had asked of ways for countries to engage in combating corruption instead of just relying on freedom of information laws.

Anand said in India, only a fraction was willing to see the fight against corruption while the majority were nonchalant when handling problems.

"Instilling optimism is key. We have to share and expand knowledge so that people will innovate themselves.

"People power works like magic. It is like a ripple effect or shall I say exponential effect.

"Sometimes failure mobilises people too. It makes them want to change," he said.

2. MACC investigating DEIG over zakat payment

KLANG: The Darul Ehsan Investment Group (DEIG) is being investigated by the Malaysian Anti-Corruption Commission (MACC) for allegedly paying RM5mil in *zakat* when the conglomerate has yet to start operations.

Selangor MACC director Datuk Simi Abdul Ghani said investigations were ongoing and the case had been handed over to its headquarters in Putrajaya.

"Sometimes there are cases which we transfer to the headquarters for investigations.

"The MACC deputy chief commissioner (MACC deputy chief commissioner Operations Datuk Seri Mohd Shukri Abdull) has commented on the progress," said Simi.

Mohd Shukri had told a Malay vernacular daily last week that the MACC would find out more about DEIG and the nature of its business before deciding on what to do next.

An MACC source, meanwhile, revealed that the graft-busting agency is looking into the alleged *zakat* (tithe) payment made by DEIG prior to the Hari Raya celebrations recently.

"We are not investigating any individuals employed by or linked to DEIG but just focusing on the alleged *zakat* payment," said the source.

An NGO, Angkatan Rakyat Sedar (ARAS), had lodged a police report that DEIG had paid *zakat* which was then channelled to PKR divisions in several other states.

"We are finding out if it is true the *zakat* money was used for political purposes as alleged and not channelled to the needy as it rightfully should be," said the MACC source.

Selangor Barisan Nasional Sungai Besar assemblyman Budiman Zohdi said it was very confusing why DEIG had paid *zakat* when Menteri Besar Azmin Ali claimed the company had not yet started operations.

Zakat payments are made based on a percentage of income earned by companies and individuals

Budiman said the onus was on the Selangor Zakat Board to issue a statement whether or not the allegation of the tithe payment was true or otherwise.

The formation of DEIG, which comes under state investment entity Mentri Besar Incorporated (MBI), had come under fire from many quarters, including Pakatan Rakyat assemblymen.

They had queried Azmin in the recent state assembly sitting on why DEIG was needed when there was already MBI to look into the state's investment-related matters.

Azmin had given a lengthy explanation on the formation of DEIG and said its purpose was to engage in some joint venture business projects such as property development.

He had added that this was necessary in the best interest of the people because there were instances when private companies which were developing state land did not build any affordable homes for the lower income group



Thursday September 3, 2015

3. Closing the book on 1MDB issue once and for all

PETALING JAYA: Responses to the 1MDB issue have been compiled into a booklet to quash accusations that the Government has not answered questions over the controversial sovereign fund.

The 62-page book *Siapa Kata Tidak Dijawab* (Who Says It's Unanswered) contains answers given by Prime Minister Datuk Seri Najib Tun Razak, Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah and the company's president and group executive director Arul Kanda Kandasamy over the past months.

The book, published by the Communication and Multimedia Ministry's special affairs department, was first distributed during the "Amanat Hari Kebangsaan" event at the KL Convention Centre on Aug 30.

It will be circulated to the people at major public events.

The book has three sections - a foreword, 32 frequently asked questions (FAQs) and the 1MDB story as well as infographics and photographs for easy understanding.

"This book is proof that contrary to allegations, answers have already been given," said the foreword.

"It is hoped there will be no more allegations that 1MDB issues are not addressed."

Among the contents include a denial that RM42bil had gone missing, pointing out that of the amount, RM18bil was used to buy independent power plants (IPPs).

It also made clear that the company only received RM1mil in equity from the Government in 2009 and a short-term loan of RM950mil in March this year.

"1MDB is not directly funded by the Government and has to look for its own fundings in local and international capital markets and invest using its own capital," the book explained. "The RM42bil is in the form of bank loans, bonds and sukuk."

It said that since February, the Prime Minister, Ahmad Husni and Arul Kanda had made several appearances in the media to answer questions on 1MDB.



