Gov't admits RM950mil 'standby credit' for 1MDB
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PARLIAMENT The government has admitted to setting aside RM950 million in "standby credit" for 1Malaysia Development Berhad (1MDB), following reports that it has infused RM1 billion into the state owned firm.

This was revealed to the Dewan Rakyat by Finance Minister II Husni Hanadzlah today.

However, he claimed that only RM60 million of the standby credit had been used by 1MDB to manage its cash flow.

The admission comes days after Deputy Prime Minister Muhyiddin Yassin stated that there would be no government bailout of 1MDB.

In an immediate response, Pandan MP Rafizi Ramli told reporters that the "standby credit" was just another name for a bailout and Muhyiddin must respond.

Meanwhile, Husni (right) also told the Dewan Rakyat that the government is hoping that the initial public offering (IPO) from 1MDB's energy arm would be able to pay for the company's growing debts.

"1MDB's stumbling block is it's cash flow. But once the IPO is up, this would be settled," he said.

Specifically, he said the IPO, slated for launch sometime in the middle of this year, would settle 1MDB's RM13 billion debt in the energy sector.

"We are aiming for May, June, or July," he said, adding that the latest date for an IPO is in September.

The investment body's remaining debts will be settled by monetising assets such as the Tun Razak Exchange, Bandar Malaysia, and other landbanks in Penang.

These moves Husni said, will lower 1MDB's gearing ratio of debt to shareholders funds or equity, to about three to one, and make it more financially sustainable.

The minister also took a swipe at the company's critics when pressed on why the government was still giving 1MDB financial aide by Pandan MP Rafizi Ramli.

"In the future, we will see if 1MDB will be destroyed or succeed.

"Port Klang was also mocked in Parliament before, I was there, but look at it now," he said.

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