

## **1MDB TO ANNOUNCE MORE DEBT REDUCTIONS SOON**

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**By Super Admin**

(The Star) – 1Malaysia Development Bhd (1MDB) will make further announcements on its debt reductions in the coming weeks.

It had also fully settled a RM700mil loan based on the proceeds from the sale of Edra Global Energy Bhd.

On Saturday, 1MDB president and chief executive officer Arul Kanda Kandasamy said the sale of Edra had substantially reduced 1MDB's debt and that it now had a cash surplus of RM2.3bil to carry on with activities related to the infrastructure development for the Tun Razak Exchange and pay interest on the other debts.

On Wednesday, 1MDB completed the sale of its power assets under Edra to China General Nuclear Power Corp and its subsidiaries for RM9.83bil cash.

Arul Kanda concluded that all entities must be more transparent in their reporting and should reduce excessive debt as well as high risk in the management of the company.

“Among the lessons to be learned from the 1MDB experience is in managing the capital structure and that use of excessive debt should be reduced.

“Taking in a number of projects that are large and complex under one company may also need to be reviewed,” he said in an interview on the Business Plus programme on Astro Awani on Saturday.

CIMB group chairman Datuk Seri Nazir Razak said 1MDB has significantly mitigated risk to Malaysia's financial system and economy by selling off its power plants.

Nazir said this divesting of assets, among other things, by 1MDB had “significantly mitigated, if not totally nullified” the risk.

“1MDB, I would like to break into three components – the past, present and the future. The present is about 1MDB as a risk to the financial system and the economy in Malaysia.

“That risk I think is significantly mitigated if not totally nullified, by virtue of them selling off their power plants, Bandar Malaysia etc.,” he said in response to a question from the audience at the StarLIVE Power Talks-Business Series at Menara Star on Saturday.

Nazir added that because of this, even if 1MDB did not meet the complete debt demand, a lot of it was already paid off.

“So even if there is a shortfall, it wont be so huge. There is no longer that risk, so they have done that,” he said.

“We have to look at the past and understand what happened so that we learn the lesson, so that people responsible for it are held accountable, so that nobody dares to do it again and that is a process that is still at work,” Nazir said.

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