

## **1. 1MDB to focus on monetizing its assets**

KUALA LUMPUR: Strategic investment fund 1Malaysia Development Bhd (1MDB) will focus on monetising its assets and delivering value directly to its shareholders, said its president and group executive director Arul Kanda Kandasamy in an exclusive interview with the BBC.

Speaking to BBC's Asia business correspondent Karishma Vaswani, Arul made it clear that the sovereign wealth fund would not be entangled in a war of words with "politicians and former politicians", despite the negative public perception cast on it.

"Perceptions, I agree, are poor. And a lot of effort needs to be made to fix that.

"I am not a politician; I am a business guy and my job is to ensure we get to monetise (1MDB's) assets in a way that delivers the best value to the shareholders," Arul said in a three-minute video interview published on BBC's website today.

Arul dismissed claims of any wrongdoing in 1MDB, saying that the Malaysian Anti-Corruption Commission (MACC) had found no evidence to support the allegations leveled against the fund.

Arul also said 1MDB had consistently maintained that no funds from the investment fund were ever transferred into the accounts of Prime Minister Datuk Seri Najib Razak.

"The MACC has clearly stated that no funds from 1MDB went into the private accounts of the prime minister. This is a fact.

"And the MACC has also clearly stated the source of the funds (was) from a private donor in the Middle East," he said.

The fund has drawn flak for missing payments on the US\$11 billion (RM48.41 billion) it owes to banks and bondholders.

The spotlight fell on 1MDB after the Wall Street Journal (WSJ) published a series of reports detailing alleged dubious activity involving the fund.

The US newspaper published two articles between July and August, one of which claimed that US\$700 million (RM3.08 billion) was deposited into the prime minister's accounts.

## **2. FBI not investigating 1MDB, Najib: IGP**

KUALA LUMPUR: Federal police denies that there was an ongoing investigation by the United States' Federal Bureau of Investigation (FBI) against 1Malaysia Development Bhd and the prime minister.

Inspector-General of Police Tan Sri Khalid Abu Bakar said they have not, to date, receive any notification or request of assistance from the FBI for that matter.

"I refer to reports on alleged investigation being conducted by the FBI on 1MDB and the prime minister, which has been circulated on social media.

"The Royal Malaysian Police would like to reaffirm that we have not been notified by the FBI of any ongoing investigation by them on 1MDB or the prime minister.

"The bureau also have not tendered any official request for assistance with regards to the said issue," he said in a statement received from the federal police headquarters earlier today.

In the statement, Khalid also advised those who want to know the truth to contact FBI headquarters in Washington, instead of relying on media reports.

"We would like to advise those seeking information to direct all enquiries to the FBI office in Washington and not to rely on media news."

The social media had been abuzzed with stories alleging that the state investment arm and Datuk Seri Najib Razak was under probe by the US federal authority, especially since sister publications New York Times and The Wall Street Journal, owned by media baron Rupert Murdoch, published unsubstantiated stories last month claiming that Najib was facing such investigation and arrest.

It was reported that Deputy IGP Datuk Seri Noor Rashid Ibrahim, in denying the claims, said if a probe had been launched by the FBI, police would have been notified as they would be for any case.

## **3. Health Ministry to revise contracts to prevent brain drain**

KOTA KINABALU: Health Ministry will revise the terms of agreement to retain specialists trained under government sponsorship.

The current terms required doctors to serve in the government sector between five to seven years after completing training courses or pay back the amount of money spent on their studies.

Deputy Health Minister Datuk Seri Dr Hilmi Yahaya said specialists who get offered higher salary at private sectors could afford to pay back.

The amount spent for the postgraduate courses is between RM150,000 and RM170,000 per person. Those study abroad would incurred higher cost.

"We are comparing the terms of agreement with other countries and will probably make revision on the years of services," he said after the Health Ministry training institutes convocation ceremony here.

Hilmi added the ministry kept on training more human capital to address shortage of staff.

The government offered 1,000 slots for masters degree and 154 sub-specialist courses for doctors.

Meanwhile, the ministry's 33 training institutes are producing about 10,000 supporting health staff.

Earlier in his speech, Hilmi encouraged the newly recruited health personnel to continue learn and improve themselves.

"Civil servants also have to go beyond expectation of patients to be able to give satisfactory and quality services."

