

**New Straits Times September 2019**

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1. 'Stopping bribe-givers can end corruption in civil service'



Malaysian Anti-Corruption Commission's (MACC) statistics from 2014 to June this year show that graft is rampant among civil servants

PUTRAJAYA: The Malaysian Anti-Corruption Commission's (MACC) efforts in combating corruption in the civil service are commendable, but the agency should expand its horizons and neutralise the source — bribe givers, said Public Service Department (PSD) director-general Datuk Seri Borhan Dolah.

He said stopping bribe givers — the host of the virus — would end corruption among civil servants.

MACC statistics from 2014 to June this year show that graft is rampant among civil servants. They make up 46.3 per cent of 4,860 people arrested for graft in the period.

Most of the offences were committed by staff handling procurement.

"If we educate the public not to give bribes, then there won't be a culture of accepting bribes.

"The remaining 54 per cent of the statistics might be made up of those who bribe civil servants," he told the *New Straits Times* in an interview at his office here.

He said this served as an enabler and catalyst for the acceptance of bribes by civil servants.

The survey compiled by MACC revealed that 22.1 per cent of respondents in the public sector said they were willing to accept bribes if they were in a position of power.

However, he said, the government had been active in raising awareness to keep the public sector free of corruption.



*Public Service Department (PSD) director-general Datuk Seri Borhan Dolah says stopping bribe givers — the host of the virus — would end corruption among civil servants. -NSTP/Ahmad Irham Mohd Noor.*

Under the National Anti-Corruption Plan, Borhan said PSD was the monitoring and executing body for civil servants.

"Every agency will have its targets and we will report to the Special Cabinet Committee on our progress.

"There are plans, quick wins within six months and long-term actions under the Public Service Reform Plan."

The public sector has turned to digital methods to cut down bureaucracy and indirectly prevent under-the-table bribery.

"Remember paying bills or getting your documents through runners? Now, with technological advancements, we can decrease the likelihood of people giving money under the table to our officers to ensure their documents are ready on time," Borhan said.

There is the Value Audit Management System, or Sistem Pengurusan Audit Nilai (SPAN), to educate, monitor and strengthen the integrity of the civil service against corruption and negative public perception.

Borhan said he hoped the government would also help in cleaning up the public sector, adding that PSD would fight graft.

"The government must trust us. We will do the cleaning up, but the government must back us up.

"If there are corrupt officers, they should be stripped of their positions, with no interference from higher officials.

"We must have patience and work towards a cleaner Malaysia."

He wished the public would understand civil servants' responsibilities.

"My advice to officers and staff: don't be afraid of anything if you follow the rules and, hopefully, the people will also understand officers' and staff's roles in their departments."

## **NO INCREASE IN WAGES**

In light of the data on corruption, it was suggested that wages in the public sector be increased.

Borhan said increasing civil servants' wages was not a viable solution to corruption.

"There is no evidence nor study that shows an increase in wages can eliminate or prevent corruption or abuse of power.

"It is because money will never be enough.

"For example, if an officer used to drive a Proton Saga, he would want to drive a Mercedes. So having more money won't prevent abuse of power and bribery."

He reminded civil servants of their main role — to serve the country.



*Civil servants should remember their main role — to serve the country.*

He said in the end, it depended on whether civil servants wanted to contribute to society and serve their country.

"We are not here to get rich, but to contribute to society, the country and to uphold the nation's pride."

On civil servants having two jobs, Borhan said there was no problem as long as it did not affect their performance and working hours.

"If there are those who want to find extra income outside their working hours, that is allowed, as long as they obtain approval from their supervisor.

"We have been educating our officers and staff on managing their money to ensure they spend within their means.

"It is understood that their reasons (for having another job) are to make their and their family's lives more comfortable."

## **RIGHTSIZING THE PUBLIC SECTOR**

Borhan acknowledged that this was a long-debated issue in the public sector.

He said it was unfair for the public to compare the country's 1.6 million civil servants with the size of the civil service in other countries.

Under the Constitution, the civil service includes the armed forces, the public education and public health sectors, which require the most manpower.

"If there is a need to measure, then we can focus on certain areas. Without taking into account the three sectors, we have 616,718 officers and staff (up to May last year), which equal to a 1:51 ratio. This means our public sector size is still ideal."

On filling out long-vacated civil service positions, he said there were checks to see whether the positions needed to be filled urgently.

He said there were some 100,000 vacancies out of 1.7 million positions.

He said 1.6 million positions were filled, with 30,000 to 40,000 vacancies created through retirement annually.

"Under our rightsizing policy, every time a position is vacated, we will need to obtain approval for it to be filled and see whether it is necessary.

"If the department says there is no need for a replacement or if the position has not been filled for more than two years, then the position will be removed."

He said civil servants would not be terminated, but "remainders" would be sent to other departments and given training if required.

"There is no sacking, but more rationalising of numbers to ensure the civil service runs efficiently.

"The department is not getting smaller just because 40,000 officers and staff have retired. Not all positions will be filled, but roughly 5,000 officers will be sent to private or government-linked companies," he said, adding that this move would not include positions in the armed forces and education and health sectors.