Thursday September 3, 2015

4. Book answers claims over 1MDB issues

PETALING JAYA: Allegations on 1MDB ranging from Terengganu oil almost being used as collateral and Tabung Haji deposits used as a bailout to claims that investment returns went into controversial businessman Jho Low's accounts have all been answered.

A book titled *Siapa Kata Tidak Dijawab* (Who Says It's Unanswered), in explaining the Terengganu issue, said that in 2009, discussions between the federal and state governments were held over the issue of contribution of each party to Terengganu Investment Authority (TIA) where the initial plan was for it to have a paid-up capital of RM11bil.

Among the plans was for the Government to guarantee the raising of sukuk worth RM5bil by TIA but the state government eventually decided to pull out of the deal.

"In September 2009, TIA became a federal agency and was renamed 1MDB. Therefore, there is no issue of 1MDB trying to use the state's oil and gas as collateral," it said.

The book also explained that the purchase of land by Tabung Haji was not a bailout, pointing out that discussions to buy a plot of land at Tun Razak Exchange went on as early as 2013 and that Tabung Haji was interested as the company wanted to be involved in the development of an international financial hub.

It clarified that Tabung Haji did not buy the lot to develop "Signature Tower" but had bought a lot - at a discounted price of RM2,860 per sq foot and located at a prime area in TRX - to develop some serviced apartments.

In the book, it was also denied that any money from 1MDB had gone into Low's accounts or that of any third party, after PetroSaudi returned US\$2.318bil to the company which comprised initial investment of US\$1.83bil and US\$488mil in revenue.

"1MDB received a short-term loan of RM950mil from the Government in March. This was needed while waiting for asset monetisation to be done," it said on why the company needed government help.

On why it needed a rationalisation plan, it was explained in the book that this was important to drastically reduce 1MDB's debts and to ensure its business plans in the energy and real estate sectors could proceed.

Under the rationalisation plan, the company will merge its activities, increase corporate administration and monetise its assets to reduce debts.

"To date, the plan has shown success where the company's debts had been reduced by RM3.6bil. A deal with International Petroleum Investment Company (IPIC), our Abu Dhabi-based partner, will reduce another RM16bil from the debts," it said.

On the development of TRX, a joint venture with Australian company Lend Lease was signed in March to develop 6.8ha of land and Indonesia's Mulia Group had purchased land to build "Signature Tower" at RM665mil, while for Bandar Malaysia, 1MDB received proposals from over 40 local and international companies and an independent consultant was appointed to conduct a feasibility study for plots of land in Air Itam in Penang and Pulau Indah in Klang.

The book said that although 1MDB was facing challenges, concrete steps had been taken to ensure that the company achieved its objectives, settled its debts and the Government and people benefited from programmes outlined by it



Thursday September 3, 2015

5. Freeze on Swiss accounts of individuals linked to 1MDB

ZURICH: Swiss authorities said they had frozen funds in Swiss banks amid a probe into people linked to Malaysia's troubled state investment fund, 1Malaysia Development Bhd (1MDB), on suspicion of corruption and money laundering, *Reuters* reported.

"The Office of the Attorney General of Switzerland (OAG) has frozen assets amounting to several tens of millions of US dollars on Swiss bank accounts," an OAG spokeswoman said by email in response to an enquiry.

"At this early stage of the procedure, the OAG is analysing and consolidating evidence. The OAG is already in contact with the Malaysian authorities. International cooperation with foreign countries, in particular with Malaysia, will probably be necessary to establish the facts," she added.

Last month, Swiss authorities said they had opened criminal proceedings related to 1MDB.

The Financial Times described the development as the potential "internationalisation" of a case that has so far received mainly domestic scrutiny. It added then that the Swiss Attorney-General was investigating "two entities of 1MDB" and an "unknown person".

Two deposits totalling US\$681mil allegedly came through a Swiss bank from a company registered in the British Virgin Islands.

1MDB, in a statement yesterday, said none of its accounts have been frozen.

The company added that it is in the process of developing a better understanding of the ongoing investigations in Switzerland so the company can cooperate to its fullest extent.

1MDB is a wholly owned subsidiary of the Ministry of Finance and is facing cash-flow problems with debts of RM42bil. It has assets of more than RM51bil, which are mostly in the form of land for development.



