

## **'Nothing negative on 1MDB assets in PAC report'**

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There were no negative comments on 1Malaysia Development Bhd's (1MDB) assets in the Public Accounts Committee (PAC) report as they are solid and proven by facts, 1MDB president and group executive director Arul Kanda Kandasamy said.

Although issues related to 1MDB are common among business entities, Arul Kanda said the matter has been politicised by certain people, making the process to stabilise and improve the government's strategic investment arm more challenging.

"Now we have a report which uncovered several weaknesses of the company and made several recommendations to the government," he said at special dialogue titled '1MDB - Perception and Reality' recently.

Moving forward, Arul Kanda said 1MDB can carry out what needs to be done to improve the company.

In November last year, 1MDB signed a deal to sell its entire power assets under Edra Global Energy Bhd to China General Nuclear Power Corporation (CGN) for RM9.83 billion cash.

It was reported that CGN would also assume all the relevant gross debts and cash of the Edra Global operating companies, namely Edra Solar Sdn Bhd, Edra Energy Sdn Bhd, Powertek Energy Sdn Bhd, Jimah Teknik Sdn Bhd, Jimah O&M Sdn Bhd, Mastika Lagenda Sdn Bhd and Tiara Tanah Sdn Bhd.

In December, it sealed a deal to sell a 60 percent stake in its subsidiary Bandar Malaysia Sdn Bhd for RM7.41 billion to a consortium comprising Iskandar Waterfront Holdings Sdn Bhd and China Railway Engineering Corporation (M) Sdn Bhd.

### **Mixed development**

The consortium will develop a 194.4-hectare site of the former RMAF base in Sungai Besi for a mixed development comprising housing, commercial and lifestyle facilities.

With the sale, 1MDB has completed its rationalisation plan to resolve its debt burden within six months after being presented to the cabinet in May.

PAC in its report stated that 1MDB's debts began at RM5 billion in 2009 before jumping to RM42 billion at the end of 2014.

In January 2016, the debt reached RM50 billion compared to assets of RM53 billion, with 1MDB spending RM3.3 billion to repay interest on debts between April 1, 2014 and March 31, 2015.

However, the PAC noted that the government took immediate action to rectify the problem when the debt problem resurfaced in 2014.

Based on the PAC report, Arul Kanda was reported as saying that there was no criminal element in the management of 1MDB but only weaknesses that would need to be rectified.

- Bernama

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