## **NEW STRAITS TIMES** Thursday, 8 October, 2015

### **4. Zahid: 1MDB probe fair, open and according to law**

KUALA LUMPUR: The government has given its assurance that all investigations into 1Malaysia Development Bhd (1MDB) will be done in a fair and open manner, in accordance with the rule of law.

Deputy Prime Minister Datuk Seri Ahmad Zahid Hamidi in a statement today said the legal provisions within the Constitution are clear, and said legal action would be taken if there was any wrongdoing committed.

"As we know, the government is in the process of executing a debt rationalisation plan for 1MDB. The plan has been well received by both local and foreign investors.

"The government will soon present all of 1MDB's debt rationalisation transactions on all its investments pertaining the company's assets," he said.

Zahid, who is also Home Minister, said all investigations into any party must uphold the sovereignty of the law, and that any pressure to hasten or delay any probes towards a party should not happen.

Zahid's statement was issued following a pre-council meeting of the Conference of Rulers at Istana Negara, in which the Malay Rulers had said the government should complete its investigation into 1MDB swiftly.

Zahid said the government was always respectful of the decrees of the Malay Rulers. He said Prime Minister Datuk Seri Najib Razak and Cabinet members fully uphold and respect the system of

constitutional monarchy and the concept of separation of powers among the various organs of government, as enshrined in the Constitution.

This, he said, includes provisions relating to the powers of the Conference of Rulers. "National economic stability, the recovery of the Ringgit, interracial harmony as well as lowering cost of living remains the government's focus. All efforts are being made to ensure that these issues are resolved as soon as possible."

Zahid said he also hoped that no one would issue statements which suggest that the government was not making any effort to tackle these issues. He also said the authorities should be given the opportunity and space to resolve these problems in the best possible way.

**NEW STRAITS TIMES** Friday, 9 October, 2015

#### **5. 1MDB acknowledges BNM's right to revoke earlier permissions**

KUALA LUMPUR: Malaysia Development Bhd (1MDB) fully acknowledges and respects Bank Negara Malaysia's (BNM) right to revoke its earlier permissions and issue any direction it deems fit under the Financial Services Act 2013.

This is despite the Attorney-General's Chambers (AGC) confirming that no offence had been committed by 1MDB officials.

"1MDB commits to cooperate and continue engaging with BNM, to address their concerns and seek a viable resolution of this outstanding matter," it said in a statement here today.

According to 1MDB, since commencement of BNM investigations in June 2015, the current management and board had fully cooperated, which resulted in investigation papers being submitted to the AGC.

Apart from submitting written answers and sharing relevant documents, 1MDB board members, current and former staff were interviewed by BNM, with detailed witness statements being recorded.

BNM clarified today that it recommended criminal proceedings to the AGC for reasons of "... inaccurate or without complete disclosure of material information ...."

1MDB said it was not for money laundering or other alleged criminal actions as highlighted by certain media and opposition politicians.

It added, the AGC had however, as the legitimate authority for such matters, decided that there was "no offence committed by 1MDB officials" and directed that "no further action should be taken."

"Notwithstanding this direction by the AGC, BNM has issued a direction for 1MDB to repatriate a sum of US\$1.83 billion.

"This relates to certain historic permissions granted by BNM between 2009 and 2011 for 1MDB to make overseas investments.

"It is pertinent to highlight that those permissions, when granted, had no requirement for funds to be repatriated.

"Further, the use of those funds have been described in detail in the notes to 1MDB's publicly available financial statements dated March 31, 2009 to March 3, 2014," it said.

The state fund highlighted that the overseas investments of US\$1.83 billion relates to historic equity and murabaha loan investments in a joint venture with PetroSaudi in 2009 - 2011, that was eventually converted in September 2012 into fund units valued at US\$2.318 billion.

"As previously explained by 1MDB to BNM, this sum of US\$2.318 billion was redeemed in 2014 and 2015, with proceeds being substantially utilised.

"The remaining US\$940 million of fund units, are guaranteed by Aabar and have been ear-marked for a "debt for asset swap" with its 'AA' rated parent, IPIC, as part of the 1MDB rationalisation plan.

"It is, therefore, clear that the original US\$1.83 billion sum has either been spent or earmarked for debt settlement arrangements, that will result in a substantial reduction of 1MDB's debt, per the rationalisation plan," it said.

