

1MDB returns fire at Tony Pua for recycled wrong statements
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State investment firm 1Malaysia Development Berhad (1MDB), which had been constantly hammered by DAP's Petaling Jaya Utara MP Tony Pua, said the lawmaker was again "recycling old allegations that have been proven wrong".

The firm, which has been under the spotlight since last year over its RM42 billion debts, said if Pua was really interested in the truth, he should allow the lawful authorities to continue with their investigations and per due process, debate the findings in the appropriate forum, such as the Public Accounts Committee and Parliament.

It also said Pua was continuing to do a disservice to Malaysians by relying on findings of a discredited foreign blog to make his allegations.

It is understood that the "discredited blog" 1MDB meant was whistleblower site Sarawak Report, which had been reporting exposes about the firm to the extent of getting its site blocked by the Malaysian authorities.

1MDB said it had submitted authentic company documents, including its Board of Directors (BoD) minutes, to lawful authorities such as PDRM and the Auditor- General, while Pua made claims according to the blog's reports.

"YB Tony Pua knows the Auditor-General's findings will be presented, per due process, to the PAC.

"It is self-evident that YB Tony Pua is arrogantly undermining the Auditor-General investigations and the PAC hearings by selectively presenting information to score political points.

"1MDB is duty bound to clarify yet again certain matters as YB Tony Pua's recycled and selective presentation of information is misleading the public," the firm said in a statement today.

1MDB said the key objective of its US\$1 billion (RM4.18 billion) equity investment in PetroSaudi International Ltd was to obtain a 40% equity stake, which was achieved.

All funds paid by 1MDB were in accordance with duly executed agreements and, as per the legal terms, payments were made to bank accounts on the instruction of PSI.

PSI confirmed that all funds transferred on its instructions were received and that no debt remained outstanding in the JV company, upon which 1MDB gained ownership.

"All information related to the transaction, including the relevant agreements executed and funds flow, were presented to the BoD of 1MDB. Where queries were raised by the BoD, clarifications were provided to their satisfaction, and the Board

duly approved the agreements, which have never been cancelled.

"YB Tony Pua, who claims to have been a businessman before entering politics, should be aware, this is standard process in any company – with the management team handling the day-to-day and detailed running of the business and the Board providing oversight," the firm said.

1MDB also said the value of the total equity and murabaha investments of US\$1.83 billion by 1MDB into PetroSaudi eventually increased via a series of transactions, to US\$2.33 billion of fund units as of 31.03.2014.

"We have highlighted, most recently on October 10, 2015, how US\$1.39 billion of this amount has been redeemed in cash, leaving a balance of US\$940 million of fund units that will form part of the 'debt for asset swap' with IPIC (International Petroleum Investment Corporation)."

Earlier today, Pua had raised questions again about 1MDB chief executive officer Datuk Shahrol Halmi signing a joint-venture deal with PetroSaudi just five days after meeting executives from the latter, and why US\$700 million (RM2.9 billion) was transferred to an unrelated company Good Star Limited, controlled by businessman Low Taek Jho, who is better known as Jho Low.

Pua said Shahrol, should he fail to explain the deal and the transfer, should face criminal breach of trust, fraud and abetting embezzlement charges.

In the statement, 1MDB did not explain why the money was transferred to Good Star. It reiterated that Low was never an adviser or employee of 1MDB.

The firm also denied Pua's claim that 1MDB was in desperate need of a multi-billion bailout and slammed the politician for not sharing evidence to support the allegation.

"Despite his desperate and shallow attempts to derail 1MDB's rationalisation plan, this is being successfully implemented, as evidenced by the company receiving three binding bids for Edra Energy's assets.

"The sale of Edra, combined with the previously announced RM16 billion 'debt for equity swap' with IPIC and a sale of equity in Bandar Malaysia, will result in up to RM42 billion reduction of 1MDB's debt.

"This figure does not include the cash we expect to generate from the sale of remaining land in TRX, Pulau Indah and in Penang – which makes clear that YB Tony Pua's claim of the company needing a bail-out is wrong," 1MDB said. – October 18, 2015.

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