

**Now 1MDB says it's always been 'units'**  
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1MDB today admitted there was never any cash from the beginning when its funds was said to be in the Cayman Islands and that it had always been in "units".

This is over the status of 1MDB's US\$2.318 billion in funds which it reclaimed from its aborted investment deal with PetroSaudi International.

1MDB said this is because it received "fund units" for the sale of its shares in PetroSaudi Oil Services Limited worth US\$2.318 billion in September 2012.

"In September 2012, 1MDB sold its shares in PetroSaudi Oil Services Limited for USD2.318 billion and received fund units in a Cayman registered fund.

"The Cayman registered fund is managed by Bridge Partners, a Hong Kong-based fund manager.

"These fund units were owned by 1MDB via its 100 percent subsidiary, Brazen Sky, and held through BSI Bank Singapore as custodian," it said in a statement today.

1MDB had in January claimed the US\$2.318 billion in two tranches were fully redeemed in cash.

Prime Minister Najib Abdul Razak later said the cash was moved to Singapore but subsequently admitted to making a mistake and that the cash was actually "units".

This is with regards to the second tranche which is worth US\$1.103 billion after the first tranche had already been spent.

1MDB said its president and executive director Arul Kanda (photo) took "full responsibility" for this misunderstanding but disputed former prime minister Dr Mahathir Mohamad accusation that Arul was a liar by claiming that he personally saw the cash.

"Despite Mahathir's vigorous claims, it is a fact that Arul never said he 'saw the cash'.

"He is on the record as saying he had 'seen the statements', referring to the fund unit ownership and redemptions," said 1MDB.

Despite 1MDB's defence that Arul was referring to the statements about the units, it omitted the full quote by Arul in which he did make reference to "cash".

"The cash is in our accounts and in US dollars. I can assure you (about that)... I have seen the statements," Arul was quoted as saying by Singapore Business Times in February.

## **Stop harping on this, 1MDB tells Dr M**

Nonetheless, 1MDB said it had corrected its mistake about the units and Mahathir should not harp on the mistake without taking note of the correction.

"We must accordingly question why must Mahathir (photo) keep repeating his earlier statement, when clarification has been provided and responsibility has been accepted," it said.

1MDB also assured that "fund units" is indeed worth US\$2.318 billion in total.

"In fact, the first tranche of US\$1.22 billion fund units was redeemed in cash in 2014 and the cash proceeds were used to pay for termination of options relating to the energy business, granted to Aabar, working capital and interest payments - as outlined in the company's publicly available financial accounts.

"As for the remaining US\$1.103 billion of fund units, these have also been redeemed, as previously announced by 1MDB.

"All 'documentary proof' on this redemption will be provided to auditors of 1MDB and the lawful authorities," said 1MDB.

1MDB urged the public to allow due process, stressing that the country had rule of law which went by the principle of "innocent until proven guilty".