

1MDB saga: The players



Arul Kanda Kandasamy

Appointed president and group executive director in January, he is the third man to helm 1MDB in the space of six years. He is now forced to defend the company over deals that were largely struck prior to his tenure.

Having inherited severe cash flow problems, his role is to oversee a rationalisation plan to pare down the RM42 billion in debt to a sustainable sum.

Low Taek Jho

Popularly known as Jho Low, the 33-year-old businessman has admitted to being an adviser to the Terengganu Investment Authority, but denies involvement in 1MDB.

He reportedly controls Good Star Limited, a company accused of receiving US\$700 million from 1MDB that was originally earmarked for a joint venture with Saudi oil firm PetroSaudi. The Wall Street Journal also alleges that Good Star deposited US\$529 million in Mr Low's Singapore bank account between 2011 and 2013.



Najib Razak

Appointed Finance Minister in September 2008, just months before announcing the establishment of the Terengganu Investment Authority, which quickly became 1MDB after he took power as Prime Minister in April 2009.

He is accused by the Wall Street Journal and Sarawak Report of receiving US\$700 million linked to 1MDB — where he chairs the advisory board — in his personal accounts, largely prior to the 2013 General Election.



Mahathir Mohamad

Malaysia's longest-serving premier has led calls for Mr Najib to resign, with criticism of the latter's leadership centring on claims of financial mismanagement of 1MDB.

Having been in power for 22 years up to 2003, he still has the ear of the rank-and-file in the ruling party Umno. Accused by Mr Najib of conspiring with foreign media in a "political sabotage", he insists he is raising concerns expressed to him by those too afraid to speak up.



Tony Pua & Rafizi Ramli

Two opposition lawmakers who have since 2010 been pressing for answers to allegations that 1MDB has been grossly mismanaged and that public funds have been abused.

Both have been accused by Umno leaders and media controlled by the ruling party of conspiring with foreign forces to undermine Mr Najib.



Rosmah Mansor & Riza Aziz

The flamboyant wife of PM Najib is considered to be highly influential but is often the target of attacks surrounding her allegedly lavish lifestyle.

Mr Riza Aziz, Ms Rosmah's son from her first marriage, is said to be the link to Mr Jho Low after they met while studying in London. He later co-produced the Hollywood blockbuster *The Wolf of Wall Street*, which featured a "special thanks" to Mr Low at the end of the credits.

IN THE SPOTLIGHT
THE CRITICS
THE INVESTIGATORS



Sarawak Report, Wall Street Journal and The New York Times

London-based Sarawak Report, run by former British prime minister Gordon Brown's sister-in-law Clare Rewcastle, has, since last year, been making allegations of misappropriation of billions of dollars by those in control of 1MDB, before the Wall Street Journal joined in this month claiming that Mr Najib received funds linked to the state investor in his personal accounts.

The New York Times had, in February, published a lengthy article concerning Mr Low's alleged purchases of luxury apartments in the US, a report that dwelt on his relationship with Mr Riza Aziz, Mr Najib's stepson, and his alleged influence over 1MDB.



The Edge

The Edge has published various allegations against 1MDB and Mr Low, culminating in last week's four-page spread titled "How Jho Low & PetroSaudi schemed to steal money from the people of Malaysia via 1MDB", before surrendering all its evidence to investigators. Its publishing permit will be suspended for three months from July 27.

Its owner, Mr Tong Kooi Ong (above), has admitted to misleading Justo into handing over documents on the PetroSaudi-1MDB tie-up, but denied tampering with the data as alleged by Umno.



The four Tan Sris

From left: Tan Sri Abdul Gani Patail's Attorney-General's Chambers leads a multi-agency team looking into various allegations surrounding 1MDB. The Special Task Force includes Tan Sri Khalid Abu Bakar's police force; Tan Sri Zeti Akhtar Aziz's Bank Negara Malaysia, the central bank; and the Malaysian Anti-Corruption Commission led by Tan Sri Abu Kassim Mohamed.

The task force has so far frozen six accounts, raided several offices, including the 1MDB headquarters, and arrested two company directors linked to the alleged money deposited in Mr Najib's accounts.

The Public Accounts Committee

Parliament's influential bipartisan committee on government business has probed 1MDB since the previous parliamentary term, which ended before the panel could submit its findings.

Now chaired by Umno MP Nur Jazlan Mohamed, it is sinking its teeth deeper and summoning top Finance Ministry officials, 1MDB executives and even Mr Low.

The Auditor-General

Tan Sri Ambrin Buang, whose National Audit Department has become known for its reports on government wastage, was ordered to review 1MDB's books by the Cabinet in March and forward its findings to the PAC.

It submitted an interim report to the PAC in early July, and expects to complete its audit by the end of the year.

