

NAJIB REJECTED BRINGING BACK US\$3B'

Then 1MDB CEO had asked him to do so in 2013, court told

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DATUK Seri Najib Razak declined to bring back US\$3 billion in 1 Malaysia Development Bhd (1MDB) funds as requested by its then chief executive officer Mohd Hazem Rahman in 2013, the High Court heard yesterday.

Malaysian Anti-Corruption Commission (MACC) senior officer Nur Aida Arifin said the funds were raised by Goldman Sachs through a bond issuance to develop the Tun Razak Exchange (TRX) project between 1MDB and Aabar Investment PJS.

"On March 13, 2013, a cabinet meeting chaired by Najib agreed for the government, through the Finance Ministry, to issue a Letter of Support for the issuance of US\$3 billion in funds by 1MDB.

"On March 19, 2013, the proceeds of the US\$3 billion note issuance were finalised and transferred to 1MDB Global Investment Ltd's (1MDB GIL) account at BSI SA, Lugano, Switzerland, with a total amount of US\$2,721,000,000.



"The authorised signatories for this account were Hazem, Azmi Tahir (then 1MDB chief financial officer), and Geh Choh Heng (then 1MDB deputy chief financial officer).

"Hazem did not have access to or control of the funds issued from this bond," she said before presiding judge Datuk Collin Lawrence Sequerah.

She said this when testifying in Najib's corruption trial for misappropriating millions of funds belonging to 1MDB.

She said Hazem had made several requests to Najib to bring back these funds home to finance the needs of 1MDB, but was rejected by fugitive businessman Low Taek Jho, better known as Jho Low.

She said Low gave instructions that these funds should not be repatriated because they were intended for Umno's election funds.



Former prime minister Datuk Seri Najib Razak, seen here arriving for his 1MDB trial in Kuala Lumpur yesterday, did not give a clear reason for not permitting the repatriation of the US\$3 billion, the court was told. BERNAMA PIC

"Hazem had conveyed this matter to Najib's former principal private secretary, Datuk Azlin Alias, and then 1MDB chairman Tan Sri Che Lodin Wok Kamaruddin to bring the matter to Najib's attention.

"However, Najib did not permit the repatriation of these funds, and no clear reason was provided."

Subsequently, she said the joint venture agreement between 1MDB and Aabar collapsed as the latter failed to raise similar funds (US\$3 billion) necessary to fulfil the agreement between both parties.

"Due to the lack of action from Aabar, this joint venture was

deemed a failure.

"As a result (of this failure), 1MDB GIL now held an investment fund of US\$3 billion.

"Unfortunately, this fund did not fulfil its intended purpose for joint-venture investments as agreed on by the 1MDB board of directors.

"The fund also failed to be repatriated to Malaysia to finance the TRX project at that time."

She testified that on March 20, 2013, two representatives from BSI Bank, Singapore, had met Azmi to sign several investment agreements to transfer funds from 1MDB GIL account to three

fiduciary funds: Devonshire Capital Growth Fund, Enterprise Emerging Markets Fund, and Cistenique Investment Fund.

She said after the transfer of funds from 1MDB GIL to these three investment accounts was completed, a portion was transferred to two companies: Tanore Finance Corp and Granton Property Holding Ltd, both owned by Low's proxy, Eric Tan Kim Loong.

She said it was done without Azmi or Hazem's knowledge.

"On March 21, 2013, Tanore received a total of US\$640 million linked to the fund before directing US\$681 million to be transferred to Najib's private bank account. "Najib received US\$620 million in his AmPrivate Banking-MR the next day."

Nur Aida said a total of RM2,081,476,926 was deposited into Najib's bank account from Tanore's Falcon Private Bank account in Singapore between March 21 and April 10, 2013.

She added that the funds originated from the issuance of US\$3 billion bonds made by 1MDB GIL.

Najib's counsel, Tania Scivetti, raised objections to Nur Aida's statements.

Najib, 70, is facing four charges of using his position to obtain bribes totalling RM2.3 billion from 1MDB funds and 21 charges of money laundering involving the same amount.

The trial continues.