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NEWSPAPER CLIPPING

Newspaper	The Wall Street Journal
Date	18 December 2015

## IMDB

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viewed by the Journal and two people familiar with the matter.

The IMDB fund sent the money to "Aabar Investments PJS Ltd." which closely resembles the name of IPIC's wholly owned subsidiary Aabar Investments PJS, the wire documents show.

Aabar, the IPIC subsidiary, is an Abu Dhabi-registered company that holds prominent investments in the space-tourism venture Virgin Galactic and a 5.1% stake in UniCredit SpA, Italy's biggest bank.

Executives at IPIC and Aabar investigating the transfers have concluded that neither of the two Abu Dhabi funds ever owned or controlled the British Virgin Islands company, according to the people familiar with the matter. Records in the British Virgin Islands don't give any details on the owners or directors of the company.

The records show the British Virgin Islands firm was incorporated on March 14, 2012, and liquidated on June 23 this year, a time of growing criticism of IMDB from opposition politicians and within Mr. Najib's ruling party.

The IMDB fund, in a statement to the Journal after initial publication of this article, didn't reply to questions previously submitted about the transfers. The statement said "that the Wall Street Journal continues its campaign to malign IMDB." The fund also said it was cooperating with investigators. IMDB in the past has said it stands by its financial statements, which show it made the payments to the Abu Dhabi fund.

An IPIC spokesman didn't respond to questions. The Abu Dhabi fund hasn't made any public statements about its relationship with IMDB or the missing money.

Mr. Najib promised that the fund would spur economic development by investing in new industries such as renewable energy. But it has only bought existing power plants and land, while rolling up more than \$11 billion in debt that it is struggling to repay.

The transfers involving Abu Dhabi are among a series of transactions by IMDB that are the focus of investigations. In Malaysia, the fund is being probed by the auditor general, the nation's anticorruption body, the central bank and a parliamentary committee.

In 2012, IMDB issued \$3.5 billion in bonds to fund the purchase of power plants in

Malaysia and overseas. The Abu Dhabi fund guaranteed the bonds.

The IMDB fund's publicly available financial statements for the year ending March 31, 2013, show it paid \$1.4 billion to IPIC's unit Aabar as collateral for guaranteeing the bonds. The Malaysian fund said it paid an additional \$993 million to Aabar in 2014 to cancel options granted to IPIC to buy a stake in IMDB's power assets, according to a copy of a draft report into IMDB by Malaysia's auditor general and IMDB board minutes reviewed by the Journal.

Officials at IPIC say that neither they nor any subsidiary received this money, the Journal has reported. It is not clear why the payments were made to Aabar, because IPIC made the guarantee.

IPIC's consolidated financial statements, which include Aabar, make no reference to the collateral payment. A footnote in the 2014 statements said that as of the end of that year IMDB owed IPIC \$481.3 million in outstanding payments for the options.

No substantial amount of money was received by IPIC, the people familiar with the matter said. It isn't clear how IPIC arrived at the \$481.3 million figure and whether it relates to the \$993 million



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OLIVIA HARRIS/REUTERS

transfer IMDB says it made to IPIC as partial payment to cancel the options.

IPIC's former managing director, Khadem Al Qubaisi, was dismissed in April by a presidential decree. The new management team of IPIC has been scrutinizing Mr. Al Qubaisi's activity at the fund, according to the people familiar with the matter.

A London-based representative of Mr. Al Qubaisi said he declined to comment.

The latest twist in the

IMDB saga comes as Mr. Najib battles a separate scandal linked to the fund. Malaysian investigators said earlier this year that nearly \$700 million was transferred into his personal bank accounts through entities linked to IMDB, including a private Swiss bank owned by IPIC.

The source of the funds was unclear and the government investigation didn't detail what happened to the money that allegedly went into Mr. Najib's accounts.

Malaysia's anticorruption body said in August that the funds were a donation from the Middle East. The donor wasn't specified.

Mr. Najib has denied wrongdoing and said he didn't use any money for personal gain. He said this month that using money from a donor was appropriate and legal.

As well as Malaysia and Abu Dhabi, authorities in the U.S., Switzerland, Singapore, and Hong Kong are looking at IMDB's activities.