**2. 1MDB trial: 'Jho Low held secret meetings with Najib's principal special officer'**



**Datuk Seri Najib Razak's former special officer, Datuk Amhari Effendi Nazaruddin (left), said Low had personally briefed him about TIA**

KUALA LUMPUR: The Terengganu Investment Authority (TIA), which later became 1Malaysia Development Berhad (1MDB), was the brainchild of fugitive businessman Low Taek Jho, or Jho Low.

Taking the stand in the 1MDB money laundering trial today, Datuk Seri Najib Razak's former special officer, Datuk Amhari Effendi Nazaruddin, said Low had personally briefed him about TIA.

"Earlier, we had attended a meeting with the Sultan of Terengganu, Sultan Mizan Zainal Abidin, to brief him about TIA.

"I was representing the Prime Minister's Office (PMO) and Jho Low was representing TIA advisors.

"The meeting, which was chaired by the ruler himself, was held at the Terengganu Palace in Kuala Lumpur.

"It was an unofficial meeting and Najib was not there," he said.

Amhari said later, they went to Low's house, where the businessman briefed him about TIA by drawing on a whiteboard in his kitchen.

"He (Low) told me that the initial idea of TIA involved fund raising.

"I only understood the basic concept, as I did not have any background in investment banking and fund raising.



"Jho Low had attended several TIA meetings in his capacity as a special advisor for TIA," he said.

Amhari said that his boss, Najib's principal special officer, the late Datuk Azlin Alias, and Low had told him that TIA was an idea by Low, which was agreed to by Najib.

"Najib wanted TIA to become a special vehicle for strategic investments overseas, where Jho Low would act as the director," he said.

Amhari said meetings between Low and Azlin were held discreetly at a hotel in Kuala Lumpur.

"Jho Low would contact me to set up a meeting with Azlin, and it was always at the Prince Hotel at night.

"The issues discussed were highly classified, and Jho Low usually emailed me the documents for the meeting beforehand.

"I did not participate in the meeting, because my job is only to set up the meeting," he said.

He said that after the 1MDB issue surfaced, Low tightened security during meetings by hiring bodyguards to escort them to the room at the hotel.

"There were one or two bodyguards escorting (them) to the room, where (they) would meet for almost an hour," he said.

Amhari said Low always appeared in batik shirts and was mostly in a hurry.

"He also put a security password on all documents attached in his emails and sent us the password via Blackberry messenger," he said.



*Datuk Seri Najib is facing four charges of having used his positions to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.*

Amhari said Low had informed him and Azlin that he met with Najib before attending the meetings, and that the latter had instructed us to initiate the plans.

"We always carried out his instructions, as Azlin was very loyal to Najib and would carry out instructions without (question)," he said, adding that Najib never attended the meetings as he had given the mandate and authorisation to Low.

However, he said the "secret meetings" became "weird" as Low became more aggressive with his instructions.

"Sometimes, I saw my boss (Azlin) raise his eyebrow, surprised, and questioned instructions such as to expedite financial approval.

"However, Jho Low would reply calmly and ask us to contact Najib for confirmation," he said.

Amhari said Azlin, in several meetings, raised his concerns about instructions that came from Low.

"However, when he checked with Najib, the former premier confirmed and agreed with it," he said.

Amhari also revealed that Jho Low had instructed them to destroy the documents as the matters were discreet and they had to avoid leakages of information.

"I usually destroyed the documents after each meeting, but there were several documents that I overlooked and did not destroy.

"Sometimes, my boss gave me a copy of his documents to me for safekeeping after his meeting with Jho Low," he said, adding that Low also wanted them to delete all conversations and emails.

Najib is facing four charges of having used his positions to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.

The former finance minister is alleged to have committed gratification offences at the AmIslamic Bank Berhad, at No.55, Jalan Raja Chulan, Bukit Ceylon here between Feb 24, 2011 and Dec 19, 2014.

For the money laundering charges, Najib is alleged to have committed the offences at the same bank between March 22, 2013 and Aug 30, 2013.

### 3. Govt to recover RM4b lent by KWAP to SRC International



The government is seeking to recover RM4 billion which was loaned to SRC International Sdn Bhd (SRC) by the Retirement Fund (Incorporated) or Kumpulan Wang Persaraan (Diperbadankan) (KWAP)

PUTRAJAYA: The government is seeking to recover RM4 billion lent to SRC International Sdn Bhd (SRC) by the Retirement Fund (Incorporated) or Kumpulan Wang Persaraan (Diperbadankan) (KWAP).

In a statement today, Finance Minister Lim Guan Eng said the government, as a guarantor to the RM4 billion loan made by the former 1Malaysia Development Bhd (1MDB) subsidiary, was currently burdened to repay the amount to KWAP.

"This financial burden of SRC is fully borne by the federal government. From the RM4 billion, RM3.6 billion (USD1.1 billion) was transferred to several offshore entities and banks.

"They are BSI Bank in Switzerland (more than USD800 million), Bank Julius Baer & Co. Ltd in Hong Kong (USD 250 million) and a coal exploration company in Mongolia (USD 60 million)," he said.

The government, through SRC, will be taking civil action to recover the fund and also working alongside authorities in the respective countries to track down the money, Lim said.

"The government is also working with legal advisers to determine the right civil action which can be taken to get back all SRC's assets," he said.

