

1MDB ran into problems due to failure to issue IPO, says Najib
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Prime Minister Najib Razak said a failed initial public offering (IPO) exercise, as a result of being "attacked", was the main reason why 1Malaysia Development Bhd (1MDB) encountered problems.

He said 1MDB used the debt funding approach to operate its business, which required an IPO to be undertaken in the shortest possible time.

"At the time, we tried different approaches as we did not want to utilise government funds. Government funds can be used for other projects or programmes.

"For 1MDB, we utilised 'debt funding' on condition that we will undertake an IPO very soon. Yet, we did not foresee that 1MDB would come under relentless "attacks".

"When the 'attacks' were mounted, the IPO exercise could not be carried out, hence the cash flow problems," Najib said in an exclusive interview telecast live over TV1 tonight in conjunction with Umno's 70th anniversary tomorrow.

Elaborating further, the prime minister said a report on 1MDB was submitted to the Public Accounts Committee (PAC) to establish if there were any irregularities or wrongdoings, on his part, in the company.

"PAC has presented its findings. PAC Deputy Chairman Dr Tan Seng Giaw, an opposition party member, made a public statement and opined that I did nothing wrong in 1MDB.

"I consider the 1MDB issue as a business problem...(perhaps) its business model was not so suitable, its gearing was very high," he said, adding that this was turned into a political issue by certain quarters who used it to try and topple him.

- *Bernama*

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