

'I did not meet with Najib'

Ex-chairman: I suspected former PM was involved in a sham JV

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KUALA LUMPUR: A former 1Malaysia Development Bhd (1MDB) chairman told the High Court that he did not meet with Datuk Seri Najib Razak before his resignation as he suspected that the former prime minister was involved in a sham joint venture (JV) between 1MDB and PetroSaudi International Ltd (PSI) in 2009.

Tan Sri Mohd Bakke Salleh said this during a cross-examination by lead counsel Tan Sri Muhammad Shafee Abdullah in the 1MDB audit tampering trial here yesterday.

The lawyer, who represented Najib, was questioning the witness on why he did not address his misgivings to Najib with regard to his suspicion despite having had the opportunity to do so as Mohd Bakke also served as the FGV Holdings Bhd (then Felda Global Ventures Holdings Bhd) group president and CEO.

Due to his position in FGV, Muhammad Shafee said Mohd Bakke could have met Najib every fortnight.

Muhammad Shafee: You wanted to resign from the board. Did you see the prime minister before that to tell him why you're resigning?

Mohd Bakke: I didn't because I had a feeling and suspicion that the prime minister was in the loop and involved in the scheme of things with PSI. I decided not to see him personally. The same feelings were shared by board members. One that confirmed our suspicion, which made us feel disgusted, was the way the US\$1bil was remitted.

"The US\$1bil was in reference to



In the dock:

Najib appearing in the High Court as the case involving 1MDB continues.

an equity investment undertaken by 1MDB for the JV company known as 1MDB-Petrosaudi Ltd in 2009, in a 40:60 JV agreement with PSI where PSI would inject US\$1.5bil worth of assets.

However, the US\$1.5bil asset injection by PSI into the JV company required 1MDB to pay US\$700mil in advance to PSI.

This resulted in 1MDB diverting US\$700mil from the US\$1bil JV equity investment into an account belonging to Good Star Ltd, through the instructions of former 1MDB CEO Datuk Shahrol Azral Ibrahim Halmi, without the approval of 1MDB's board members.

Good Star is said to be linked to Low Taek Jho, who is better known as Jho Low.

The witness also told the court that his suspicion of Najib arose from the "hurried fashion" in which the deal was inked, causing him and the board discomfort over the JV.

Muhammad Shafee, however, rebuffed Mohd Bakke's idea of Najib being suspiciously linked to the sham deal because it was impossible for the prime minister

to micromanage.

"Were you barking at the wrong tree? Because the management is directly under you," the lawyer said.

Mohd Bakke said the suspicion came from the way the JV was "bulldozed through" without adhering to normal protocols and it had created elements of doubt.

Muhammad Shafee: You were so suspicious that you didn't want to see the prime minister?

Mohd Bakke: This feeling of being completely suspicious of what transpired was reinforced when we found out about the US\$1bil remittance.

The witness also testified that from what had happened, he came to his own conclusion that the 1MDB management was taking instructions from "above the board" (Najib) and "outside the board" (Low).

(It has been testified in court that Low did not hold a formal position in 1MDB despite his involvement.)

Muhammad Shafee then questioned Mohd Bakke if he had any evidence to this allegation, and the witness said it was merely a feeling he had then but the suspicion was

later confirmed by Shahrol six years later to him.

"He (Shahrol) was saying that he was taking instructions from Jho Low," Mohd Bakke said.

Muhammad Shafee then reminded the witness that Shahrol had diverted money from 1MDB.

Muhammad Shafee: You have no other evidence apart from this man (Shahrol) who betrayed the board in the first place, correct?

Mohd Bakke: Yes.

The witness resigned from 1MDB on Oct 19, 2009.

During a re-examination by lead prosecutor Datuk Seri Gopal Sri Ram, Mohd Bakke agreed that Shahrol was the "renegade CEO" who never followed the board's instructions.

Sri Ram: In your mind, he was following a higher power.

Mohd Bakke: Yes.

Sri Ram: You had a conversation with Shahrol. Did it allay your suspicion or confirm it?

Mohd Bakke: (It) confirmed.

Najib, 69, is accused of abusing his position to order amendments to the 1MDB final audit report to avoid any action being taken against him while former 1MDB CEO Arul Kanda Kandasamy, 46, is accused of abetting Najib in making the amendments to the report.

Both men were charged under Section 23(1) of the Malaysian Anti-Corruption Commission Act, which provides a jail term of up to 20 years and a fine of no less than five times the amount of gratification or RM10,000, whichever is higher, upon conviction.

The hearing before Justice Mohamed Zaini Mazlan continues today.