1MDB also said it had painstakingly provided multiple detailed written and verbal explanations of these facts to BNM between June and end-September 2015.- BERNAMA

**NEW STRAITS TIMES** Saturday, 10 October, 2015

#### **6. Arul Kanda looking forward to attend PAC hearings on 1MDB 10 October 2015**

1Malaysia Development Bhd President and Group Executive Director Arul Kanda Kandasamy says he is looking forward to attending the Public Accounts Committee (PAC) hearings and for his answers to be part of the public record. He said there is no need for him "to lie or cover-up what has happened in the past, as has been alleged by those who make sensationalist claims to drive their own political agenda." "Accordingly, I look forward to being questioned in detail on this matter at the upcoming PAC hearings and for my answers to be part of the public record, to conclusively put this matter to rest," said Arul Kanda. To recap, PAC's hearing on 1MDB has been postponed to a later date that is yet to be determined. The earlier dates were Aug 4, 5, 6, 17 and 18 as well as Sept 8 and 10, 2015. The PAC is left with just nine members, after four others including its chairman were appointed as Cabinet members on July 29. The appointment of the PAC chairman and its members is scheduled to be made after the Select Committee members, who are responsible for appointing the PAC members, are replaced and appointed during the next parliament session that starts on Oct 19, 2015. "In my capacity as President, I answer to the Board and the shareholders of 1MDB. My strong track record speaks for itself and my only professional agenda is to fix the challenges in 1MDB,"

said Arul Kanda in a two-page press statement that among others replied to the latest allegations from Sarawak Report, an online blog currently banned in Malaysia, which accused him of lying about cash in the bank in its latest article. He said whilst Sarawak Report has published a number of alleged 1MDB related documents in the past, "I can confirm that - in this particular case - it appears to have published an authentic 1MDB document, namely minutes of a Jan 12, 2015 Board meeting." Arul Kanda said it was the first 1MDB Board meeting he attended, held exactly a week after he joined the company on Jan 5, 2015. At the meeting, he acknowledged that he stated to the Board, based on his understanding of events that occurred before his time, that the redemption of fund units happened in cash for an amount of US\$940 million. However, upon further investigation and verification, it became clear that this was a misunderstanding, which he then clarified to the Board and the Ministry of Finance. This clarification is clearly recorded in subsequent Board minutes and can be verified, he said. "On Jan 13, 2015, I confirmed via a press statement that the remaining amount of US\$1.11 billion had been redeemed, in full. What was unfortunately not made clear, was that the redemptions happened partly in cash and partly through the sale of fund units, with cash payment being deferred." He said it is this important distinction which caused a misinterpretation of his statement, first during a media interview on Feb 9, 2015 and subsequently by the Ministry of Finance, in a Parliamentary answer on March 12, 2015. "I have explained in detail the sequence of events to the National Audit Department and to 1MDB's auditors, Deloitte, as part of their thorough and professional review of 1MDB's past transactions. "In addition, I have openly and publicly taken full responsibility in June 2015 for the misunderstanding on this matter i.e. the buck stops with me," he said -BERNAMA

**NEW STRAITS TIMES** Tuesday, 13 October, 2015

#### **7. 1MDB files police report over leaked confidential information**

KUALA LUMPUR: The 1Malaysia Development Bhd (1MDB) has filed a police report on the action by one or more parties whom they suspect leaked and sold confidential or proprietary information.

The police report follows the Sarawak Report's blatant admission of having obtained confidential documents from Bank Negara Malaysia and open admission by an international publication, Wall Street Journal, that it too had reviewed documents relating to a 'government probe' on 1MDB and had access to transcripts of the Parliamentary Accounts Committee (PAC) proceedings and the interim Auditor-General draft report on 1MDB.

"Despite these admissions, no action has been taken against either those parties who have published the said documents, nor against the parties that are leaking them, in contravention of the law," the company said in a statement here.

The company said that for the second time in as many days, Sarawak Report, a foreign-run online blog that is currently blocked here for publishing stolen and forged materials, has carried an article with what appear to be authentic 1MDB Board meeting minutes.



"We note with concern that this follows previous statements by Sarawak Report acknowledging that it has obtained documents from Bank Negara investigations specifically, '... according to documents obtained by Sarawak Report from the Bank Negara investigations into investments by fund'," it said.

