

'People refuse to listen to 1MDB as the facts are boring'

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The chief executive of 1MDB is lamenting that people do not trust explanations from the state-owned fund because the facts are boring, while the baseless allegations made by politicians are 'sexy'.

"Between 2009 and January 2015, when I fully took on the role, I fully accept that things could have been done better, from a communications perspective.

"However, from January 2015 onwards, we have been extensively engaging with the public.

"Unfortunately, 1MDB's challenge, which is a business challenge, was politicised," said 1MDB president and group executive officer Arul Kanda Kandasamy.

"Politicians jumped on the bandwagon, using soundbytes without reference to facts and made allegations without offering proof. That is sexy," Arul Kanda said in an interview with radio station BFM 89.9 this morning.

"But you know, frankly, facts are boring and the people turn it off," added the vocal 1MDB boss.

Arul Kanda stressed in the interview the principle of innocence until proven guilty, which is the hallmark of the judiciary system.

He also defended 1MDB's operation of obtaining a huge debt, which accumulated to RM42 billion in March 2014, as it used the debt to acquire assets.

'Use of debt is not wrong'

"The use of debt is not wrong; everyone has debts - credit card debt, mortgage..."

"One of the lessons that have been learned through the entire 1MDB challenge is the use of debt. If not managed properly, it can cause difficulty, which it has. That had been admitted from very early on," he said.

"The issue with debt is not so much as the quantum per se. The issue is, can you service the debt when it is due? 1MDB never defaulted in payment," he said.

Arul Kanda also argued that 1MDB only ran into problem in November 2014, when its energy assets failed in initial public offerings (IPO) and cashflow mismatch happened.

1MDB had been monetised or sold off its assets to clear its debts. It was reported the strategic fund needed to pay RM2.4 billion to RM2.7 billion as interests annually.

Arul Kanda is also confident that the parliamentary Public Accounts Committee (PAC) would not just rely on the findings of the auditor-general's report on 1MDB when it compiles its own report.

"What I can say on the general terms is that the auditor-general's report (on 1MDB) is very detailed, comprehensive and professional.

"I am sure the PAC report will reflect all the findings PAC has made, not just based on the auditor-general's report, but also on the interview and the additional information PAC obtained," he said.

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