Lim said the move doesn't include the RM42 million of SRC fund allegedly abused.

Former prime minister Datuk Seri Najib Razak is currently facing seven charges at the Kuala Lumpur High Court of abuse of position, criminal breach of trust and money-laundering over the RM42 million of SRC International's funds.

Finance Ministry took over SRC International from 1MDB in 2012, before taking a second loan from KWAP.

On June 15, 2019, prosecution witness of the SRC International trial, Afidah Azwa Abdul Aziz, told the court that SRC International owed KWAP RM4.15 billion after borrowing RM4 billion in 2011 and 2012.

"We hope to get back the money so that it can be paid back to KWAP as well as reducing the government's burden," Lim said.

On Monday, Lim said the ministry had paid nearly RM1.69 billion of SRC International's RM4.15 billion debts owing to KWAP, with the most recent payment of over RM344 million last month.

**4. Jho Low instructed Najib's aides to open overseas accounts for political funds, court hears**

KUALA LUMPUR: Fugitive businessman Low Taek Jho or Jho Low had assured two top officers at the Prime Minister's Office (PMO) that Datuk Seri Najib Razak would take care of everything in his bid to convince them to open overseas bank accounts allegedly for political funds, the High Court heard today.

Key witness Datuk Amhari Effendi Nazaruddin, 43, who was formerly the head of the economic policy division in the PMO said he and his boss, the late Datuk Azlin Alias, who was Najib's principal special officer, felt uncomfortable with the instruction but proceeded nevertheless.

"I did not want to get involved, but Jho Low said to have faith in him. He added 'boss (Najib) will take care' should anything happen," he added.

"He said Najib had given his 'blessing' and ordered us to open these accounts 'as standby'.

"He added he would manage the accounts entirely.

"We were very worried that the accounts might be used for Najib's political funds in the 13th General Election."

Amhari who was also one of Najib's special officers said despite having reservations, both of them (Amhari and Azlin) abided and opened the accounts at BSI Bank in Singapore.

He said Jho Low had given his word that Najib would protect them if any issue cropped up and that all documentations would be done in a proper manner.

"I decided to follow my boss' (Azlin) decision to open the account, as he knew better.

"We were also worried for our safety if we did not follow Jho Low's instruction," he said, adding that Low had managed all the processes and sent both of them to Singapore to open the accounts.

"My boss told me to 'just play along'. However, he also said not to use the money inside the accounts as they did not belong to them.

"Furthermore, Jho Low was the one who had total control of the accounts," he added.

Amhari said Jho Low, with the help of BSI Bank's officer Yvonne Seah and her colleague had manipulated him and Azlin.

He said when Azlin died on April 4, 2015 in a helicopter crash, he was left alone to worry about the account which was under Low's control.

"I was so stressed, and things escalated in early 2016 when I received a call from the bank informing me that I had more than US\$800,000 bank balance.

"I was so shocked because I did not have any knowledge about it.

"The bank called me again and told me to close the BSI Bank account, and that I needed to transfer the money to another bank," he said.

Amhari said he contacted Low about the matter, and was told to open another overseas account in Shanghai, China.

He added Low was with him during the process (to open the bank account), but the application was rejected.

"Low then instructed me to go to Bangkok to open another account at Kasikorn Bank and it was accepted within a month.

"I sent a letter to BSI Bank via my hotel's fax machine in Bangkok informing them about the latest update.

"However, they told me the fund transfer failed and they would contact me for further instructions.

"I told Low about this and he said he would take care of it," he added.

Amhari said the fund transfer to Kasikorn Bank was done as he was told to close the BSI Bank account.

"I never withdrew money from this account for my personal gain.

"Low was the one who had total control of this account. I was also afraid to ask Najib about it," he added.

Proceedings before judge Collin Lawrence Sequerah continues this afternoon.

Najib is facing four charges of having used his position to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.

The former finance minister is alleged to have committed gratification offences at the AmIslamic Bank Berhad, at No.55, Jalan Raja Chulan, Bukit Ceylon here between Feb 24, 2011 and Dec 19, 2014.

For the money laundering charges, Najib is alleged to have committed the offences at the same bank between March 22, 2013 and Aug 30, 2013.



Fugitive businessman Low Taek Jho or Jho Low had assured two top officers at the Prime Minister's Office (PMO) that Datuk Seri Najib Razak would take care of everything in his bid to convince them to open overseas bank accounts allegedly for political funds, the High Court heard today



**5. China mission 'to bail out 1MDB, SRC'**



**Datuk Seri Najib Razak's former special officer, Datuk Amhari Efendi Nazaruddin, arriving at the Kuala Lumpur Court Complex yesterday.**

KUALA LUMPUR: The East-Coast Rail Link (ECRL), Trans-Sabah Gas Pipeline (TSGP) and Multi-Product Pipeline (MPP) were projects proposed to China to bail out debt-ridden 1Malaysia Development Bhd (1MDB) and its former subsidiary, SRC International Sdn Bhd.

The High Court was told today that Datuk Seri Najib Razak and fugitive financier Low Taek Jho, better known as Jho Low, had planned to get Chinese government-linked companies (GLCs) to invest in the projects, thus taking up 1MDB and SRC International's debts.

