

Najib denies discussing TIA transition to 1MDB

Ex- PM claims during testimony support consistently maintained for Terengganu control of authority

KUALA LUMPUR: Datuk Seri Najib Abdul Razak testified in the High Court yesterday that he never discussed the transition of the Terengganu Investment Authority (TIA) into 1Malaysia Development Berhad (1MDB) with fugitive businessman Low Taek Jho - also known as Jho Low - or former second finance minister Tan Sri Nor Mohamed Yakcop.

The first defence witness and former prime minister maintained that he consistently supported TIA remaining under Terengganu's control.

"During the June 17, 2009 Cabinet meeting, I informed the Cabinet that the Ministry of Finance favours the second option, that is, for Menteri Besar Terengganu Incorporated (MBTI) to exercise complete control of TIA with a back-to-back guarantee by the federal government.

"If Low was truly conspiring with me to ensure that TIA evolved into 1MDB and if there were discussions on this matter between me, Low and Tan Sri Nor Mohamed in the past, then there would be no need for such an elaborate letter trying to convince me and him (Nor Mohamed) to agree to evolve TIA into 1MDB,"

he said.

Najib is defending himself against four charges of abuse of power involving RM2.3 billion in 1MDB funds and 21 charges of money laundering involving the same amount.

On Oct 30, judge Datuk Collin Lawrence Sequerah ordered Najib to enter his defence on all 25 charges after ruling that the prosecution had established a *prima facie* case against him at the conclusion of its case.

Earlier, Najib explained that the idea of federalising TIA was raised after its then CEO officer Datuk Shahrol Azral Ibrahim Halmi wrote to him and Nor Mohamed on May 25, 2009, highlighting internal conflicts between TIA's management and MBTI, Bernama reported.

In the letter, Shahrol Azral proposed transforming TIA into 1MDB, modelled after Abu Dhabi's sovereign wealth fund Mubadala.

"It only came to my attention during this trial that the letter was drafted by Shahrol Azral and Low at the latter's residence.

"Shahrol Azral believed there had been discussions between me, Nor Mohamed and Low regarding the conversion of TIA into 1MDB,

placing it under the federal government.

"I cannot specifically recall this letter as there is no acknowledgment from me or my office, no notation by me, nor was it shown to me during the investigation.

"If I had received this letter at the time, I would have assumed that Datuk Shahrol had prepared it as he is the signatory. I would not have known that Low assisted Shahrol in drafting it," said Najib.

He added that it was peculiar for Shahrol Azral to claim during the trial that he had delegated the drafting of letters to Low solely based on an alleged close relationship between them.

"If my relationship with Low was indeed so close, then Shahrol Azral, who had the authority to hire management personnel, should have appointed Low as his assistant or consultant

"This way, Low would have been formally authorised to draft and sign off on letters, without leaving me to believe that Shahrol Azral himself was the author.

"Also, since Shahrol Azral's excuse for allowing Low to draft the letter was the supposed close relationship I had with Low, it would be equally reasonable for me to assume that Shahrol Azral, being indebted to his good friend and client (Low), allowed Low to manage things as he wished, even if it meant misleading me, the prime minister and finance minister at the time," he said.