

Najib misled the people on 1MDB promise, says Tony Pua
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Prime Minister Najib Abdul Razak's statement that the RM42 billion 1Malaysia Development Bhd (1MDB) scandal will be resolved soon and without using the people's money are clear attempts at "misleading" the people, says DAP lawmaker Tony Pua.

Any Malaysian who is financially literate would know that the prime minister "lied" during his monthly address to the Prime Minister's Department in Putrajaya yesterday, Pua, the MP for Petaling Jaya Utara, claimed in a statement.

The first point, he said, is the reality that 1MDB's financial troubles are still far from being resolved.

"Despite an 'agreement' with Abu Dhabi's International Petroleum Investment Corporation (IPIC), the proposed RM18 billion debt-asset swap with IPIC hasn't been completed and there is no certainty that 1MDB will be able to cough out RM18 billion of assets to swap the equivalent amount of debt with IPIC by June 2016.

"In fact, the debt asset swap agreement signed in June 2015 was only possible because the government has provided an indirect guarantee to IPIC to bail out 1MDB – if 1MDB fails to fulfil its part of the obligations, Malaysian taxpayers will have to fork out cash to compensate IPIC," Pua said.

The Bandar Malaysia sale

Similarly, he said, the sale of Bandar Malaysia to Iskandar Waterfront Holdings and China Railway Engineering (IWH-CREC) consortium is far from being completed as acknowledged by 1MDB itself.

He noted that the deal would only be completed in June and on assumption that all conditions attached to the agreement can be fulfilled by all parties.

"On the second count, even if they were resolved (and they are not), they are being resolved with a bailout by the taxpayers," Pua said.

He noted that 1MDB's massive profit from the sale of Bandar Malaysia was due to the original purchase being made at heavily discounted prices.

"Najib has perhaps also forgotten that he had granted RM950 million of emergency credit to 1MDB in February last year, despite having promised Parliament that the government would not bail out 1MDB.

"In addition, the government provided 1MDB with another 'letter of support' to borrow another US\$150 million (RM650 million) from Bank Exim," he said.

Najib in his monthly address pledged that an end to 1MDB's troubles would be forthcoming and done without touching any of the people's money.

Pua, as such, challenged Najib to repeat his promise as a ministerial statement in Parliament during the special parliamentary sitting, which has been called for Jan 26.

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