

**Witness: Najib pre-approved 1MDB decisions even before board can decide**

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1MDB TRIAL | Najib Abdul Razak, as then prime minister and finance minister, would sign off the shareholder resolution of 1MDB even before the company's board of directors could make a decision on a matter, the Kuala Lumpur High Court heard today.

Testifying in Najib's RM2.28 billion 1MDB corruption trial, former 1MDB chief executive officer Mohd Hazem Abd Rahman (above) claimed the fact that Najib signed off on decisions crafted by businessperson Low Taek Jho, or Jho Low, and his team, even before they were made by the board, led him to believe that Low represented Najib.

Explaining Low's control of 1MDB, Hazem said he would be provided talking points by Low which he was then tasked to present to the 1MDB board.

"After receiving instructions, I will carry out my job scope as CEO by presenting

to the board and conduct the process of governance.

"However, what happened was that the directors' circular resolution (DCR) would be prepared by (then 1MDB general counsel) Jasmine Loo and sometimes the shareholders' resolution would also be shown even before I present to the board of directors," he claimed.

"Sometimes, Najib would even sign the shareholders' resolution before the board of directors sign off on the DCR. The shareholder resolution will be left undated and the date will be filled after the board of directors sign off on the DCR.

"This convinced me to proceed with Low's instructions as it showed that they have been pre-approved by Najib," he alleged, reading from his 110-page witness statement.

By convention, after the board of directors make a decision, it will sign the DCR. This is then followed by the shareholder resolution.

Najib, by virtue of being then finance minister, was the sole shareholder of 1MDB through the Minister of Finance Incorporated.

Hazem, who served as the 1MDB CEO from March 2013 until January 2015, also alleged that Low had planted his people, including Loo, throughout 1MDB.

He said the 1MDB management had to take instructions from Low's proxies and sometimes did not even have access to company documents as they were controlled by Low and his team.

Hazem added that he grew worried about the workings in 1MDB, particularly in regard to funds raised by the company overseas.

He claimed the fundraising was put together by Low's team with the 1MDB management having little oversight of the raised funds.

Worried at the developments, Hazem alleged he turned to then 1MDB chairperson Lodin Wok Kamaruddin to reach out to Najib.

"At the end of 2014, I had used Lodin to meet Najib to ask that the overseas funds be repatriated as 1MDB had to repay a bridging loan to Maybank.

"However, when Lodin returned from the meeting, he informed that Najib did not allow for the funds to be repatriated.

"Lodin and I were very dissatisfied with Najib's response as 1MDB had no money and all the funds raised were abroad," Hazem claimed when testifying before the court.

'1MDB fell into biggest corporate liability trap in history'

Meanwhile, during examination-in-chief by DPP Mohamad Mustaffa P Kunyalam, the 10th prosecution witness testified that he felt 1MDB had fallen into the "biggest corporate liability trap in history".

Hazem made this description during his testimony over an email by him to then 1MDB chief financial officer (CFO) Azmi Tahir, titled "Fwd: Please read: Overall picture of 1MDB and blue-print as discussed: Project Blue Ocean" dated Sept 19, 2013.

The witness said in the email to Azmi, he (Hazem) had forwarded an email he received from Low a day earlier on Sept 18 2013, regarding all portfolio work related to 1MDB.

"In the email, I informed him about my worries regarding the project and funds involved. I also informed Azmi about my plans to step down following my worries.

“At that time I also felt that the 1MDB company had fallen into the biggest corporate liability trap in history,” Hazem testified.

Najib is on trial over four counts of abuse of power and 21 counts of money laundering involving RM2.28 billion of funds from sovereign wealth fund 1MDB.

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