Wednesday September 9, 2015

6. 1MDB denies getting many requests from Samad

PETALING JAYA: 1Malaysia Development Bhd (1MDB) has denied receiving "repeated requests" for information from former board of advisers member Tan Sri Dr Abdul Samad Alias.

Instead, it said the company's top executive met him twice to discuss company affairs.

In a statement issued yesterday, it said 1MDB president and group executive director Arul Kanda Kandasamy met Dr Abdul Samad twice in January and March, where details of its strategic review and rationalisation plan were shared.

This included a slide presentation that showed the extent of future debt and interest obligations of the company, and a discussion on proposals to address the key issues facing the company.

Dr Abdul Samad resigned as 1MDB advisory board member after claiming that months of repeated requests for a briefing on 1MDB affairs were not entertained.

It was reported that he said he had requested a briefing on 1MDB's affairs, particularly on its profits and losses, and claimed he never was given access to the figures.

He said he tendered his resignation on July 29.

On the statement by CIMB Group chairman Datuk Seri Nazir Razak, who raised concerns over Dr Abdul Samad's allegation, 1MDB said Nazir had no direct knowledge of the facts and his opinion was speculative.

Nazir had questioned the message that would be sent to other government-linked companies and agencies if Dr Abdul Samad's allegation was true.

1MDB, however, said its audited finance reports were publicly available documents and could definitely have been shared with Dr Abdul Samad if he had made a request.

It said Dr Abdul Samad had the contact details of 1MDB board members, including the mobile phone number of Arul Kanda.



Friday, 11 September 2015

7. Asian Pac buying Sabah land for RM21.8mil

PETALING JAYA: Asian Pac Holdings Bhd is acquiring a 16.57-acre leasehold land in Papar, Sabah, for RM21.8mil or RM30.20 per sq ft.

In a filing with Bursa Malaysia, the property investment and development company said the purchase consideration was arrived at on a "willing-buyer willing-seller" basis after considering the development potential of the land, assessment of the location, accessibility, suitability, demand and price for the site.

The company is buying the land from Lee Wat Lan, a 58-year-old local who is the legal and registered owner of the land.

The 16.57 acres will have an "unexpired lease term" of 909 years expiring on June 28, 2924.

"The acquisition will enable the company to continue undertaking property development in Sabah which is in line with the company's plan to strengthen its visibility in east Malaysia," said Asian Pac, which is in a preliminary stage of planning a mixed development of commercial and landed residential phases.

The proposed acquisition is expected to be completed in the fourth quarter of the financial year ending March 31, 2016.



Monday September 14, 2015

8. New economic measures will help local industries, says Mustapa Mohamed

PETALING JAYA: Local industries will get a boost with the proactive economic measures announced by the Prime Minister, said International Trade and Industry Minister Datuk Seri Mustapa Mohamed (*pic*).

"Malaysia has one of the most resilient and sound economic fundamentals in Southeast Asia.

"It is hoped that with this shot in the arm, our domestic industry will be able to weather this current economic setback," Mustapa said in a statement.

He said the additional RM9mil allocated for industrial activities will help Malaysian Industrial Development Authority (MIDA) intensify its promotion initiatives to Singapore, Europe, Japan, Korea, Middle East, China and the United States.

These efforts will focus on targeted sectors including integrated circuit design, semiconductor, medical devices, pharmaceuticals, biotechnology, aerospace, healthcare, halal, petrochemicals, advanced chemicals, renewable energy, energy efficiency and waste management.

The additional RM2bil allocation for the Working Capital Guarantee Scheme will help small and medium scale enterprises gain access to finance and maintain their operations under current economic constraints.

The 5-30% import duty exemption given to 90 items in the manufacturing sector will allow manufacturers to cut production costs.

Mustapa said the products include spare-parts, consumables and testing equipment which are not

produced locally.

"The decision to adopt these measures is a reflection of the government's commitment to assist and facilitate Malaysian businesses in these challenging economic times," he said.

Datuk Seri Najib Tun Razak had on Monday [unveiled several broad measures](#) to strengthen the economy, which includes boosting the government investment arm ValueCap.

Khazanah Nasional Bhd also [announced additional domestic investments](#) of RM6.77bil in support of the Government's newly unveiled initiatives to strengthen Malaysia's economy.