To this end, Najib sent Datuk Amhari Efendi Nazaruddin, who was then his special officer, to China on a secret mission.

Testifying in Najib's 1MDB trial, Amhari said he was called to Najib's residence in June 2016 and was told to carry out a "secret assignment" to confirm there was an understanding to increase bilateral relations and investments between both countries ahead of the premier's visit to China.

The 43-year-old said Najib personally tasked him with the mission following the death of his principal private secretary Datuk Azlin Alias.

"Najib told me I would be heading to China alone, and Low Taek Jho, or Jho Low, would arrange for my trip," he said on the fourth day of Najib's 1MDB corruption trial.

Amhari said at that time, he felt stressed and even thought of quitting as he felt the tasks given to him were burdensome, especially after Azlin's death.

"But I had to do it as Najib was my boss and he was the prime minister of Malaysia," he said.

At the same time, Low was in contact with Amhari and emailed him instructions about the itinerary and agenda for discussions in China.

Amhari said that period was the toughest time of his career.

"I was worried I would be implicated in the plans of Najib and Jho Low if the trip to China was indeed meant to cover up the losses of 1MDB funds, and the repayment of International Petroleum Investment Company (IPIC) debt that involved misappropriation of 1MDB (funds) or the preparation of political funds.

"From the talking points in the email I received from Jho Low, I realised that the duo (Najib and Low) were planning to use agreements with Chinese GLCs to bail out 1MDB and SRC International Sdn Bhd.

"They would get the Chinese firms' help to acquire shares and take on 1MDB's and SRC International's debts."

Amhari said Low was also present during his meeting with officials from the Chinese GLC facilitator, the State-owned Assets Supervision and Administration Commission.

"I could not understand much of what was being discussed as the members conversed in Mandarin, but sometimes Jho Low would translate it for me.

"He was the one who did the talking and from what I understood, Najib had offered the state enterprises' participation in Malaysian infrastructure projects."

Amhari said Low had also recommended then 1MDB director Terrence Geh, also known as Heng, be appointed as the coordinator for the 1MDB/SRC debt resolution programme.

"Among the projects discussed with China to bail out 1MDB/SRC were the TSGP, MPP and ECRL."

The cost of the ECRL project alone was set to hit RM66 billion. When Pakatan Harapan took over the government, it initially cancelled the project.

However, the government later renegotiated the deal and managed to bring costs down to RM44 billion.

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**6. Jho Low was a 'master manipulator' capable of getting what he wanted, court told**



**Datuk Amhari Efendi Nazaruddin said it was 'very possible' when it was suggested to him by Najib's lead counsel Tan Sri Muhammad Shafee Abdullah that Low was so convincing that he could even 'sell ice to an Eskimo'**

KUALA LUMPUR: Fugitive businessman Low Taek Jho or Jho Low was a 'master manipulator' who was capable of executing anything to get what he wanted, the High Court heard.

This was revealed by key witness Datuk Amhari Efendi Nazaruddin, who was Datuk Seri Najib Razak's former special officer, when asked why he had labelled Low as such.

The 43-year old witness said it was 'very possible' when it was suggested to him by Najib's lead counsel Tan Sri Muhammad Shafee Abdullah that Low was so convincing that he could even 'sell ice to an Eskimo'.

Shafee: Do you know where Jho Low graduated from?

Amhari: If I'm not mistaken Wharton (School of the University of Pennsylvania).

Shafee: Before that, he went to a public school in England. In Harrow. Winston Churchill went there.

Amhari: Now I know.

Shafee: He received a solid education, he speaks well and a primary quality of his is he is able to convince people. To put it in analogy, he can sell ice to an Eskimo.

Amhari: Very possible.

The witness also said he concluded that Low was a 'master manipulator' because the latter was overwhelmingly able to meet and persuade people from various positions and organisations from all parts of the world.

"In a very overwhelming way, he is able to place people, meet people and engage people at various levels, high level, medium position, low position, domestic or international ... so he is able to get what he wants to a point that we do not even know who they are but they are all going in the same direction," he said.

Amhari gave an example of an occasion where he felt misled by Low during his trip to China where he did not know head or tail of the trip.

"When I arrived in the country, the agenda had been set and there were others there to remind me to continue with the agenda (even) if I disagreed with something," he said while giving an analogy.

Yesterday Amhari testified that he was ordered by Najib to go to China alone on a secret mission to get Chinese government-linked companies (GLCs) to invest in two projects namely the East-Coast Rail Link (ECRL), Trans-Sabah Gas Pipeline (TSGP) and Multi-Product Pipeline (MPP), thus taking up 1MDB and its subsidiary SRC International Sdn Bhd's debts.

Najib, 66, is facing four charges of having used his position to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.

The former finance minister is alleged to have committed gratification offences at the AmIslamic Bank Berhad, at No.55, Jalan Raja Chulan, Bukit Ceylon here between Feb 24, 2011 and Dec 19, 2014.

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**7. After 1MDB fallout with UAE, Goldman desperately courts rest of Middle East**



GOLDMAN Sachs Group Inc is tapping its upper echelons to navigate a notoriously complicated region where it has stumbled of late: the Middle East

GOLDMAN Sachs Group Inc is tapping its upper echelons to navigate a notoriously complicated region where it has stumbled of late: the Middle East.

