

1MDB won't confirm P Indah land purchase

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1MDB today said its USD150 million (RM556 million) loan from Finance Ministry-owned Export-Import Bank of Malaysia (Exim) were utilised, but did not specify details.

In a press release, 1MDB president Arul Kanda said the proceeds were used in accordance to the terms of agreement, which is to: "finance the general corporate purposes including but not limited to the working capital requirements, future capital expenditures and equity infusion of the energy business within the 1MDB group of companies".

However, Arul did not elaborate on the contradictory claims by two deputy finance ministers on how the fund were used.

Chua Tee Yong told the Dewan Rakyat that the sum was used to finance the purchase of land in Pulau Indah, Selangor at RM20.80 per square feet. The deal was inked on February 10.

He also confirmed that Putrajaya issued letters to support 1MDB's loan application.

However, Ahmad Maslan told the Dewan Rakyat that he was unaware of this, as the money was supposed to be used for for the maintenance of power plants and operations involving energy export.

Government secrecy

Petaling Jaya Utara MP Tony Pua argued that he had sighted documents during the Public Accounts Committee meeting which confirmed that the loan was meant for 1MDB to buy land.

He added that this meant that Exim had violated its own mandate, which is to promote international trade.

Both 1MDB and Exim are owned by the finance ministry. Prime Minister Najib Abdul Razak is the finance minister and the final decision maker of 1MDB.

This gives rise to the possibility of conflict of interest.

On Dr Mahathir Mohamad's allegations that 1MDB is hiding behind "government secrecy" to avoid answering critics, Arul said all evidence and proof relating to 1MDB's business and financial transactions are with the authorities and the auditors.

"These authorities can then take action accordingly, per due process, and the laws of our country," he said.

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