Saturday September 19, 2015

9. 1MDB condemns WSJ report on 'missing US\$1bil'

PETALING JAYA: 1Malaysia Development Bhd (1MDB) has refuted allegations in *The Wall Street Journal* (WSJ) report that a payment of "nearly US\$1bil" (RM4.2bil) made to the International Petroleum Investment Co (IPIC) was unaccounted for.

It condemned the report as "wrong, poorly sourced, sensationalist and malicious".

"We would have expected at the very least that the WSJ would have the decency and courage to name its source and/or provide proof.

"This inability to substantiate clearly shows the shallow nature of its assertions," 1MDB said in a statement Friday.

The WSJ reported about a second missing money transfer from 1MDB to IPIC, an Abu Dhabi firm. It said that the "nearly US\$1bil" paid to IPIC in 2014 for terminating certain financial options was undocumented.

The Government investment arm said it could not speak on behalf of Aabar Investments PJS or IPIC nor could it comment on the accounting arrangements of third parties.

"What we can confirm is that the notes to the 1MDB 31.03.2014 audited financial statements clearly describe the source of funding and purpose of the payments for the option termination, which for the avoidance of doubt, is structured as a deposit pending determination of the final settlement amount (i.e. it is currently a financial asset belonging to, and not yet an expense to, 1MDB)," it said.

1MDB said it could confirm that following to the payment made by it, the options were in fact, terminated.

"In fact, 1MDB and its relevant subsidiaries were released and discharged from all agreements, options, covenants, conditions and stipulations on their part under the options and that any rights by any other party towards the options were relinquished and terminated," it added.

Earlier this month, WSJ alleged that a payment of US\$1.4bil in November 2014 from 1MDB to IPIC in return for a guarantee of a US\$3.5bil bond issue was missing.

1MDB had refuted the claims, stating that the amount of US\$1.4bil was accounted for in its 2014 accounts and certified by its auditors.



Monday September 21, 2015

10. IGP: Mahfuz to be investigated for alleging cops used to silence 1MDB whistleblowers

KUALA LUMPUR: Datuk Mahfuz Omar (*pic*) will be investigated for alleging that the police were being used as a tool to silence those seeking to expose alleged mismanagement of funds involving 1Malaysia Investment Bhd (1MDB) says Tan Sri Khalid Abu Bakar.

The Inspector General of Police said they took these allegations very seriously.

"Mahfuz should know that investigations into 1MDB are being carried out by the police, Malaysian Anti-Corruption Commission, Bank Negara and the Attorney-General's Chambers.

"He should also be aware that investigations are still ongoing and all agencies involved are still carrying out their responsibilities," he said in a statement late Sunday.

Khalid was referring to the Pokok Sena MP's allegations that Prime Minister Datuk Seri Najib Tun Razak had used the police force to arrest Datuk Seri Khairuddin Abu Hassan.

"Khairuddin, the former Batu Kawan Umno vice-chairman, has lodged a police report on this matter.

"He should also allow local enforcement authorities the time and space to conduct investigations. Instead, he chose to go through the legal systems of Hong Kong, France and the United States with the intention to put international pressure on Malaysia," he said.

He said this clearly was an act to challenge the Malaysian legal system by inviting foreign involvement in the democratic system of Malaysia.

"His actions are a form of sabotage that could threaten the economic stability and sovereignty of Malaysia.

"The police will conduct a detailed investigation on allegations that information provided by Khairuddin to foreign agencies are false," said Khalid.

It was reported that Khairuddin was remanded for six days in connection with activities detrimental to Parliamentary democracy.

Khairuddin was arrested by police at his house in Mont Kiara late Friday and taken to the Dang Wangi police headquarters.

He had lodged two police reports against 1MDB, and was travelling abroad to submit evidence to foreign authorities probing the Government investment arm.

Khairuddin lodged police reports on 1MDB in Singapore, Switzerland, France and Hong Kong.

He was sacked from his position in February following his reports against 1MDB.



Tuesday, 22 September 2015

11. 1MDB disappointed with Zeti's remark on ringgit



KUALA LUMPUR: 1Malaysia Development Bhd has expressed disappointment with Bank Negara Malaysia Governor Tan Sri Dr Zeti Akhtar Aziz who apparently singled out the strategic development company for the ringgit's weakness.

The weakness of the ringgit and other currencies is due to the abrupt fall in oil prices, expectation of rising US interest rates and global economic slowdown in emerging markets, it said in a statement on Tuesday.