After missing out on at least US\$25 billion (RM104 trillion) in deals in Abu Dhabi - the emirate that snubbed the US bank for its involvement in the 1MDB scandal - Goldman Sachs is making a push into Saudi Arabia.

Chief Executive Officer David Solomon - the first chief of a Wall Street bank to visit the kingdom following the murder of government critic Jamal Khashoggi - has turned to international banking head Richard Gnodde and former Donald Trump adviser Dina Powell to help lead the push. They've all spent months wooing top officials in Riyadh, vying for a slice of the world's biggest initial public offering, people with knowledge of the matter said.

The charm offensive is paying off: the bank is considered one of the strongest contenders to get a lead role on Saudi Aramco's mammoth offering. The deal promises to open the door to more lucrative mandates as the nation opens up to foreign investment and plans to privatise hundreds of state assets.

**Difficult market**

Saudi Arabia is becoming the focus of Goldman Sachs' Middle East strategy after the fallout from the 1MDB corruption scandal marked its abrupt downfall in Abu Dhabi, once one of its most lucrative markets in the region. Dealings with Qatar have become more complicated amid its

diplomatic clashes with the kingdom. Global banks, including JPMorgan & Co and Credit Suisse Group AG, are investing in Saudi Arabia as it promises some of the world's biggest deals.

"Saudi Arabia is a goldmine of potential investment banking revenues for Goldman Sachs in the Middle East," said Gary Dugan, chief executive officer of Singapore-based Purple Asset Management Pte. "They will need success on Aramco to offset the door closing in their face in Abu Dhabi."

A spokesman for Goldman Sachs declined to comment.

### **Missed deals**

Goldman Sachs had been the go-to bank for many of Abu Dhabi's top dealmakers, but has missed out on billions of dollars of deals after being sued by two of its investment funds. The bank is accused of misleading investors when it helped 1MDB raise US\$6.5 billion through bond deals in 2012 and 2013, while allegedly knowing that the funds would be misappropriated. The firm has denied culpability in the scandal and laid the blame on Tim Leissner, a former partner who has pleaded guilty.

Mubadala Investment Co publicly blacklisted the bank earlier this year, while a number of local lenders and state bodies have informally stopped doing business with the bank, people with knowledge have said.

Goldman Sachs is being sidelined as Abu Dhabi, home to 6 per cent of global oil reserves, is in the midst of a consolidation wave as the emirate tackles lower oil prices and slowing economic growth. The government is merging banks and sovereign funds, selling non-core assets and bringing in international investors into core sectors such as oil and gas - all of which mean big business for banks.

The US bank advised on the initial public offering of Abu Dhabi National Oil Co's retail distribution unit in 2017 that raised \$US851 million and worked with Mubadala on the planned US\$3 billion IPO of its Emirates Global Aluminium unit. It was also involved in a controversial deal to raise US\$1.2 billion in bonds for a cluster of airlines linked to Etihad Airways.

Despite the fallout, Goldman Sachs continues to speak with companies in Abu Dhabi and seek new business there, one of the people said.

In Saudi Arabia, Goldman Sachs's top executives have been cultivating relationships for years.

While the bank joined rivals in cancelling its attendance at the nation's marquee conference last year, CEO Solomon in April became the first head of a global US bank to travel to the kingdom to boost ties after Khashoggi's killing and dismemberment at a consulate in Istanbul.



Investment banker Gnodde has been courting Saudi officials since Aramco first announced plans for the listing more than two years ago, and is managing the bank's efforts in the kingdom, the people said.

When Egyptian-born Powell returned to Goldman Sachs last year after time in the Trump administration, the firm carved out a new role for her in the investment-banking division. She was tasked with courting large sovereign wealth funds, especially in the Gulf. Her appointment was notable because she had no prior banking experience and it wasn't until this year that she completed the required exams for Wall Street bankers.

Powell started visiting the country in the run up to Aramco's record debut bond issue, which Goldman Sachs helped manage, one of the people said. The Arabic speaker and former US deputy national security adviser has played a key role in pitching for business using her deep connections in the Middle East, the people said.

### **On the ground**

Goldman Sachs has been building its presence in Saudi Arabia for some time, boosting headcount, securing a stock-trading license and getting involved in key deals including the kingdom's first euro-denominated bond sale. The bank hired JPMorgan's Mohammed Nazer to join its investment banking team in the kingdom, people said in July.

These efforts are yielding results. The bank is closing in on HSBC Holdings Plc and JPMorgan that have for years dominated deal-making in the kingdom. Goldman Sachs was the second top M&A adviser in the country last year, according to data compiled by Bloomberg.

The bank advised petrochemical giant Saudi Basic Industries Corp on its US\$69 billion sale to Aramco and is working on Riyadh Bank's merger with National Commercial Bank. It also advised on Saudi British Bank's US\$5 billion combination with Alawwal Bank.

Still, operating Saudi Arabia isn't without its risks. Investment banking fees are limited compared with other markets and the hype over deals masks a struggle to attract long-term foreign direct investments crucial to reduce the reliance on oil. While FDI more than doubled last year to about US\$3 billion, it remains well below the average level of the past decade.

