

## **1MDB 'rushed' US\$1b investment in PSI so Saudi royal can witness signing**

**MalaysiaKini.com**

**Apr 11<sup>th</sup>, 2016**

**Zikri Kamarulzaman**

PAC 1MDB rushed to fork out US\$1 billion to form a joint venture with PetroSaudi International so that a member of the Saudi royalty could witness the signing ceremony, former 1MDB CEO Shahrol Azral Halmi said.

Shahrol said this when grilled by the Public Accounts Committee (PAC) on why 1MDB had signed the JV, and approved the US\$1 billion transfer just 10 days after the proposal was presented to the board of directors.

"There was supposed to be a signing witnessed by one of the Saudi royals, who will be arriving in Kuala Lumpur around that time.

"So, we had wanted to actually meet that particular dateline," Shahrol told the PAC last year.

1MDB's board of directors was informed of the 1MDB-PetroSaudi joint venture proposal on Sept 18, 2009.

Eight days later after a meeting with Penang-born tycoon Jho Low (photo), who gave the board the impression that PSI is owned by the Saudi king, the board approved the US\$1 billion asked to form the JV.

The JV is signed in Kuala Lumpur two days later, on Sept 28, witnessed by Prime Minister Najib Abdul Razak and Prince Turki of Saudi Arabia.

Later, on Sept 30, the US\$1 billion is transferred to the 1MDB-Petrosaudi JV company.

Not known to the board, US\$700 million ended up in Good Star Ltd, a firm unrelated to the JV and said to be controlled by Low.

### **Microphone turned off at hearing**

Meanwhile during the PAC hearing on Nov 25 last year, committee chief Hasan Arifin temporarily ordered questions on how 1MDB ascertained that PSI "ultimately" belonged to Saudi's King Abdullah not to be recorded.

"Turn the microphone off as this involves the royal family," Hasan told the committee, after which, the Hansard says, the discussion continued off the record.

This is followed by commentary on the topic by Putatan MP Marcus Mojigoh after hearing Shahrol's explanation.

Shahrol then goes on record saying there is no reason to believe that PSI is not owned by the Saudi kingdom.

"Until today we have no reason to believe that what we have assumed then, which is the company, is ultimately own by the kingdom is incorrect," the PAC report says.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd  
Source: <https://www.malaysiakini.com/news/337309>