"Historically, never once has one company been linked in such a way to the value of the ringgit. We trust that the facts shared by 1MDB and the immediate clarifications issued to date, will provide clarity and assurance to all concerned parties," it said.

1MDB highlighted that the value of its assets exceeds its debt.

Furthermore, it said, Zeti will be aware that 1MDB has consistently met, with no default, its interest service and principal repayment obligations, to both foreign and domestic lenders.



Tuesday, 22 September 2015

12. Zeti: Financial community observing how M'sia handles 1MDB issues

KUALA LUMPUR: The international financial community is watching how Malaysia handles issues relating to 1MDB.

Bank Negara Malaysia governor Tan Sri Zeti Akhtar Aziz said there were rules and regulations with regards to matters on anti-money laundering and terrorism financing; and that such issues were monitored by the Financial Action Task Force.

She added the public deserved to get some answers as well.

Replying to a question in a forum whether domestic affairs, in particular the issues surrounding 1MDB have contributed to the ringgit's depreciation, Zeti said the international community had assessed Malaysia's financial system and it had passed the test.

"But they want to see further enforcement.

"They will come and see whether we are complying with the standards that they have set.

"This is a time and age where no one can hide ... they would track down any irregular activities," she said to participants attending the Malaysia Economic Update 2015 panel discussion yesterday.

Zeti added the task force had set the standards and stressed the standards had been greatly strengthened throughout recent years.

Bank Negara is one of the three agencies investigating the 1MDB cash flow problem due to its debts of almost RM42bil.

Recently, *The Wall Street Journal* reported that money paid by 1MDB by International Petroleum Investment Corp could not be accounted for by the Abu Dhabi fund.

Zeti said that Bank Negara has completed its investigation in relation to 1MDB financial dealings, and already handed its findings to the Attorney-General's Chambers.

"These are on-going and will yield an outcome.

"The public wants some answers and they deserve to know," she said.

Zeti also mentioned three other external factors that contributed to the depreciation of the ringgit, namely the US Federal Reserve unchanged decision on interest rates, sluggish overall global economy and China's economy stabilisation.

The Bank Negara Governor was one of the forum panelists alongside Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar, International Trade and Industry Minister Datuk Seri Mustapa Mohamed and Pemandu CEO Datuk Seri Idris Jala.



Tuesday, 22 September 2015

13. 1MDB starts land sale tender exercise in Pulau Indah

KUALA LUMPUR: 1Malaysia Development Bhd (1MDB) has started the land sale tender exercise for its 128.7-ha land in Pulau Indah, Selangor.

1MDB said it had appointed Savills (M) as adviser and had prepared a detailed information memorandum for distribution on the exercise.

"Suitably qualified potential purchasers are invited to register their expressions of interest with Savills (M) for this tender process," it said in a statement yesterday.

"The 1MDB land parcel in Pulau Indah, Mukim Klang, Selangor is on a single-large development site, measuring approximately 318 acres.

"It is adjacent to the Port Klang Free Zone and other industrial developments," 1MDB said.

The sale of the land is part of the rationalisation plan presented to the Cabinet on May 29, 2015.

Meanwhile, 1MDB also said the overall plan was proceeding smoothly.

It said shortlisted bidders were currently conducting a detailed due diligence on Edra Global Energy Bhd and Bandar Malaysia respectively.

1MDB had earlier announced its intention to monetise its land parcels in Pulau Indah and Air Itam in Penang through joint ventures or by outright sales under a strategic review announced on Feb 18.

For the 310 acres in Pulau Indah that it bought from Tadmax Resources Bhd, it had forked out RM294.38mil.

Based on Tadmax's filing with the stock exchange in December 2014, the price had been revised from the original RM317.33mil.



Thursday, 24 September 2015

14. 1MDB draws up Edra list, TNB included

PETALING JAYA: 1Malaysia Development Bhd (1MDB) has reportedly shortlisted several foreign parties, including Qatar's Nebras Power QSC, Hong Kong-listed CGN Meiya Power Holdings Co and Saudi Arabia-based ACWA Power International for the sale of its power generation arm, Edra Global Energy Bhd.

Tenaga Nasional Bhd (TNB) has also been selected to participate in the sales of 1MDB's power plants, according to a report by *Bloomberg*.

