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# 1MDB refutes Dr M's Cayman cash claim

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**'NOT CASH':** I had seen statements on fund unit ownership, says president

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1MDB says its president, **Arul Kanda**, takes full responsibility for the misunderstanding on information provided to the Finance Ministry and will ensure better communication with stakeholders. Pic by Yazit Razali

**M**ALAYSIA Development Bhd (1MDB) yesterday refuted Tun Dr Mahathir Mohamad's allegations about its investments in the Cayman Islands regarding money that was claimed to have been returned to the country in two tranches.

1MDB, in a statement, said that its president, Arul Kanda, denied he had said he "saw the cash" and had, on the record, said he had "seen the statements", referring to the fund unit ownership and redemptions.

The statement was made in response to Dr Mahathir, who said in a blog post titled "More investments by 1MDB" that Arul Kanda saw the cash and that Prime Minister Datuk Seri Najib Razak admitted that the money existed.

"It was not brought back because Bank Negara Malaysia (BNM) would ask too many questions. But Bank Negara must get the approval of the minister according to the law for approving or disapproving any transaction. And the minister is the effective head of 1MDB. So what is so difficult about getting Bank Negara's approval?" Dr Mahathir had said.

1MDB said Dr Mahathir repeated the original Finance Ministry's answer to Parliament but had chosen to disregard the amended answer and the clarification Arul issued on June 10.

"There was a misunderstanding on information provided by 1MDB to the Finance Ministry, which required the original parliamentary answer to be amended."

It also said Arul Kanda took full responsibility for the misunderstanding and would ensure better communication with all stake-

holders, adding that: "As clarified by the Finance Ministry, appropriate steps have been implemented to prevent this from reoccurring."

As for Dr Mahathir's reference to BNM, it said the bank was conducting an investigation into 1MDB.

"It is only appropriate to await the outcome of this investigation instead of casting doubt and sharing half-truths in the public domain."

Responding to Dr Mahathir's demand for proof of investments and payments made by 1MDB for the acquisition of power plants and purchase of government land here and private land in Penang, the state investment arm said proof of its assets had been presented to its auditors.

"1MDB's accounts have been signed off by the auditors, without qualification. Additionally, documentary proof has been presented to the auditor general and BNM, the lawful authorities, who we would expect to carefully scrutinise these documents.

"We are fortunate in Malaysia to have rule of law, which states a party is 'innocent until proven guilty'.

"Due process requires that the lawful authorities first investigate, establish the fact and take action."

1MDB said it was fully behind the prime minister's statement that "if any wrongdoing is proven, action will be taken".

"1MDB is cooperating with the authorities in their investigations."