1MDB believes that the action by one or more parties to leak the confidential information was done with malicious intent and may have breached the Malaysian laws, including but not limited to the Penal Code, the Official Secrets Act 1972, the Houses of Parliament (Privileges and Powers) Act 152 and the Standing Orders of the Dewan Rakyat of Malaysia.

"We have full faith and confidence in the investigative ability and professionalism of the lawful authorities to take all actions required to uphold the laws of Malaysia," it said. - Bernama

**NEW STRAITS TIMES** Friday, 16 October, 2015

#### **8. MACC not investigating 1MDB as it is a police matter**

The Malaysian Anti-Corruption Commission (MACC) reiterated today that they were not investigating the 1Malaysia Development Board (1MDB), as it was a police matter. MACC strategic communications director Datuk Rohaizad Yaakob, responding to a media statement issue by 1MDB, said police were handling the full investigation of 1MDB. "In our earlier statement, MACC had already said the 1MDB issue was fully investigated by the police, thus any queries should be referred to the police. "The matter was also made clear following a statement by the Inspector-General of Police yesterday," he added. He said he hoped no parties would make any statement that MACC had cleared them on the issues relating to 1MDB. 1MDB had issued a statement on Wednesday saying the Attorney-General's Chambers (AGC) had already cleared them of any wrongdoing after looking through all the relevant documents in the Bank Negara investigation papers. The confirmation by the AGC reinforces the statement by the MACC on Sept 22 that 1MDB is not under investigation, 1MDB added.

**NEW STRAITS TIMES** Friday, 16 October, 2015

#### **9. More facilities for civil servants stationed at rural areas: Zahid**

KAPIT: The Education Ministry will submit a request for additional allocation from the Federal Government to develop more quarters and facilities for teachers stationed at remote areas in Sarawak.

Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi said the request will be embedded with the implementation of the 11th Malaysia Plan, which was unveiled in May this year.

Prime Minister Datuk Seri Najib Razak, Zahid said, was concerned with the welfare of teachers and other civil servants whom have been deployed to perform their services in the rural areas.

"Perhaps, the same proposal (to build more infrastructures for schools in remote areas) could also be extended for the police, armed forces or other government departments," said Zahid, who is also the Home Minister.

Zahid also said the ministry was also considering emulating the initiative by the Orang Asli Development Department (Jakoa), which planned to increase the frequency of transportation service for Orang Asli pupils at 94 primary schools with hostels nationwide.

"The Education Ministry will study the cost involved before adopting the same approach for schools located in the remote areas in Sarawak," he said.

Earlier, Zahid was briefed on the operation of the Bakun hydroelectric power plant by Sarawak Hidro Sdn Bhd's Health and Environment manager Ten Wuon Peng.

Present during the briefing were Education Minister Datuk Seri Mahdzir Khalid, Agriculture and Agro-based Industry Minister Datuk Seri Ahmad Shabery Cheek, Deputy Home Minister Datuk Nur Jazlan Mohamed, Deputy Defence Minister Datuk Mohd Johari Baharom and Armed Forces Chief Tan Sri Zulkifeli Mohd Zin.

Also in attendance representing the Sarawak government included State Land Development Minister Tan Sri James Jemut Masing and Bintulu Member of Parliament Datuk Seri Tiong King Sing.

**NEW STRAITS TIMES** Sunday, 18 October, 2015

#### **10. 1MDB: Pua recycles old allegations**

The 1Malaysia Development Bhd (1MDB) lambasted Tony Pua's latest statement to undermine the Auditor-General investigations and Public Accounts Committee (PAC) hearings. In a statement today, 1MDB was duty bound to clarify yet again the Petaling Jaya Utara member of parliament's (MP) recycled and selective presentation of information. "Tony Pua is arrogantly undermining the auditor-general's investigations and the PAC hearings by selectively presenting information to score political points. "Pua continues his disservice to all Malaysians by relying on findings of a discredited foreign blog to make his allegations, when 1MDB has submitted authentic company documents," it said. The state fund company added that the DAP MP has recycled old allegations that have been proven wrong.



