

1MDB to become a shell company, says Arul Kanda

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1Malaysia Development Bhd (1MDB) will be a shell company once the rationalisation plan is fully implemented, says president and executive director Arul Kanda.

"Based on the rationalisation plan and PAC (Public Accounts Committee)'s suggestion that its subsidiaries are removed (from under the company's control), 1MDB will be a shell company.

"(This means), there will be no daily operation and 1MDB will serve its debts through cash flow derived from the rationalisation plan," he said in an interview, aired during TV3's 'Buletin Utama', today.

Arul Kanda was commenting on the PAC's suggestion that all 1MDB's assets and subsidiaries should be handed over to the Finance Ministry (Inc) (MOF Inc) for tighter supervision.

He said discussions on deciding the status of 1MDB would be made with MOF Inc soon.

Presently, 1MDB owned Tun Razak Exchange and 40 percent stake in Bandar Malaysia.

Meanwhile, Arul Kanda said, the resignation offers by the six boards of directors were not a ploy to escape.

"In fact, the move allows more space for the authorities to conduct further and transparent investigations on 1MDB," he said.

1MDB has a cash surplus of RM2.96 billion following the sale of Edra Global Energy and disposal of stake in Bandar Malaysia.

Arul Kanda said the board of directors, including himself, did not request financial allocation, compensation, or payment.

"The authorities and enforcement parties have been requested by PAC to examine the report.

"If there is any wrongdoing then action will be taken. If I'm found to have done anything wrong, then I'm ready to accept what is determined by the authorities," he said.

- Bernama

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