The report quoted sources as saying that the assets may fetch an equity value of as much as RM8bil.

The *Bloomberg* report also noted that foreign bidders might be restricted to owning no more than 49% of the plants and would be encouraged to team with a local partner, unless they seek an exemption.

1MDB had yet to revert to *StarBiz* queries on whether it had applied for a waiver to sell its power assets to foreigners and a confirmation on some of the bidders shortlisted.

The Energy Commission said it had referred *StarBiz* queries to the Energy, Green Technology and Water Ministry.

The ministry has yet to reply.

On Sept 7, 1MDB said it had already shortlisted four parties for the final bidding stage for the sale of Edra Global but it did not disclose the names.

1MDB is a wholly owned subsidiary of the Finance Ministry and is facing cash flow problems with debts of almost RM42bil.

It has assets of more than RM51bil, which are mostly in the form of land for development.

1MDB plans to sell Edra as part of its restructuring to reduce its debts.

Edra has five domestic and eight international power plants with total capacity of 5,500MW that are estimated to be worth RM12bil collectively.

In July, TNB had bought Edra's 70% stake in Project 3B or a 2,000MW coal-fired plant in Jimah, Negri Sembilan, for RM46.98mil.

Last week, *StarBiz* reported that Edra Global has invited parties to build a new power plant to be located in Alor Gajah, Malacca.

In an advertisement, Edra stated that it was inviting "prospective applicants to express their interest in participating in a tender exercise for the design, engineering, procurement, construction and commissioning (EPC) of a 1,800MW to 2,400MW combined-cycle gas turbine (CCGT) power plant in Malaysia for Edra and/or its nominee".

Edra's advertisement said the power plant project would utilise advanced gas-turbine technology to realise the highest thermal efficiency consistent with the expectation of the power industry.

According to its website, CGN Meiya Power is a diversified independent power producer in Asia in terms of fuel type and geography, with a portfolio of wind, solar, gas-fired, coal-fired, oil-fired, hydro, cogeneration and fuel cell power generation projects and a steam project in China and Korea.

ACWA Power is a developer, investor, co-owner and operator of plants with a generation portfolio of 15,731 MW of power and 2.37 million m³/day of desalinated water with an investment value in excess of US\$23bil.

Meanwhile, the Doha-based Nebras Power was established in 2014 and has the backing from Qatar Investment Authority through a 20% stake held by Qatar Holding LLC.

Nebras Power said on its website that it is making targeted acquisitions in South-East Asia, Europe, and MENA region, as well as forming major energy services partnerships.

15. 1MDB confident of meeting debt service obligations

KUALA LUMPUR: 1Malaysia Development Bhd (1MDB) is confident of continuing to meet its debt service obligations with the successful implementation of its ongoing rationalisation plan.

The Finance Ministry-owned fund said while there was a contingent liability on the Government, it expected the rationalisation plan - which includes a debt-for-asset swap, sale of equity in Edra Energy and in Bandar Malaysia - would ensure continuity in meeting the obligations.

"At current exchange rates, the principal amount of this long-term debt is approximately RM18.7bil. Per statistics on the website of Bank Negara, this equates to circa 1.7% of Malaysia's 2014 GDP of approximately RM1.1 trillion and circa 2.9% of central government second quarter 2015 debt of about RM628bil," it said.

1MDB pointed out the Government had guaranteed RM5.8bil of 1MDB debt (of which RM5bil is due only in 2039) and provided a letter of support for a US\$3bil bond issued by 1MDB, which is due only in 2023.

Elaborating on the rationalisation plan, it said this included a debt-for-asset swap with International Petroleum Investment Co, and sale of its equity stake in Edra Energy and Bandar Malaysia.

1MDB was also disposing of its master-planned land in the Tun Razak Exchange (TRX) development project in Kuala Lumpur and non-core assets.

"The combined proceeds from the rationalisation plan will substantially reduce 1MDB's debt to a sustainable and manageable level by the fourth quarter of 2015," it said.

As for TRX, 1MDB said it had sold over RM1bil of land in 2015.

As for Edra Energy and Bandar Malaysia, 1MDB expects to receive the final, binding bids from domestic and international shortlisted bidders by between the middle to end-October.

The sale and purchase agreements for both assets are expected to be executed by December.

