

1MDB says it will not attend PAC hearing tomorrow
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1Malaysia Development Berhad (1MDB) current and former executives will not attend tomorrow's Parliament Public Accounts Committee (PAC) inquiry on the troubled company, despite the bipartisan committee earlier saying that the hearing will go on.

In a statement released this afternoon, the state investment vehicle said it has received an official notification from the Parliament secretary, who is also the secretary of the bipartisan panel, that the hearing has been postponed to an undetermined date.

The PAC hearing was supposed to resume tomorrow.

"1MDB respects the PAC as the lawful authority and the appropriate forum for questions on 1MDB to be asked and answered.

"We have confidence that the bipartisan committee presents a fair opportunity for 1MDB to explain the company's position, to a lawful authority, per the requirements of due process.

"We once again reiterate our intention to extend our full cooperation to the PAC and look forward to appearing before the committee on the new dates," it said.

PAC vice-chairman Dr Tan Seng Giaw had earlier insisted that the inquiry will go on tomorrow as scheduled, as it was "unreasonable" to suspend the probe into the debt-laden company for three months until Parliament reconvenes in October in order to elect a new chairman and members.

1MDB's former CEO Datuk Shahrol Azral Ibrahim Halmi was to face PAC tomorrow, while president and group executive director Arul Kanda Kandasamy was set to be grilled the next day.

Mohd Hazem Abdul Rahman, who served as 1MDB's CEO from March 2013 to January 2015 had been scheduled to appear before the panel on August 6.

Besides the top executives, 1MDB's former board of directors chairman Tan Sri Mohd Bakke Salleh and former board member Tan Sri Azlan Zainol are also expected to face the PAC on August 17 and 18.

Following last Tuesday's Cabinet reshuffle, PAC lost its chairman and three members. Their appointments to the administration disqualify them from being PAC members.

While Dr Tan and other opposition members of the committee say that the remaining members of PAC can continue probing 1MDB, Speaker Tan Sri Pandikar Amin Mulia, in citing Standing Order 77(3), declared that all PAC proceedings, including its ongoing inquiry into 1MDB, had to be temporarily suspended pending the appointment of a

new chairman and members.

Pandikar Amin's view was disputed by both PAC's opposition members as well as the Bar Council, who said the committee could still function as it had the required quota, and that Dr Tan as deputy chair could take over the functions of the chairman.

PAC unanimously decided to begin proceedings into 1MDB in a special meeting held on April 30. It previously said that it would wait for the Auditor-General's report before beginning its own probe into why the company, which is Prime Minister Datuk Seri Najib Razak's brainchild, incurred debts of RM42 billion in six years of operations.

Scrutiny and exposes of the state-owned investment firm has led to calls for Najib's resignation by former prime minister Tun Dr Mahathir Mohamad.

Amid mounting pressure on Najib, heightened by recent allegations that money from 1MDB-linked firms went to his personal bank accounts, the prime minister reshuffled the Cabinet, promoting four PAC members from Barisan Nasional and leaving the inquiry in doubt.

1MDB has not been able to generate enough earnings to service its debts. This raised public concerns over some of its debt papers issued with the government's letter of support, which means the government is responsible in the event of a default.

Consequently, the investment firm is currently stepping up efforts to hive off its assets, namely power generation plants and land, to ease its extremely tight cash flow. – August 3, 2015

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