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| Date | 15 September 2015 |

FUND

Continued from Page One
wrongdoing and denied taking
money for personal gain.

Two of the transfers were
made through the Singapore
branch of a Swiss private bank
and routed via **Wells Fargo & Co.** Wells Fargo declined to
comment.

The Swiss attorney gen-
eral's office has opened crimi-
nal proceedings against two
unidentified executives of
IMDB on suspicion of corrup-
tion and money-laundering. It
has frozen tens of millions of
dollars in Swiss bank ac-

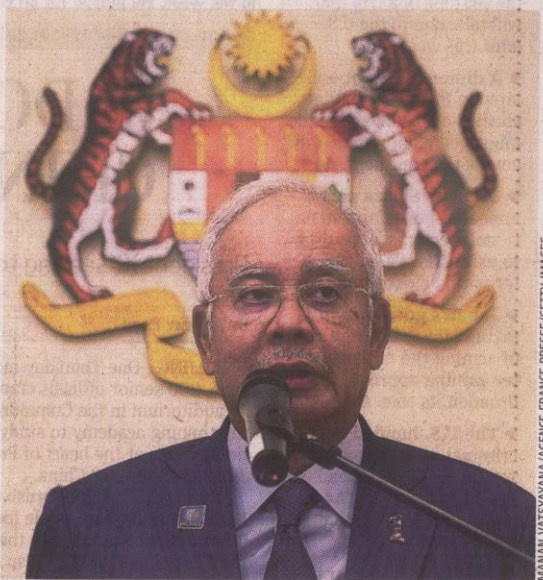
counts, officials said in Au-
gust.

IMDB has said no execu-
tives or board members were
the subject of criminal pro-
ceedings by the Swiss attor-
ney general's office, and that
its accounts there weren't fro-
zen.

Authorities in Singapore
also said they have frozen ac-
counts linked to IMDB and are
investigating allegations re-
lated to the fund. IMDB said
none of its accounts were fro-
zen and that it was ready to
assist any investigations sub-
ject to advice from the appro-
priate Malaysian authorities.

The questions about the
money missing from IMDB
center on transfers that the
fund said it made to an Abu
Dhabi fund, the **International
Petroleum Investment Co.**

In 2012, the Abu Dhabi fund
agreed to guarantee \$3.5 bil-
lion in bonds issued by IMDB
for the purchase of power
plants. In return, IPIC was
given options to buy a stake in
those power assets. But last
year, both sides agreed to end
that deal and IMDB agreed to
buy back the options for an
undisclosed price. IMDB said
it made a transfer of \$993



Malaysian Prime Minister Najib Razak

million to an IPIC subsidiary
in November as partial pay-
ment for the options, accord-
ing to a copy of a draft report
by Malaysia's auditor general
that was reviewed by The
Wall Street Journal.

Neither the financial re-
cords of IPIC, nor its wholly
owned subsidiary Aabar In-
vestments PJSC, for 2014
mention receipt of the money.
They say only in a footnote
that as of the end of 2014,
IMDB owed IPIC \$481.3 mil-
lion in outstanding payments
for the options. No substantial
amount of money was re-
ceived by IPIC, the people fa-
miliar with the matter said. It
isn't clear how IPIC arrived at
the \$481.3 million figure and
how it relates to the nearly \$1
billion transfer IMDB says it
made to IPIC.

In its statement issued af-
ter a previous article on this
subject was published online,
IMDB said it couldn't com-
ment on the accounting treat-
ment by the Abu Dhabi fund
or its subsidiaries. It also said
the matter of the options had
been resolved. "IMDB can
confirm that pursuant to the
payment made by IMDB, the
options were in fact termi-

nated," the fund said.

Officials at IPIC didn't re-
spond to requests for com-
ment.

The missing \$1 billion is
the second payment that
IMDB reported it made and
IPIC said it didn't receive. Fi-
nancial statements from IMDB
and a report by the Malaysian
auditor general, which is one
of a number of agencies inves-
tigating IMDB, show that the
fund made a separate pay-
ment of \$1.4 billion to IPIC.
That payment was described
as collateral for the loan guar-
antees that Abu Dhabi pro-
vided on the bonds issued by
IMDB. Last week, the Journal
reported that payment also
was missing and that Abu
Dhabi officials were looking
into it, according to people fa-
miliar with the matter.

The IMDB fund said last
week that it stood by its au-
dited financial accounts and
that its auditor, Deloitte
Touche Tohmatsu Ltd., had
made "specific and detailed"
inquiries into the collateral
transfer before signing off on
the accounts. Deloitte declined
to comment.

—Celine Fernandez
contributed to this article.

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CORRECTIONS & AMPLIFICATIONS

A photo that accompanied
a Heard on the Street article
in some Friday-Sunday edi-
tions about **Cheung Kong In-
frastructure** incorrectly iden-
tified the company's chairman,
Victor Li, as his father, Li Ka-
shing.

Starbucks Corp. has more
than 1,700 stores in mainland
China and hopes to exceed
3,400 in the country by 2019.
A Money & Investing article
Thursday about consumer
sales of coffee in China incor-
rectly said the retailer has 823
stores and hopes to have 3,000
by 2019.

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