That's in part due to uncertainty over the government's economic plans, human rights record and its 2017 declared crackdown on corruption, which ensnared hundreds of billionaires and businessmen. Questions also remain over whether Crown Prince Mohammed bin Salman knew about or ordered Khashoggi's killing, an allegation the kingdom denies.

"When you do business in emerging markets, your systems have to be much more robust," said David Knutson, head of credit research for the Americas at Schroder Investment Management in New York. "If that level of vigilance doesn't stay high when the money comes thick and fast, it can dull

your sensitivity to risks. If you let your guard down, emerging market risks will haunt you for a long time." " - Bloomberg

**8. Wrangle between Shafee and key witness over inconsistencies in testimony**



An argument broke out between a key witness and Datuk Seri Najib Razak's lead counsel Tan Sri Muhammad Shafee Abdullah today over inconsistencies during the 1Malaysia Development Bhd (1MDB) trial

KUALA LUMPUR: An argument broke out between a key witness and Datuk Seri Najib Razak's lead counsel Tan Sri Muhammad Shafee Abdullah today over inconsistencies during the 1Malaysia Development Bhd (1MDB) trial.

The drama unfolded in the High Court when Shafee questioned the eight prosecution witness Datuk Amhari Efendi Nazaruddin and alleged that there were inconsistencies in his statement.

Shafee also claimed that Amhari had fabricated his statement as he (Amhari) was working in cahoots with fugitive businessman Low Taek Jho or Jho Low, which the witness disagreed.

Amhari who sounded annoyed with the line of questions posed to him defended his statements saying that every point he made from the witness stand carried a different context.

Shafee during his cross-examination stated that in paragraph 17 of Amhari's statement, the witness and his former late boss Datuk Seri Azlin Alias 'most of the time' checked with Najib on instructions they received from Low.

However, Shafee said this was in contradiction with the witness's statement in paragraph 25 which stated that Amhari and Azlin only checked with Najib "sometimes" and "whenever necessary."

Azlin was then Najib's principal special officer. He died in a helicopter crash in April 2015.

**Shafee:** I put it to you that you are being inconsistent in paragraph 17, where you have the impression that mostly you or Azlin would check with Najib but in paragraph 25, you said 'adakalanya' (sometimes) and whenever necessary, you or Azlin would check with Najib.

**Amhari:** I disagree, because the nature of checking with Najib is not rigid ... I will ask him only on important or sensitive issues.



*Amhari who sounded annoyed with the line of questions posed to him defended his statements saying that every point he made from the witness stand carried a different context.*

**Shafee:** Datuk, you're not being relevant.

**Amhari:** I am being relevant. We (special officers) try not to trouble Najib... if the issue involves social media, I will try not to bother him.

The exchange between the duo took some 15 minutes before Amhari finally agreed that they checked with Najib only when needed.

Shafee claimed that the witness also sought to imply that Low's instruction was also Najib's instruction, which the witness disagreed.

**Shafee:** I put it to you that you actually worked hand-in-hand with Low and that is why you were rewarded with USD\$1 million.

**Amhari:** I disagree.

Shafee then moved to another issue where the witness described Azlin as Najib's loyalist, who would execute any order from him without question.

**Shafee:** You said Azlin is very confidential, but at the same time you said Azlin knew everything about 1MDB including its funds, and Najib's political strategy. Did Azlin tell you this (about 1MDB)?

**Amhari:** Yes... he told me but in a broad manner.

Shafee said Amhari's statement was inconsistent because he was bound to make a mistake as the statement was lengthy.

The argument between them suddenly receded when Shafee out of curiosity asked Amhari about a secret meeting between him, Azlin and Low.

**Shafee:** Out of curiosity, why Prince Hotel... the place is not that good.

**Amhari:** It was suggested by Low. I checked with Azlin and he agreed.

**Shafee:** I wanted to know why ... a lot of 'bad things' were done in Prince Hotel... drug dealing also.

**Amhari:** It was chosen by Low.

**Shafee:** You did not check with Najib (on the meeting)?

**Amhari:** No.

**Shafee:** The defence lawyer knows a lot about hotels in Kuala Lumpur.

Shafee's statement drew laughter from the public gallery.

Amhari said Low informed him that he had gone to Najib's house in Langgak Duta before attending the secret meeting.

**Shafee:** Why did all of you not go to Najib's house for a meeting? It would have been a lot easier, right?

**Amhari:** It did not work out that way, because an appointment with Najib was decided by himself (the Pekan MP). For that meeting (Najib and Low), we were not invited.

Amhari, who worked with Najib for almost 10 years, said he had also deleted all of his email contents early this year, after he was released from the Malaysian Anti-Corruption Commission (MACC)'s remand.

**Shafee:** Why did you delete your inbox?

**Amhari:** Because I wanted to make space for new incoming emails. I do this annually.

**Shafee:** Are you arrested annually?

**Amhari:** No.

**Shafee:** When did you delete your inbox?

**Amhari:** Early this year.

**Shafee:** When you were released?

**Amhari:** July last year.

Amhari also said it never crossed his mind that Najib was being misled by Low.

Proceedings continue tomorrow.

Najib is facing four charges of having used his position to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.

