

Arul says Jho Low never paid or hired by 1MDB
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1MDB says it takes opinions of all parties seriously, especially the Malay rulers, on controversies surrounding the state-owned company.

1MDB president and group executive director Arul Kanda said it also respects the views of the rakyat, government and opposition on issues related to the company.

“1MDB is now focusing on its rationalisation plan, which was announced in June, to reduce the company’s debt of RM42 billion,” he said in a special programme ‘Bernama TV with Arul Kanda’ on Astro 502, HyppTV 410 and www.bernama.com to be aired 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.

On Oct 6, the Malay rulers in a statement urged that the investigation related to 1MDB be completed as soon as possible and for “the appropriate stern action” to be taken against all found to be implicated.

Their royal highnesses stressed that all concerned should extend ‘real and sincere’ cooperation for the investigation to achieve its objectives.

Elaborating on the rationalisation plan, Arul said it consists of three key parts. The first involves the sale of equities in energy company Edra Global Energy Bhd to reduce 1MDB’s debt by between RM16 and RM18 billion.

The second part is the debt equity swap with Abu Dhabi wealth fund International Petroleum Investment Co that would reduce 1MDB’s debt by about RM16 billion.

And the third part is the sale of 1MDB’s equity in Bandar Malaysia valued at around RM11 billion, said Arul.

‘We need to base ourselves on facts’

On allegations by some parties, including former prime minister Dr Mahathir Mohamad, of financial irregularities, Arul said: “We need to base ourselves on facts. We cannot rely on hearsay, allegations and other unsubstantiated statements without due evidence and due proof.”

Arul also refuted claims that business tycoon Jho Low is connected to 1MDB, saying he was never paid or hired by the company.

“It is public knowledge that Jho Low was an adviser to the Terengganu Investment Authority (TIA), prior to the shares being transferred to the government of Malaysia and the name changed to 1MDB. He actually resigned in mid-May 2009 before the shares of TIA were bought by the government,” he said.

On whether the controversy about money going to Prime Minister Najib Abdul Razak’s account is related to 1MDB, Arul said: “Absolutely not.”

“In fact, the Malaysian Anti-Corruption Commission publicly stated that funds did not go from 1MDB to the prime minister’s accounts.”

On claims that 1MDB’s financial problems are exerting additional pressure on the ringgit, Arul said that based on last month’s volatility of the ringgit, there is no correlation between 1MDB’s financial problems and the depreciation of the ringgit.

“The ringgit has been influenced by the drop in oil prices, for example. Also, (due to the) concerns for emerging markets just like many other currencies that are linked to commodity prices, emerging markets, and there was also devaluation in China.

“That’s not to say 1MDB has zero impact. There maybe some impact due to uncertainty, given some political instability in this country that has influenced the currency. There are multiple factors. To say it’s because of one company I think is stretching it too far,” he said.

He refuted claims that 1MDB defaulted twice on debt payments, saying it is fully committed to its obligation to repay its RM42 billion debt.

“1MDB has never defaulted on any of its debts. 1MDB has always met our payment schedule,” he said.

- *Bernama*