

Don't rely on our financial statements, 1MDB says after DOJ filing
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1MDB said its 2013 and 2014 audited financial statements should no longer be relied on until allegations made by the United States Department of Justice are determined in court.

However, it said that this is just a "precautionary measure".

The DOJ last Wednesday filed two lawsuits to seize more than US\$1 billion of assets which it alleged were purchased using funds siphoned from 1MDB.

"Whilst the board remains confident that no wrongdoing has been committed by 1MDB and that the past audited financial statements continue to show a true and fair view of the company's affairs at the relevant points in time, the board has decided that, as a precautionary measure, the 2013 and 2014 audited financial statements of 1MDB should no longer be relied on by any party, pending final and conclusive determination by a court of law of certain alleged facts, as described in the complaint," it said in a statement today.

It adds that 1MDB is in the midst of seeking a new auditor after Deloitte notified of its intention to resign on Feb 26.

However Deloitte remains 1MDB auditor, including for 1MDB subsidiaries TRX City Sdn Bhd, Bandar Malaysia Sdn Bhd and Edra Bhd, until its replacement is appointed, the firm said.

Last week, DOJ filed the suits claiming that funds allegedly misappropriated from 1MDB had been used to settle gambling debts, purchase properties, artworks, a yacht and even a plane.

Among the four named in the filings, Riza Aziz is Najib's stepson whereas Jho Low is a businessman reportedly close to the prime minister's family.

The DOJ also alleged that Malaysian Official 1, whom it described as a high ranking public official who had a position of authority in 1MDB, had received US\$731 million siphoned from the state investment firm.

Najib was the chairperson of the 1MDB board of advisors, which has since been disbanded. He also helms the Finance Ministry, which is the sole shareholder of the allegation-riddled firm.

Najib has repeatedly denied abusing public funds for personal gain, and attorney-general Mohamad Apandi Ali has cleared him of any wrongdoing in an earlier investigation over US\$681 million found in Najib's bank account.

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