

'1MDB could have got better deals if not for the opposition'

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1MDB president Arul Kanda Kandasamy said the state-owned company that he leads could have obtained better deals in the sale of its assets had not the opposition scared investors away.

In an interview with New Straits Times, Arul Kanda said many local and foreign investors were interested in 1MDB's assets but had to walk away as the issue was deemed too hot to handle.

“Arguably, we could have got better value for Edra Energy, Bandar Malaysia and the land in TRX and I would say yes, we would not have this problem if it had not been for the opposition which politicised this issue,” he is quoted as saying.

However, Arul Kanda said the worst is over for 1MDB now, following the sale of its assets.

This includes a RM16 billion debt-asset swap with International Petroleum Investment Company (IPIC), the RM9.83 billion sale of Edra Energy to China General Nuclear Corp and the RM7.41 billion sale of a 60 percent stake in Bandar Malaysia to a consortium comprising Iskandar Waterfront Holdings (IWH) and China Railway Engineering Corporation (CREC).

“Although there are still noises out there from the opposition and certain segments of the media, to me there are no more issues for 1MDB,” Arul Kanda is quoted as saying.

'Cash flow mismatch addressed'

Following the sale, he said 1MDB's cash flow mismatch issue would be addressed.

"It means the company has the ability to meet the requirements needed to pay the interest and principal debts upon maturity. So, from that aspect there should not be any more criticisms," he is quoted as saying.

In the interview, Arul Kanda also admitted that the weak ringgit meant that 1MDB's initial debt of RM42 billion had grown as the loans were taken out in US dollars.

However, he said, this was not a serious issue as many of the debts are only due in 2022 and 2023.

"In a few years, the position of the ringgit would strengthen and this would no longer be an issue. So, for us to take into account the value of the debt in ringgit at any one time would not pose an issue for the company.

"What is most important is that when the debts mature, in this case in 2022 and 2023, we

would have a solution then and these solutions are made up of the three aspects that we have discussed earlier," he said.

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