Wednesday, Apr 26 2017

DISPUTE SETTLEMENT

II'S A WINNING DEAL FOR AMDB

It helps settle
US\$2.5b debt and
interest without govt
funds, says Puad

KUALA LUMPUR

HE settlement deal reached with Abu Dhabi's International Petroleum Investment Company (IPIC) over a debt dispute is a success as it helps IMalaysia Development Bhd (IMDB) reduce its debts as out-

lined under its rationalisation plan.

The settlement indicated that the fund units owned by IMDB did have value and can be used to trim the government-owned strategic develop-

frustrated and tried to spin the settlement deal, which was announced by both parties on Monday.

"The opposition doesn't want to accept that IMDB and IPIC have found a solution to their arbitration in relation to IMDBlinked funds."

He said IPIC's guarantee over IMDB's bonds was clear as IPIC had to pay interest of the bonds when IMDB refused to do so last year.

"The settlement will help settle IMDB's US\$2.5 billion debt plus interest without using any additional funds from the govern-

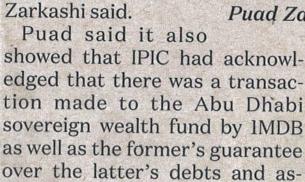
ment," he said.

This could be done by monetisating the US\$2.5 billion fund units under Brazen Sky and IMDB Global Investment Ltd, which were guaranteed by IPIC



ment company's debts, Special Affairs Department (Jasa) director-general Datuk Dr Mohd Puad Zarkashi said.

sets.



"The settlement of this arbitration case also has weakened the United States Department of Justice's civil forfeiture complaints and allegations of stolen IMDB funds," he said in a Facebook post yesterday.

Puad said the opposition was



Datuk Dr Mohd Puad Zarkashi

The fund units can also be used to return the US\$1.2 billion that was paid by IPIC to IMDB in 2015 to balance out the asset and liability state-

ment, and pay the US\$1.3 billion interest on IMDB's bonds from

this year until 2022.

Puad also said under the settlement, IPIC will waive its claim of US\$481 million in share options termination fee, which should be paid by IMDB to IPIC as a result of the dispute.

The commitment to pay interest and principal value of a US\$3.5 billion bonds will be borne by IMDB as it is owner of the bonds while IPIC is only a

guarantor to the loan.

NST 2614