

Najib: Too early to conclude fraud in US\$3.5b 1MDB-IPIC deal
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It's still too early to conclude if fraud had occurred in the US\$3.5 billion transaction between 1MDB and International Petroleum Investment Company (IPIC), said Prime Minister Najib Abdul Razak.

"At the moment, there are still disputes between 1MDB and IPIC.

"Thus, 1MDB is studying and will take necessary action to prove that IPIC and Aabar Investment PJS are indeed responsible for the US\$3.5 billion fund paid by 1MDB to BVI," he said in a parliamentary written reply yesterday.

Najib, who spoke in his capacity as the Finance Minister, said it is too early to conclude whether fraud had occurred in the transaction.

He was responding to Lim Guan Eng (DAP-Bagan) who asked on the reason behind the resignation tendered by 1MDB boss Arul Kanda Kandasamy.

"When did Arul resign and was it because of the US\$3.5 billion fraud involving IPIC and Aabar because the resignation was rejected by 1MDB board, although everyone in the board of directors had resigned.

"How the US\$50 million interest is to be paid when IPIC refused to do so?" asked Lim.

IPIC, the Abu Dhabi's state-owned sovereign wealth fund, had **claimed** neither itself nor its unit Aabar Investments PJS have any links to a British Virgin Islands-incorporated firm named in a report into the troubles at Malaysian state fund 1MDB.

It was reported that international investigators believe the money was diverted from 1MDB to a company in the British Virgin Islands bearing a similar name to Aabar Investments PJS but having nothing to do with IPIC.

The money were part of a deposit 1MDB was supposed to pay to Aabar Investments PJS for guaranteeing two bonds issued by 1MDB as well as the payment for the termination of option for Aabar to subscribe to a 49 percent stake in 1MDB's power assets.

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