

'Where did money paid by 1MDB go?' asks Mahathir

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Former prime minister says this is the main question that needs to be answered now.

PETALING JAYA: Dr Mahathir Mohamad today poured cold water on the announcement by International Petroleum Investment Company (IPIC) and 1Malaysia Development Berhad (1MDB) that they had resolved a debt dispute.

The former prime minister, who has been one of the state investment arm's fiercest critics, said the agreement between the two entities did not resolve anything as it seemed that 1MDB had settled its debt twice.

"The money was transferred to IPIC via Aabar Investments PJS Ltd (BVI), which IPIC claims is not its subsidiary.

"1MDB paid money to a fake company (syarikat palsu). Now it has to pay the actual company, so we lose money twice (kita rugi dua kali)," he said at a press conference here this evening.

Earlier today, however, Second Finance Minister Johari Abdul Ghani revealed the existence of a letter confirming that Aabar Investments PJS Ltd (BVI), or Aabar BVI, is a subsidiary of IPIC even though the Abu Dhabi state-owned firm has denied it.

The minister told Malaysiakini that based on records provided by 1MDB to the Public Accounts Committee (PAC), prior to the settlement agreement, Aabar BVI was a subsidiary of IPIC.

He said this was confirmed by the Registrar of Corporate Affairs of the British Virgin Islands through its letter dated Aug 11, 2016.

This week, IPIC and 1MDB announced they had resolved the debt dispute with a conditional US\$1.2 billion (RM5.22 billion) deal.

Under the terms of the agreement, reported to the London Stock Exchange, 1MDB will pay the US\$1.2 billion in two instalments in July and December to IPIC after proceedings before the London Court of International Arbitration.

The agreement was earlier also criticised by DAP's Tony Pua and PKR's Wong Chen.

Mahathir also said that the main question that needed to be answered in this case was where the money that was pumped into IPIC had gone.

"Who acquired the money that was paid to the fake company? Where did it go?"

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