**11. New PAC chairman pledges to make 1MDB probe a priority**

Newly-appointed Public Accounts Committee (PAC) chairman Datuk Hasan Arifin has pledged to make the investigation of 1Malaysia Development Bhd (1MDB) a top priority. Hasan, who replaces Datuk Nur Jazlan Mohamed, said the PAC will convene its first meeting as soon as Parliament approves the appointment of other committee members. Speaking to reporters at the Parliament lobby today, he said the 1MDB issue is a priority as public sentiment on the matter is high. He said the government has promised that it will speed up the 1MDB investigations. "So far there has been a lot of perception on the issue. "I will investigate 1MDB. It will be given priority and I will look into the matter without fear or favour," he said, adding that he was ready to be in the "hot seat." On Tony Pua's position as PAC member, he said the matter will be discussed in the first meeting, which will be held during the current Dewan Rakyat sitting. The Parliament sitting began today, and will conclude in December. Asked if he would seek advice from Nur Jazlan on his role, he replied: "I can do my job without his advice".

**12. English teachers from India coming soon to Malaysia**

KUALA LUMPUR: The recruitment of trained English teachers from India under the School Improvement Specialist Coaches (SISC+) programme will be finalised soon, the Dewan Rakyat was told today. Deputy Education Minister P. Kamalanathan said the teachers would be placed in several rural schools across the country, including 'hot spot' schools to help raise competency level of local English teachers in line with the Upholding the Malay Language and Strengthening Command of English (MBMMBI) policy. "It had been on the ministry's agenda to bring in trained teachers from India in the near future, to improve command of the language in rural schools in the country," he said. He was replying to Che Mohamad Zulkifly Jusoh (BN-Setiu) who enquired about the ministry's proposal to bring in trained English teachers from India. Kamalanathan said with the SISC+ programme teachers would be made aware of effective teaching practices and ways of managing the classrooms more efficiently. In reply to Che Mohamad Zulkifly's question on quality status of education nationwide with the first wave of the Malaysia Education Blueprint (PEPPM) 2015 coming to an end, Kamalanathan said there were some encouraging early achievements. "Of the 1.3 million pupils who went through Linus 2.0 screening programme last year, 98.7 per cent of Year Three pupils succeeded in mastering basic Malay language literacy, 99 per cent in basic numeracy, while 83 per cent of Year Two pupils mastered basic English literacy," he said. He added that last year a total of 62 intervention modules from Trends in International Mathematics and Science Study

(TIMSS)) and the Programme for International Student Assessment (PISA) were developed as a long term measure in setting national curriculum standards and assessments. Kamalanathan said in an effort to elevate the teaching profession, requirements for recruitment of new teachers had been tightened and 100 per cent of new teachers recruited in 2014 obtained at least 5As in the Certificate of Education. "Those who signed up for Teaching English as a Second Language or TESL programme are required to attain grade A in English," he said. The implementation of various initiatives under the first wave of the Malaysian Education Blueprint was to reduce the significant achievement gap between urban and rural schools, in addition to yielding more success not only in terms of academic performance but also improving the socio-economic gap by 2020. - Bernama

**NEW STRAITS TIMES** Thursday, 22 October, 2015

### **13. Najib: MACC to record statements from SRC duo**

KUALA LUMPUR: The Malaysian Anti-Corruption Commission (MACC) will record statements from two top executives from SRC International Sdn Bhd as part of a probe into the former 1Malaysia Development Bhd (1MDB) subsidiary.

Prime Minister Datuk Seri Najib Razak said SRC International's managing director Nik Faisal Ariff Kamil and director Datuk Suboh Md Yassin would be interviewed as soon as possible.

"Based on information from SRC International Sdn Bhd, Nik Faisal Ariff Kamil and Datuk Suboh Md Yassin are making preparations to be interviewed by MACC soonest to help in the investigations.

"As such, the question on their position with SRC International's board of directors does not arise at all."

He was replying to Teo Nie Ching (DAP-Kulai) who asked if the duo's posts would be rescinded as they had allegedly declined to cooperate in the MACC investigation.

MACC is also looking to record a statement from Low Taek Jho, commonly known as Jho Low.

On August 22, MACC had issued notices to the trio to assist in the ongoing probe into around RM42 million purportedly channelled into Najib's personal bank accounts.

Following the notice, Low contacted MACC and stated his willingness to cooperate with the authorities.

