

WSJ report rehash of old allegations, says 1MDB
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1MDB has denied that its purchase of energy assets were overpriced or politically motivated in response to a Wall Street Journal (WSJ) report.

The firm dismissed the report as a repetition of old allegations by the government's "political opponents", including former premier Dr Mahathir Mohamad.

"They have never been substantiated nor supported by evidence, just as Mahathir (*photo*) has never produced any evidence for his claim that RM42 billion was missing from 1MDB," it said in a statement today.

"As we have previously stated, we only acquire assets when we are convinced that they represent long-term value, and to suggest that any of our acquisitions were driven by political considerations is simply false," it added.

The WSJ report claimed 1MDB grossly overpaid BN-linked company, Genting Berhad.

The paper said 1MDB's funds were used to bankroll Najib's election campaign and this was achieved by having 1MDB pay RM2.3 billion, which is considered excessive, to purchase power assets from the Genting Group in 2012.

Genting then made RM31 million donation to Yayasan Rakyat 1Malaysia foundation controlled by Najib shortly before the 13th general elections, and WSJ implied the funds were used for campaigning by Najib's Umno party.

Defending itself, 1MDB said the purchase price was based on a long-term perspective, and it had received advice from independent appraisers.

It also said any premium it paid for the purchase, was standard business practice.

"On this basis, we believe that the value paid upon asset acquisition – which may have involved a premium in certain instances, as is common when acquiring a business – is commensurate with the existing and future potential of the assets," the firm said.

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