

# **1MDB board not briefed on US\$699.3m transferred to 'fake' Aabar, court hears**

**Malaysiakini**

**02 September 2020**

**Hidir Reduan Abdul Rashid**

1MDB TRIAL | 1MDB's board of directors never approved the transfer of US\$699.3 million from its energy subsidiary to an alleged fake Aabar entity incorporated in Seychelles, the Kuala Lumpur High Court heard today.

Its former CEO, Shahrol Azral Ibrahim Halmi said this during the RM2.28 billion 1MDB corruption trial of former prime minister Najib Abdul Razak today.

During cross-examination by defence counsel Wan Aizuddin Wan Mohammed, ninth prosecution witness Shahrol said that the sovereign wealth fund's board was never briefed, nor its approval sought, on the fund transfer from 1MDB Energy Holdings Limited to Aabar Investments PJS Limited (Seychelles).

Wan Aizuddin was questioning Shahrol over the transfer in 2014 that was made in two tranches, whereby the first tranche was for US\$233,333,000 on Sept 3 and

the second tranche of US\$457,984,607 on Sept 30.

The funds were deposited into Aabar's account at Swiss multinational bank UBS.

Having stepped down as 1MDB's CEO in March 2013, Shahrol remained on the sovereign wealth fund's board of directors until 2016.

It was reported that the real subsidiary of Abu Dhabi-based International Petroleum Investment Company (IPIC) is Aabar Investments PJS.

The US\$699.3 million allegedly originated from a US\$1.225 billion loan given by bank Deutsche Bank Singapore to 1MDB Energy Holdings between May and August 2014.

Wan Aizuddin: Was the 1MDB board of directors ever briefed about these transactions?

Shahrol: No.

Wan Aizuddin: Was approval sought by the (1MDB) management to make the transfers?

Shahrol: No.

When Wan Aizuddin asked whether Shahrol was aware that there are two alleged "fake" Aabar entities, with one incorporated in the British Virgin Islands (BVI) and the other in Seychelles, the witness said he might have been shown related documents during the investigation.

As the lawyer reiterated that both Aabar entities have nothing to do with the real Aabar from Abu Dhabi, Shahrol said he could not comment as he has no direct knowledge on the related documents.

Meanwhile, during proceedings, Shahrol also testified that Najib's words carry a lot of weight with 1MDB as the accused wore multiple "hats" concerning the sovereign wealth fund.

The witness said that this is because Najib not only wore the hat of then chairperson of the board of advisors of 1MDB but also as 1MDB's sole shareholder via Minister of Finance Incorporated (MoF Inc) as he was both prime minister and finance minister at the time.

Shahrol was answering a question from Wan Aizuddin on whether Najib had the power to make final decisions concerning 1MDB's affairs.

"The Board of Advisor advise, but he (Najib) is also wearing the hat of finance minister, prime minister and sole shareholder of 1MDB.

"His words carry a lot of weight," Shahrol said.

When Wan Aizuddin asked whether Najib needed to be specific which "hat" he was wearing when he signed off on 1MDB-linked documents, Shahrol said that those in 1MDB still took Najib's instructions seriously due to the various "hats" the latter wore.

"He can choose to sign using whatever hat he chooses, but from our perspective, when one person wears those hats, we take his instructions as serious," Shahrol said.

At the end of proceedings today, lead defence counsel Muhammad Shafee Abdullah informed the court that the defence expects to wrap up their cross-examination of Shahrol by noon tomorrow.

DPP Ahmad Akram Gharib then told the court that the prosecution, in turn, would only need around three hours to conduct Shahrol's re-examination.

If both the defence and prosecution manages to wrap up their questions to

Shahrol during tomorrow's full-day proceedings, the witness would be released from the stand for a new witness to testify.

Proceedings before Justice Collin Lawrence Sequerah resumes tomorrow morning.

Najib is on trial for four counts of abuse of power and 21 counts of money laundering involving RM2.28 billion of funds allegedly from 1MDB.

**Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd**

Source: <https://www.malaysiakini.com/news/541022>