The former finance and prime minister is alleged to have committed gratification offences at the AmIslamic Bank Berhad, at No.55, Jalan Raja Chulan, Bukit Ceylon here between Feb 24, 2011, and Dec 19, 2014.

For the money laundering charges, Najib is alleged to have committed the offences at the same bank between March 22, 2013, and Aug 30, 2013.

**9. Jho Low prepared list of questions denying his involvement in 1MDB**



Low Taek Jho or Jho Low (right) had prepared a frequently asked questions (FAQ) script to deny his involvement in 1Malaysia Development Bhd (1MDB), the High Court heard. Datuk Amhari Efendi Nazaruddin (left), who was former special officer to Datuk Seri Najib Razak, said the FAQ script was given to him and the late Datuk Azlin Alias, who was Najib's former principal private secretary.

KUALA LUMPUR: Fugitive businessman Low Taek Jho or Jho Low had prepared a frequently asked questions (FAQ) script to deny his involvement in 1Malaysia Development Bhd (1MDB), the High Court heard.

Datuk Amhari Efendi Nazaruddin, who was former special officer to Datuk Seri Najib Razak, said the FAQ script was given to him and the late Datuk Azlin Alias, who was Najib's former principal private secretary.

Amhari who is a key witness in the former prime minister's trial said Azlin had briefed Najib on the matter

"The FAQ were for relevant key individuals to say. Low also suggested that Najib say this as well," he added.

Amhari said one of the points of the discussion during the briefing was to deny that Low had any role in 1MDB.

Under cross-examination by Najib's lead counsel Tan Sri Muhammad Shafee Abdullah, Amhari said he could not remember whether the documents were shown to Najib at that time.



He said the copy was not with him at that moment and that it might have been destroyed the night before, as Low had ordered for it to be shredded.

The 43-year-old who was the eighth prosecution witness testified that the briefing was very short and took not more than 10 minutes.

The court also heard that Low had attended exclusive functions held by Najib and his wife Datin Seri Rosmah Mansor at the couple's private residence in Kuala Lumpur.

Amhari revealed this when he was testifying on the close relationship between Low and Rosmah.

"To generalise, when Najib and Rosmah organised private functions, I would see Jho Low being invited as well on several occasions," he said.

Amhari added the attendees comprised about 100 people who were staff, VVIP businessmen and government officers who were close to Najib's family.

The witness testified that on several occasions when he and Low had meetings, he would hear the latter talking to Rosmah over the phone.

Shafee: You perceived that Rosmah was on the line?

Amhari: I have also met Rosmah and she spoke to me about Jho Low.

Shafee: From the phone calls, you concluded that Rosmah must know Jho Low?

Amhari: Yes.

Shafee: Then you said Rosmah also told you this. You are saying that their relationship is close from what Jho Low and Rosmah told you?

Amhari: She did not say she was close to Jho Low but she spoke fondly about him.

Asked if he knew the nature of the phone calls, the witness said he did not make it a point to know as he respected them.

"After that (phone calls), Jho Low would tell me Rosmah called and asked me to keep that a secret," the witness said.

The trial continues.

Najib, 66, is facing four charges of having used his position to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.

**10. Jho Low gave US\$200,000 loan to Najib's ex-special officer to buy house**

was for the purchase of a house and for property-related matters



Datuk Amhari Efendi Nazaruddin, 43, who is the key witness in the former prime minister's trial, said the loan was for the purchase of a house and for property-related matters

KUALA LUMPUR: A former special officer to Datuk Seri Najib Razak told the High Court today he was not aware he had committed an offence by not declaring US\$200,000 (RM834,440) loaned to him by fugitive businessman Low Taek Jho or Jho Low.

Datuk Amhari Efendi Nazaruddin, 43, who is the key witness in the former prime minister's trial, said the loan was for the purchase of a house and for property-related matters.

Under cross-examination by Najib's lead counsel Tan Sri Muhammad Shafee Abdullah, the witness said he did realise it was an offence taking up the loan, without seeking permission from his principal.

"I did not know. It was not clear to me that it was an offence," he said.

Amhari added he had not paid the principal amount of the loan.

He also testified that he did not have to pay interest on the sum.

Shafee: Did you pay interest on the US\$200,000 loan?

Amhari: No interest.

Shafee: You have not paid the US\$200,000 principal?

Amhari: I have not.

When asked if he could trace the transaction of the US\$200,000 into his Maybank account, Amhari said the documents had been seized by the authorities.

"I will try (to trace the transaction)," he added.

Amhari also testified that he was aware Jho Low was a businessman who had dealings with the government, specifically the Prime Minister's Office, Economic Planning Unit and the Ministry of Finance.

In the previous proceedings, Amhari had described Jho Low as a 'good lender' for letting him borrow the money to purchase a property in Kota Damansara.

He said when he failed to repay the loan, Jho Low asked him to 'take his time'.

Amhari said he decided to borrow from Jho Low back in 2012 as he was not eligible to apply for a loan with either a local financial institution or Bank Negara Malaysia for the amount.

Najib, 66, is facing four charges of having used his position to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.

