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## 'Dr M repeating misleading claims'

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KUALA LUMPUR: Malaysia Development Bhd (IMDB) yesterday responded to various allegations against the company following repeated questions and claims on its "lost" or "unaccounted for" funds.

In a statement, IMDB reaffirmed its previously stated position that if any wrongdoing was found, action would be taken by the authorities according to due process and the laws of the country.

The company said it remained committed to implementing its rationalisation plan.

In a direct reference to Tun Dr Mahathir Mohamad, IMDB said the former prime minister continued to repeat the same questions, falsely claiming that IMDB funds were "lost" or "unaccounted for" without providing a shred of evidence.

This, it said, was despite clarifications from IMDB and the fact that both KPMG and Deloitte had stood behind their audits at recent Public Accounts Committee (PAC) hearings, as well as ongoing enquiries into the matter by the authorities.

IMDB said such allegations and misleading statements by Dr Mahathir and certain opposition politicians significantly impacted the ability of IMDB, wholly owned by the government, to conduct its business and caused damage to the wider economy.

Furthermore, such allegations negatively impacted the implementation of the IMDB rationalisation plan announced on May 29, which was intended to reduce its debt levels and ensure that maximum value would be generated for the government.

The statement maintained that

IMDB was the subject of ongoing enquiries by PAC—a bipartisan parliamentary committee.

"PAC is a lawful authority to verify whether RM42 billion has 'disappeared' from IMDB, as it has access to all information.

"IMDB trusts that the honourable members of PAC will specifically look into this allegation and provide their judgement to conclusively resolve this matter," it said.

IMDB reiterated that energy asset purchases represented compelling long-term value and benefits to the nation.

"We believe that the value we paid — which may have involved a premium in certain instances, as is common when acquiring another business — is commensurate with their future potential," IMDB said.

In response to Dr Mahathir, who had repeated his claim that IMDB overpaid for its independent power producer, IMDB said the value paid for the acquired assets was based on independent advice from financial, legal, accounting, tax and technical advisers.

It also took a long-term view and considered the social and economic impact on the country in arriving at a final valuation.

The statement said IMDB purchased power plants from the original private-sector owners i.e. first-generation independent power producer investors, who were granted lucrative, long-term, fixed-price contracts during the time Dr Mahathir was prime minister.

On the "US\$1.9 billion loan" Dr Mahathir referred to, IMDB said the information could be found in notes to IMDB's financial statements.   
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