

**Disclose terms on US\$1.4 billion payment to IPIC, Tony Pua tells 1MDB**  
**The Malaysian Insider**  
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State investment fund 1Malaysia Development Berhad (1MDB) must come clean on the bond arrangements and guarantee by Abu Dhabi's International Petroleum Investment Corporation (IPIC) to ensure it is not blamed for the reported disappearance of US\$1.4 billion, said Petaling Jaya Utara MP Tony Pua.

Pua said the company must provide full disclosure of the terms of the Guarantee and Options Agreement with IPIC, adding that its denial of The Wall Street Journal (WSJ) report yesterday was not enough.

"Any attempt to cover up the whereabouts of the US\$1.4 billion with a mere denial and empty assurances will only lead to greater suspicion among the public that the money has disappeared and is completely unaccounted for," he said in a statement today.

Pua, one of 1MDB's staunchest critics, urged Inspector-General of Police Tan Sri Khalid Abu Bakar to launch a probe into the missing money.

"The major discrepancy between 1MDB and IPIC's financial statements leads to the conclusion that one of the accounts doesn't tell the truth," the DAP national publicity secretary said.

Yesterday, WSJ quoted sources who said a US\$1.4 billion (RM6.02 billion) payment from 1MDB was missing from IPIC's financial statements.

IPIC had guaranteed the US\$3.5 billion in bonds that 1MDB issued to finance the purchase of power plants in 2012. In return, IPIC had the option to buy a 49% stake in the power plants as well as collateral for the bond.

According to the auditor-general's draft report, 1MDB made a collateral payment of US\$1.4 billion which went to Aabar Investments PJS, a subsidiary of IPIC, said WSJ in its report highlighting the missing money.

IPIC's consolidated financial statements, however, show no reference to the receipt of the payment.

Quoting sources, WSJ said neither IPIC nor Aabar received the money and they had no knowledge of the funds' whereabouts.

In refuting the report, 1MDB said that its audited financial statements "clearly describe" the amount and purpose of the payments, which, it added, was structured as a deposit (i.e., a financial asset belonging to 1MDB and not an expense to 1MDB).

1MDB said it could also confirm that IPIC provided the guarantees for the principal

and interest of two US\$1.75 billion bonds it had issued, with a total principal and interest amount of approximately US\$5.5 billion.

"We can confirm that 1MDB auditors, Deloitte, made specific and detailed enquiries on these payments prior to signing off on the 1MDB audited accounts," the state investment vehicle said, calling the report biased, sensationalist and lacking proof.

But Pua (pic, left) said 1MDB had not dispelled the fact that the US\$1.4 billion was missing or completely unaccounted for.

"1MDB further tried to disclaim the WSJ findings by leveraging on its audit firm, Deloitte's reputation.

"Unfortunately, whether Deloitte or its previous auditors KPMG, Malaysians have already witnessed the multiple lapses in 1MDB's audit over the past 5 years which have resulted in the gargantuan RM42 billion scandal we see today," he said.

He said this was not the first time 1MDB was implicated, citing its payment of US\$700 million to Good Star Limited despite the payment being meant for Petrosaudi International Limited in 2009.

"Even if the payment of US\$1.4 billion was indeed transferred to IPIC or its 98%-owned subsidiary Aabar Investments PJS, the question remains as to where the money, which belongs to 1MDB, has gone, as it is not reflected in the IPIC financial statements," he added.

The latest allegation over the missing US\$1.4 billion comes as Prime Minister Datuk Seri Najib Razak, who is also finance minister and chairman of 1MDB's advisory board, comes under scrutiny for accepting RM2.6 billion he claimed was from a Middle Eastern donor.

The money was deposited into his private bank accounts ahead of the 13th general election in 2013.

1MDB, owned by the Finance Ministry, is under scrutiny after amassing RM42 billion debts as well as for other questionable deals. – September 10, 2015.

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