**14. PM: 1MDB doesn't owe IPIC US\$481 mil**

KUALA LUMPUR: 1Malaysia Development Bhd (1MDB) does not owe International Petroleum Investment Company (IPIC) US\$481 million, Prime Minister Datuk Seri Najib Razak clarified today. In a written reply in Parliament today, Najib said there was no such amount owed to IPIC. "Notes in the 1MDB financial report which ended March 31, 2014, clearly state that no such amount was borne by 1MDB from IPIC," said Najib. "I also wish to state that it is the company's prerogative to decide on their own methods of preparing their financial reports," he added. Najib who is also Finance Minister, was replying to Petaling Jaya Utara MP Tony Pua who had asked on the amount paid by 1MDB to reclaim Powertek Investment Holding and 1MDB Energy (Langat) from Aabar Investment. Pua had also asked whether 1MDB still owes US\$481 million, as stated in the IPIC Audit Report for December 2014. Najib said there was no such amount based on the state investment arm's 2014 financial report.

**15. 'No deal signed between 1MDB and DuSable'**

KUALA LUMPUR: Prime Minister Datuk Seri Najib Razak today clarified that 1Malaysia Development Bhd (1MDB) has not entered into any agreement with US private equity firm DuSable Capital Management LLC in Kedah. In a written reply at the Dewan Rakyat today, Najib, who is also Finance Minister, said: "1MDB has never signed any sort of agreement with DuSable Capital Management LLC in Kedah." The prime minister was replying to a question by Wong Chen (PKR - Kelana Jaya). Wong Chen had asked for the latest statement on 1MDB's supposed solar power plant project with DuSable Capital Management LLC in Kedah. According to documents filed with the US Department of Justice last year, the US private equity firm DuSable Capital Management LLC said 1MDB will work together on the country's largest 50MW solar farm in Kedah. DuSable in the documents had claimed that it will be the investment adviser to a private equity fund in which 1MDB will be a limited partner. It also said 1MDB would reimburse costs incurred by DuSable arising from the development of the project and associated activities, the filing said.

**16. No cover up in relation to 1MDB, says Arul Kanda**

KUALA LUMPUR: 1Malaysia Development Bhd (1MDB) says there is no cover up related to the company. "Absolutely no cover up in relation to 1MDB," its President and Group Executive director Arul Kanda Kandasamy told Bernama TV. "And if there were attempts to do so, that's impossible. "That's because there are five investigative agencies looking at 1MDB - Bank Negara, Auditor General Chambers, police, Malaysian Anti-Corruption Commission and Public Accounts Committee. "All these agencies have been given information about the company what happens in 1MDB. Those investigations are ongoing. We give fullest cooperation to the lawful authorities," he said. He was speaking in a special programme "Bernama TV with Arul Kanda" on Astro 502, HyppTV 410 and [www.bernama.com](http://www.bernama.com) at 10pm today. The programme was jointly hosted by Bernama TV producer Suriati Sanusi and Bernama Deputy Editor-in-Chief Economic News Service Mikhail Raj Abdullah. Asked by Mikhail Raj on whether it was possible that some of 1MDB's RM42 billion debt went into someone's pocket, he said all the money had been fully accounted for through various financial statements. "In fact this June we published exactly where the fund was utilised. It's a mixture of investments.. purchase in energy assets as well as purchase of land. "Every cent of our debt has been accounted for. It can be verified through review of our financial statement," he said. He said the 1MDB financial statement is available to the public at the Companies Commission of Malaysia (CCM) website and may be downloaded. Arul Kanda said there are certain parties making allegations and they need to submit requisite evidence or proof to the lawful authorities. "As I said earlier, there are five investigative authorities looking at 1MDB. To the extent there is proof or evidence, the parties should submit that," he said. Arul Kanda said there were public reports against 1MDB including to the MACC, and the company cooperated with the authorities by submitting the requisite information. "Our accounts are very clear. We are able to show where the fund has gone in relation to the operation of the company," he said -BERNAMA

