

## **IPIC interest takeover proof of good ties, says 1MDB**

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International Petroleum Investment Co (IPIC) paying US\$102.7 million in interests for two bonds it co-guaranteed with 1MDB is proof of the good ties between the two firms, said 1MDB.

As such, the sovereign wealth fund hopes its critics will stop reporting on alleged frayed ties between the two.

"IPIC's statement, confirming its commitment to working with 1MDB and its 100 percent shareholder the Finance Ministry, conclusively puts to rest false claims and allegations concerning the relationship between the two companies that had previously been published by the Business Times and subsequently repeated, without proof, by (PJ Utara MP) Tony Pua (photo)," it said in a statement today.

Previously it was reported that more than US\$2 billion in payments from 1MDB to IPIC were allegedly missing.

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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