

**1MDB does not owe IPIC US\$481 million, says Najib**  
**Malaysian Insider**  
**Oct 27, 2015**  
**By Eileen Ng**

1Malaysia Development Berhad does not owe Abu Dhabi wealth fund International Petroleum Investment Company (IPIC) US\$481 million (RM2.04 billion), says Datuk Seri Najib Razak.

In a written reply to Petaling Jaya Utara MP Tony Pua, the finance minister said there was no such amount based on the state investment arm's 2014 financial report.

"Notes in the 1MDB financial report ended March 31, 2014, clearly state that no such amount was borne by 1MDB from IPIC," said Najib, who is also the prime minister.

Pua asked if the state investment firm still owed US\$481 million as stated in IPIC's December 2014 audit report.

Najib said any party had the right to determine the method of reporting their financial statements.

IPIC's subsidiary Aabar Investment PJS in 2012 acquired up to 49% of two energy firms – Powertek Investment Holdings and 1MDB Energy (Langat) Sdn Bhd – as part of the condition for the provision of a guarantee by IPIC for US\$3.5 billion of 1MDB bonds.

Pua previously demanded that the state investor explain the US\$975 million loan it took from a consortium of banks led by Deutsche Bank to buy back options granted to IPIC, and why this loan was not reported in 1MDB's 2014 financial statements.

He asked if it was because the loan was used to cover up the US\$1.22 billion the firm said it redeemed from the Cayman Islands.

He added that the state investor had yet to confirm if it still owed IPIC US\$481 million, adding that this debt was reflected in the firm's financial statements as audited by Ernst & Young. – October 27, 2015.

Copyright © 2015 Edge Insider Sdn Bhd

Source:

<http://www.themalaysianinsider.com/malaysia/article/1mdb-does-not-owe-ipic-us481-million-says-najib>