**17. Call off public debate on 1MDB: Nur Jazlan**

JOHOR BARU: The former Chairman of the Public Accounts Committee (PAC) Datuk Nur Jazlan Mohamed has called on Arul Kanda Kandasamy and Tony Pua to stop their public debate on 1Malaysia Development Berhad (1MDB), to avoid the credibility and integrity of the committee being questioned by any party. Speaking to reporters after launching the sports day of Sekolah Jenis Kebangsaan Cina (SJKC) Pei Hwa here today, Nur Jazlan said the PAC was formed by the Parliament at the highest level and anything related to it should only be discussed within the committee. "This

is the actual process. So I suggest that both parties stop their childish actions and return to the PAC meeting with the proceedings which had been planned before this," he said. Nur Jazlan was commenting on Arul Kanda's statement of his willingness as president and executive director of the 1MDB Group to meet with Tony Pua, who is Member of Parliament for Petaling Jaya Utara to debate on television about the investment issues of the company. Arul Kanda had said that his willingness was unconditional and hoped the meeting would be held as soon as possible. Nur Jazlan, who is also Deputy Home Minister, said PAC was equipped to resume functioning, so there was no need for both parties to squabble. "The police have investigated the PAC and its members who were said to have sold information. Who are they, perhaps from Barisan Nasional, the opposition, others, or maybe nobody. "I see there was a real attempt to destroy the integrity and credibility of the PAC and its members," he said. -Bernama

**NEW STRAITS TIMES** Saturday, 31 October, 2015

#### **18. "Cashflow mismatch" cause of debt accumulation: Arul**

KUALA LUMPUR: The debts accumulated by 1Malaysia Development Berhad (1MDB) were a result of a "cashflow mismatch" following the firm's failure to publicly list its energy companies, 1MDB president and group executive director Arul Kanda Kandasamy said today. Arul said 1MDB had acquired debt in order to generate cashflow, but was unable to service the debts when the planned initial public offering (IPO) for its energy assets, now held under its energy unit Edra Global Energy Bhd, was delayed. The company, he said, originally planned to launch the IPO on two targeted dates - the first in November 2013 and the second in November last year. "In both circumstances, for various reasons including external and internal factors, these IPOs did not happen," he told a press conference at the Royale Chulan Hotel here. As a result, he said, a mismatch arose between the interest that needed to be repaid in the short term, and the principal payments. "That is why 1MDB is facing the difficulties and challenges that we are going through today. I know that there are critics of the company who feel that there are other reasons, but the facts and figures do not lie." Arul said without reducing 1MDB's RM42 billion debt, the cost of servicing the interest amounted to RM2.4 billion a year. "If the company does not have sufficient cash flow to service the debt, then we have a problem. This is a business problem, a business challenge. It can happen to any business. It is not unique to 1MDB." However, he said, the company was on track to reduce its debt via a series of rationalisation exercises, which include the disposal of assets and opening up the equity of its core projects. He also said 1MDB had obtained a RM950 million loan from the government to help the company meet its short-term cashflow requirements. "We fully intend to settle this loan as we go through the rationalisation process," he said.

**19. 1MDB 'extremely controversial' following Tun M's allegations: Arul**

KUALA LUMPUR: The financial issues surrounding 1Malaysia Development Berhad (1MDB) only became "extremely controversial" after former prime minister Tun Dr Mahathir Mohamad started criticising the state-owned strategic development firm, its president and group executive director Arul Kanda Kandasamy said today. Arul said some of the issues were previously raised by DAP lawmaker Tony Pua and covered by The Edge business daily but they did not raise wider public interest until Dr Mahathir claimed that RM42 billion was "missing" from the company. "The biggest issue was when Tun Mahathir started his allegations of there being RM42 billion missing. When Tun Mahathir and those who were previously aligned to the government started their criticism, that's when the matter became extremely controversial," Arul told a press conference at Royale Chulan Hotel here today. Arul said the firm's struggle with public perception began at the end of last year when 1MDB posted losses amounting to RM665 million, despite having raised "hundreds of millions" in profit in previous years. Further controversy, he said, was due to articles based on "inaccurate and selective" information published by online news portal the Sarawak Report, which were later picked up by The Edge. Arul said however, he was confident the ongoing investigations into 1MDB would eventually absolve the company of any wrongdoing, blaming the negative news coverage of the firm on the public's appetite for controversy. "This is why despite the answers we have given, people don't believe us. Because bad news sells better than good news - that is the reality." "In my mind, these controversies will be answered. We have nothing to hide, we have been very consistent, we have the facts and figures." "Everyone is entitled to their opinion and we respect that. We also respect the authorities, and we maintain, that if there is any wrongdoing, action must be taken under the law."