

**1MDB wrongdoers will be punished, says Najib
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All wrongdoings in relation to the financial scandals of state-owned 1Malaysia Development Berhad (1MDB) will be dealt with according to the law, Prime Minister Datuk Seri Najib Razak says.

Najib, who is also the firm's advisory board chairman, said he was aware of the concerns regarding governance in Malaysia because of issues surrounding 1MDB but said ongoing investigations into the company would provide answers.

"I agree that there are concerns about governance as a result of the problems with 1MDB. We are applying rigorous and exhaustive processes of investigation, and the wrongdoings will be dealt with in accordance with the law," he said in an email interview with English daily The Star.

"There are three agencies involved: the police, Malaysian Anti-Corruption Commission (MACC) and Bank Negara. All these investigations are ongoing and we will get answers."

1MDB, a Finance Ministry-owned investment vehicle, has come under fire for its RM42 billion debts since its inception in 2009 and allegations of mismanagement and misappropriations.

Critics have called for Najib's resignation over the scandal and a multi-agency investigation into the debt-ridden fund was launched.

The prime minister was accused of interfering with the investigations when he removed former Attorney-General Tan Sri Abdul Gani Patail from his post and transferred several MACC officers out of their departments.

Gani was heading a special task force, which included the A-G's Chambers, Bank Negara, MACC and the police, looking into 1MDB.

The embattled Najib admitted in The Star interview that 1MDB's business model was too idealistic while its investments in Edra Global Energy did not meet its IPO target, leading the company to become laden with large debt financing.

"We expect to reduce the total debt for 1MDB by a significant amount – in the region of RM16 billion. For instance, with Edra Global Energy Bhd, there are two very real and huge proposals on the table to take over its power assets.

"Bank Negara has come out to say there is no systemic risk related to 1MDB. In other words, even if it fails, the financial effects are containable. I am confident that as we conclude 2015, 1MDB will undergo a successful rationalisation process with a massive reduction in debts," he added. – November 4, 2015.

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