

# It was not for Najib's benefit

## 1MDB-PSI joint venture was for sovereign wealth fund

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**KUALA LUMPUR:** The joint venture between 1Malaysia Development Bhd (1MDB) and PetroSaudi International Ltd (PSI) involving billions of dollars was not for the benefit of Datuk Seri Najib Razak who was the prime minister then, the High Court heard.

Witness Tan Sri Ismee Ismail, who was a non-executive director of 1MDB, agreed to a suggestion by Najib's lawyer Datuk Hariharan Tara Singh that the project was meant for the interest and advantage of the sovereign wealth fund.

Ismee agreed that the intention was to have a government-to-government (G2G) collaboration with the project.

Hariharan: And it is in line with 1MDB's initiative to enter into this kind of JV agreement?

Ismee: I can agree with that.

Hariharan: Would you agree that this in turn, is for the benefit of the government of Malaysia?

Ismee: Yes.

Hariharan: It was never for the interest of the prime minister.

Ismee: Agreed.

The court had earlier heard testimonies that the joint venture (JV) between 1MDB and PSI, which was set up in 2009 with more than US\$1bil capital injection, was a failure. The doomed JV incurred a US\$700mil debt, the High Court heard.

The debt was inherited by the JV company 1MDB-PetroSaudi Ltd (1MDB-PSI), which was formed when the JV was signed, while it was fully owned by PSI.

At the beginning of the proceedings, a war of words broke out between Najib's lead counsel Tan Sri Muhammad Shafee Abdullah and lead prosecutor Datuk Seri Gopal Sri Ram when the latter objected to questions posed by the defence in the cross-examination of the witness.

Muhammad Shafee had asked Ismee about the alleged backdating of an agreement involving a 1MDB deal to avoid doing a valuation of assets as requested by the company's auditor Ernst & Young.

Sri Ram complained about the relevance of the questions to Ismee and Muhammad Shafee accused the prosecutor of trying to "rescue" his star witness.

Sri Ram: He has said many times, he does not know.

Muhammad Shafee: Nobody needs to rescue this witness.

Sri Ram: I am not rescuing the witness! I am saving the court's time.

Justice Collin Lawrence Sequerah stepped in to say that the defence was asking the Witness to make inferences and the defence may just submit on the matter.

The judge, however, allowed the question after Muhammad Shafee insisted that the witness was able to answer based on facts.

The hearing continues on April 4.