"1MDB has consistently met, with no default, its interest service and principal repayment obligations, to both foreign and domestic lenders," it emphasised.

With reference to a statement by Penang Chief Minister Lim Guan Eng, linking 1MDB to widening spreads on the Government's credit default swaps (CDS), it pointed out: "It is important to

highlight that CDS is a derivative financial instrument, whose values are determined by traders through demand and supply, and do not necessarily reflect economic facts or fundamentals.

"In this regard, a CDS spread is a very different indicator to Malaysia's *A-/A3* credit rating, which reflects the strong ability of the Government to service its debt obligations, with a low probability of default."



Tuesday September 29, 2015

16. PM: Malaysia on track to becoming high-income nation by 2020

NEW YORK: The country must always be prepared for external shocks that are beyond its control and maintain the forward momentum to stay on track to becoming a high-income nation by 2020.

Prime Minister Datuk Seri Najib Tun Razak said that despite being in an age of great technological innovation and increased opportunity, the country was still at the mercy of often unpredictable global economic factors.

"The current volatile economic situation being faced by us in Malaysia and the rest of the world is a case in point," he said in his opening address at the Global Science and Innovation Advisory Council's (GSIAC) 5th annual meeting here.

GSIAC was set up to boost Malaysia's efforts in science and innovation, using science to help advance the "high income economy" agenda in Malaysia.

Chaired by the prime minister, it comprises global industry leaders from cutting-edge fields, prominent academicians, as well as members from the New York Academy of Sciences (NYAS), with Malaysian corporate leaders and officials from key ministries.

The prime minister said that while there was modest growth in the global economy, heightened uncertainty and volatile financial markets as well as the sharp fall in the price of petroleum and other primary commodities, it was not all bad news.

He reiterated that the fundamentals of the Malaysian economy remained strong, as supported by five indicators.

There was a five percent growth rate, a reduced negative fiscal deficit with strong capitalisation and ample liquidity in the financial system, and positive results from the transformation

programmes like the 1.8 million new jobs since the launch of the Economic Transformation Programme in 2010.

At the end of Najib's speech, everyone present spent a minute of silence in memory of one of the architects of GSIAC, the late Tan Sri Dr Jamaluddin Jarjis or JJ as he was affectionately called.

After a short video of the times Dr Jamaluddin had spent with the council over the last five years, the prime minister paid tribute to his "very dear friend and someone who has done much for the nation".

Later, at a high tea gathering for students and Malaysians organised in conjunction with the prime minister's visit, Malaysian ambassador to US Senator Datuk Dr Awang Adek Hussin also paid tribute to JJ, saying his shoes were too big to fill and his absence was always felt at such events.

Najib echoed his sentiments and shared that he had known JJ since 1973 when they were both students.



Wednesday September 30, 2015

17. MACC: Superfluous and irrelevant having EAIC regulate us

PETALING JAYA: The proposal that the Enforcement Agency Integrity Commission (EAIC) regulates the Malaysian Anti-Corruption Commission (MACC) is "superfluous and irrelevant", says Tunku Abdul Aziz Tunku Ibrahim (*pic*).

"An independent Complaints Committee already exists to deal with complaints by members of the public against misconduct by MACC officers," said the MACC Anti-Corruption Advisory Board chairman.

In a statement on Wednesday, Tunku Abdul Aziz said that MACC was already "well served" by independent panels and committees.

Some of these independent panels include the Anti-Corruption Advisory Board, the Special Committee on Corruption, the Operations Review Panel and the Consultation and Corruption Prevention Panel.

Tunku Abdul Aziz said that MACC has several comprehensive layers of independent oversight in place, covering every conceivable aspect of its operations.

"Public concern about any perceived unethical professional behaviour of its officers are minutely scrutinised and addressed as a fundamental part of ensuring compliance with the highest standards of public service behaviour, and in strict adherence to the provisions of the MACC Act 2009," he said.

On Monday, EAIC chairman Datuk Yaacob Md Sam said under the Enforcement Agency Integrity Commission Act 2009 (Act 700), EAIC's role was to accept complaints from the public and carry out investigations on misconduct of enforcement officers and agencies.

He said that even though MACC has their own committee to monitor them, any cases of death of detainees or persons under investigation while in MACC custody are outside their jurisdiction and investigations would be carried out by the police under the Criminal Procedure Code.