

Pua coaches 1MDB how to crush 'malicious' WSJ reports
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1MDB critic Tony Pua has offered the debt-riddled firm a tip on how to properly rubbish "malicious reports", especially on alleged missing payments to Abu Dhabi's International Petroleum Investment Co (IPIC).

"It is actually very simple for 1MDB to rubbish the reports by Wall Street Journal (WSJ), or in fact any other news agencies it deems to spread 'malicious reports'.

"All 1MDB needs to do is to issue a joint statement with IPIC to provide a consistent and clear clarification on where the US\$1.4 billion 'refundable deposit' collateral parked with IPIC as well as the US\$993 million payment to buy back the above options from IPIC have gone to.

"The credibility of WSJ would be completely crushed," Pua said in a statement today.

The Petaling Jaya Utara MP was commenting on 1MDB's statement last night, denying a WSJ report that a further US\$1 billion payment to buy back terminated options from IPIC, had gone missing.

This is on top of a previous report by the financial daily that a US\$1.4 billion collateral payment from 1MDB to IPIC was also missing.

In its rebuttal, 1MDB said WSJ's report was poorly sourced and malicious, but added that the firm could not speak on behalf of IPIC.

It then cited its own accounts from March 2014, which "describe the source of funding and purpose of the payments for the option termination".

"The above does not at all answer the allegations made by WSJ. If 1MDB did indeed pay the sum of US\$993 million to IPIC to terminate the options, why can't 1MDB just state definitively the sum that has been paid and that IPIC has confirmed receipt of the monies?

"Why can't 1MDB provide a confirmation to Malaysians as to the amount which is still to be paid and disclose the Options Termination Agreement?" Pua asked.

1MDB has however turned down Pua's advise, and urged him to address allegations that WSJ's reports were based on documents leaked by the Public Accounts Committee.

"Pua should focus his energies on properly answering the ongoing police investigations and answering the rakyat on this scandal which has now disgraced the PAC process," it said in a statement today.

Pua has already denied leaking the information, and former PAC chief Nur Jazlan Mohamad

(photo) believed the leak came from Parliament staff, not the committee.

1MDB also reiterated points it made in its rebuttal yesterday verbatim.

All linked to terminated 2012 deal

The missing payments are all linked to a terminated 2012 deal where IPIC had guaranteed US\$3.5 billion in bonds by 1MDB in exchange for a 49 percent stake in the latter's power assets and the collateral payment.

Besides the 2012 deal, IPIC had also galloped to 1MDB's rescue in June, giving the debt-ridden investment firm US\$1 billion to pay off a loan from an international banking consortium.

IPIC also assumed all interest payments due under two 1MDB loans amounting to US\$3.5 billion, which were guaranteed by IPIC.

In exchange, the Abu Dhabi firm will receive transfer of assets equivalent to US\$1 billion in value by June 30, 2016, after which IPIC will directly take liability for all payment obligations under the two 1MDB loans as well as forgive certain financial obligations of 1MDB to IPIC.

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