

'10 questions I will ask Arul Kanda in live talk show'

MalaysiaKini.com

Nov 3rd, 2015

Tony Pua

MP SPEAKS 1MDB president Arul Kanda Kandasamy during his press conference last Saturday informed Malaysians that “I will meet YB Tony Pua for live discussion, or talk show, or debate, without any condition.”

I would like to announce that the Members of Parliament for Kulai and Serdang, Teo Nie Ching and Dr Ong Kian Ming, will be representing me to conduct the necessary discussions with the team from 1MDB to finalise the format and details of the proposed “live discussion, or talk show, or debate” between 1MDB president Arul Kanda and myself.

While we wait for the much anticipated face-off, I would like to offer Arul Kanda the heads-up so that he can prepare the necessary answers, whether during replies or debate speech.

This way, Arul cannot feign ignorance or pretend that the documents were unavailable with him to provide the necessary answers. Therefore, let me disclose here the 10 questions which I will ask during the “live discussion, or talk show, or debate”:

1. Why did Bank Negara withdraw its approval for 1MDB to transfer more than US\$1.8 billion overseas? Was it because most of the funds were transferred to an account which is unrelated to the 1MDB joint venture project with PetroSaudi International Limited, as revealed in the leaked Board meeting minutes which Arul Kanda has acknowledged to be true?

How much was transferred to this unrelated account? Did this unrelated account belong to Good Star Limited and who owns or controls Good Star Limited?

2. Is it true that 1MDB had invested the initial US\$1 billion cash to acquire 40 percent of 1MDB-PetroSaudi International while PetroSaudi only needed to invest its rights to certain oil reserves in the Caspian Sea and in Argentina for its 60 percent stake?

In addition, were the rights to the Caspian Sea oil reserves terminated by PetroSaudi within two months after the signing of the joint venture agreement, which meant that PetroSaudi secured their 60 percent stake without investing anything significant?

3. Is it true that 1MDB had proceeded to sign the joint venture agreement with PetroSaudi in a rush, without securing the necessary Board of Directors approval at that point of time, as revealed in the same Board minutes?
4. 1MDB Financial Statements dated March 31, 2013 and 2014 stated that US\$1.4 billion was held as a deposit by International Petroleum Investment Corporation (IPIC) as a condition for IPIC to guarantee 1MDB's US\$3.5 billion bond issue.

5. Did 1MDB pay US\$993 million from the US\$1.22 billion it partially redeemed from the Cayman Islands investment fund and another US\$975 million borrowed from a Deutsche Bank-led consortium to terminate options 1MDB granted to Aabar Investments as part of another condition by IPIC to guarantee 1MDB's US\$3.5 billion bond issue?

What exactly is the total sum paid and payable to Aabar or IPIC? Why is it that IPIC disclosed in its December 2014 Financial Statements that 1MDB still owes IPIC a sum of US\$481 million for the said termination?

In addition, if the US\$993 million from the US\$1.22 billion redeemed from Cayman Islands was not paid to Aabar or IPIC, where did the money go?

6. It has been disclosed in 1MDB's financial statements, parliamentary replies and media releases that 1MDB Global Investment Limited borrowed US\$3 billion in March 2013 for the purposes in investing in a 50:50 joint-venture with Aabar Investments Limited, where the joint-venture will invest in the development of Tun Razak Exchange.

The question is, how come more than US\$1.5 billion of the borrowings have been utilised for purposes other than specified as disclosed in the March 2014 Audited Accounts, particularly since the joint-venture has yet to be activated to date?

7. Arul Kanda had earlier informed Malaysians and 1MDB Directors, according to the above leaked minutes, that the balance of the Cayman Islands investment amounting to US\$1.108 billion was fully redeemed and was held in cash in BSI Bank Singapore. However, the 1MDB president has since admitted that the redeemed amount was not cash but they were "fund units" worth US\$940 million.

Why are these "fund units", which were redeemed from the Cayman Island fund, still in the form of "fund units" and not in cash or, raw assets like property and shares? If they were in "fund units", doesn't it mean that the Caymans fund was never redeemed in the first place?

8. Arul Kanda announced the "debt for asset-swap" deal with IPIC, where the latter assumes some RM16 billion of 1MDB's debts in exchange for 1MDB's assets. IPIC has already advanced more than US\$1 billion in the deal. Where is 1MDB going to produce these RM16 billion worth of assets to transfer to IPIC by June 30, 2016?

The Ministry of Finance (MoF) has also indemnified IPIC in the "debt of asset-swap" arrangement. Does it mean that if 1MDB fails to produce the necessary RM16 billion worth of assets by June 30, 2016, the MoF would have to compensate IPIC accordingly?

9. Arul has declared that the disposal of the 1MDB subsidiary, Edra Global Energy Bhd, will allow it to remove RM16 billion to RM18 billion of 1MDB's debt. However, the total debts associated with 1MDB's energy arm amounts to approximately RM36 billion, comprising of US\$3.5 billion of bonds, RM5.7 billion of direct loans and more than RM8 billion of inherited loans.

Hence reducing up to RM18 billion of debt via the disposal of Edra Energy will still leave 1MDB with more than RM18 billion of outstanding debt associated with its energy acquisitions. Therefore, how will the sale of Edra Global Energy solve 1MDB's cash flow problem, since there'll be no assets left to pay the balance of the RM18 billion debt?

10. Did the federal government issue a "letter of support" in May 2015 to Bank EXIM to borrow US\$150 million (RM600 million), with the funds was utilised by 1MDB to pay for its land acquisition from Tadmax Resources Bhd for approximately RM300 million? If so, what was the balance of the proceeds from the borrowing used for?

All of the questions are financial in nature, and none of the questions are political. No confidential Public Accounts Committee information has also been utilised to raise the above questions.

All information have been derived from publicly available sources. Hence this is not a case of scoring political points but one that is meant to expose the truth, since Arul Kanda has consistently insisted that 1MDB has "nothing to cover up".

Let me reiterate that I firmly believe that the biggest winners from the live discussion will be Malaysians out there who have been frustrated, perplexed and perhaps confused by the shenanigans which appear to have taken place in 1MDB.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <http://www.malaysiakini.com/news/318193>