THE WILD CARD



Xavier Andre Justo

The former PetroSaudi executive is currently in a Thai prison for allegedly blackmailing his former employer with 400,000 confidential documents concerning the Saudi oil firm's aborted venture with 1MDB.

He has confessed to trying to sell the documents instead to the owner of Malaysia's The Edge Media Group, Mr Tong, who has admitted that he withheld paying the agreed sum despite receiving the data.

TEXT: SHANNON TEOH
GRAPHICS: MIKE M DIZON

PHOTOS: AFP, BERITA HARIAN, THE EDGE, ROYAL THAI POLICE, SOUTH CHINA MORNING POST, THE STAR, THE WORLD BANK, WORDPRESS.COM

1MDB: The story so far

Sept 2009

The Terengganu Investment Authority — which Mr Low admitted being an adviser to — is converted from an investment vehicle for the east coast state to a national Finance Ministry company called 1MDB. It announces a controversial joint-venture deal with Saudi oil firm PetroSaudi which critics say was a front for US\$700 million to be siphoned from taxpayers.

2012-13

1MDB begins buying up power plants, accumulating about RM18 billion in debt, but analysts believe the firm paid too much for the ageing generators, resulting in insufficient operating profit to meet debt repayment.

2014

The company has accumulated RM41.8 billion in debt, nearly all of which was raised at higher-than-normal cost. The financing costs for the financial year ending March 31, 2014 was RM2.4 billion.

Dec 2014-May 2015

1MDB begins to struggle to meet financing obligations and fails to meet a year-end deadline to pay a RM2 billion loan. It requires the help of several local firms to refinance the debt in February 2015.

1MDB then sells undisclosed assets in a direct deal with Abu Dhabi's International Petroleum Investment Company to close a US\$975 million loan that was reportedly about to be recalled because of doubts over the collateral declared by 1MDB.

March 2015

Under intense public pressure over growing allegations of mismanagement in 1MDB, the Cabinet orders a review of the company's accounts by the Auditor-General with Parliament's bipartisan Public Accounts Committee to follow up with an inquiry. The police also announce they are part of a task force looking into 1MDB along with the public prosecutor and the anti-graft agency. It is later revealed that the central bank is also part of this team.

July 2015

The Wall Street Journal and London-based Sarawak Report make stunning allegations on July 3 that US\$700 million linked to 1MDB has been deposited in Prime Minister Najib Razak's personal accounts since 2013. Datuk Seri Najib denies ever using state funds for personal gain but does not clarify if he did receive the money. Three weeks later, access to Sarawak Report is obstructed by Malaysian regulators and The Edge Media Group, which has been the harshest Malaysian media critic of 1MDB, has its publishing permit suspended for three months.

1MDB: The money

Malaysia's state investment fund 1Malaysia Development Berhad (1MDB) has a whopping debt of RM42 billion. Here is a look at some of the money flows.

RM42 billion

1MDB has accumulated a staggering amount of debt in just five years up to March 2014.

It all began innocently with a RM5 billion government-backed bond in 2009. Part of this was used to send US\$1 billion into the 2009 joint venture with Saudi oil firm PetroSaudi, of which critics allege that at least US\$700 million remains untraceable.

It agrees to pay a higher-than-normal 5.75 per cent coupon rate.

The most significant tranche of debt is the US\$6.5 billion worth of bonds raised between 2012 and 2013, for which 1MDB had to pay out 9.1 per cent in total fees and expenses. Of the money raised, RM18 billion is used to acquire 13 power plants in Malaysia and five other countries.

1MDB's March 2014 accounts showed its annual debt financing had ballooned to RM2.4 billion, far surpassing incoming cash flow.

US\$700 million

The Wall Street Journal and Sarawak Report have alleged that US\$700 million was deposited in Mr Najib's accounts.

Some US\$681 million was allegedly channelled via the Singapore branch of a Swiss bank owned by Abu Dhabi's International Petroleum Investment Corporation (IPIC) just two months before the May 2013 General Election.

Malaysian investigators have begun probing these allegations. They are also looking into allegations that RM42 million from a former 1MDB subsidiary was sent to Mr Najib's accounts this year.

RM0.6 billion becomes RM18 billion in 4 years

According to 1MDB, it borrowed just RM600 million to buy the 28ha Tun Razak Exchange (TRX) in the central business district and 202ha Bandar Malaysia township south of Kuala Lumpur between 2011 and 2012.



In 1MDB's latest available financial statements, the two developments have been revalued to RM7 billion in March 2014. The Finance Ministry said last month their value was now a whopping RM18 billion.

Critics have asked whether 1MDB will now reduce its huge debts by selling the land in smaller parcels, though these assets are in fact owned by taxpayers.

TEXT: SHANNON TEOH