**11. MACC to probe selling of MyKad to Chinese nationals**



They were arrested by police for allegedly selling the identification cards to Chinese nationals

KOTA KINABALU: The Malaysian Anti-Corruption Commission (MACC) will investigate several individuals, including high-ranking government officials, who are alleged to be involved in the illegal sale of MyKads in Penang.

They were arrested by police for allegedly selling the identification cards to Chinese nationals.

Although MACC is yet to receive an official report, its chief commissioner Latheefa Koya said they would begin investigations once they received information on the matter.

"So far, there is no official complaint but if a syndicate is involved, we will start investigating. Cases such as selling MyKads are not new, but we need to know the basis.

"At the moment, we only know about it through the media. However, we don't need to wait for an official report. Once we have information, we will act," she said today.

Latheefa was speaking to reporters after paying a courtesy call to Chief Minister Datuk Seri Mohd Shafie Apdal at the Sabah Administrative Centre here. Also present was Sabah MACC director Datuk Sazali Salbi.

In a special operation last week, police detained several staff and officers of a government department in Penang and Putrajaya under the Security Offences (Special Measures) Act 2012 or Sosma.

Meanwhile, Latheefa said MACC was investigating recent disclosures in the Auditor-General's Report, particularly those with criminal elements, adding that a taskforce had been set up to probe the matter.

Asked when the second list of forfeitures would be issued by MACC to recover misused 1Malaysia Development Berhad (1MDB) money, she said they would make an announcement on it.

**12. Police identify mastermind behind MyKad selling syndicate in Penang**



Penang police chief Datuk T. Narenasagaran confirmed this when met today but did not elaborate on the modus operandi of the syndicate

**BAYAN LEPAS:** After a three-month secret operation, police identified the mastermind behind the syndicate responsible for selling MyKads to Chinese nationals here.

The 34-year-old, who is in Grade 42 and attached to a government department here, is one of the six men charged earlier today.

Penang police chief Datuk T. Narenasagaran confirmed this when met today but did not elaborate on the modus operandi of the syndicate.

"The (investigation) process is long and we will give updates when there are any," he said.

Asked how long the syndicate has been operating, he said it was still under investigation.

"So far, we have detained 20 of them, and after being referred to the prosecution, six of them were charged today.

"Others might be called upon as prosecution witnesses but it is up to the prosecution team," he added.

In a special operation last week, police detained several staff and officers of a government department in Penang and Putrajaya under the Security Offences (Special Measures) Act 2012 or Sosma.

*Harian Metro* reported that police managed to uncover the activity when a Chinese woman came to the Penang Immigration Department to apply for passport.

She, however, failed to respond to the queries posed in Bahasa Malaysia and only smiled to the officer there.

The Immigration Department then lodged a police report before the arrests were made.

The MyKads were believed to have been sold for between RM100,000 and RM600,000.



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**14. NRD to review, improve SOP in issuing birth certs and MyKads**

KUALA LUMPUR: The National Registration Department (NRD) will review and improve procedures in issuing birth certificates and identification cards to stop any misappropriation or abuse of power.

In a statement today, NRD reiterated that it would not compromise on the misconduct of staff involved in the issuance of fake documents.

"NRD will not protect any staff found involved in activities that will jeopardise national security and sovereignty."

Earlier, a Penang NRD assistant director and another five men were slapped with a total 32 charges for various offences in connection with the illegal issuance and sale of MyKads to foreigners at two Sessions Courts in George Town.

The accused allegedly issued and sold fake birth certificates and MyKads to Chinese nationals and abetted in falsifying the documents.

All six were charged under Section 26E of the Anti-Trafficking in Persons and Anti-Smuggling of Migrants (ATIPSOM) Act 2007 while five were also charged under Section 466 of the Penal Code read together with Section 109 of the Penal Code and Regulation 25(1)(i) of the National Registration Regulations 1990 respectively.

The NRD said it has given full cooperation to the police to complete their investigations.

"An internal investigation is also ongoing to ensure such cases do not recur.

"The NRD will ensure the process of issuing the documents is carried out in accordance with the provisions of the National Registration Act 1959," the statement said.

Police had arrested 20 people, aged between 32 and 70, on Aug 19, including the state NRD assistant director, who were part of the syndicate specialising in creating and selling fake identification documents.

Those arrested acted as agents, middlemen, sponsors and holders of the fake birth certificates, MyKads and passports.

Their activities were exposed in May when a female Chinese national was arrested by the Seberang Jaya immigration department after she attempted to apply for a Malaysian passport using an illegal MyKad in her name.

The woman was held after she was unable to speak a word of Bahasa Malaysia when quizzed by immigration officers.

She was later handed over to police for investigations and was charged in court for the offences two weeks later, where she pleaded guilty.

**15. 'Jho Low interested in TIA right from the start'**



**Prosecution witness Datuk Amhari Efendi Nazaruddin says Jho Low facilitated the setting up of TIA**

KUALA LUMPUR: The High Court heard that fugitive businessman Low Taek Jho or Jho Low had shown a keen interest in the setting up of the Terengganu Investment Authority (TIA) when the idea was mooted in 2008.

He was also involved in early stage establishment of the sovereign wealth fund, which was later changed to 1Malaysia Development Bhd (1MDB).

This was revealed by prosecution witness Datuk Amhari Efendi Nazaruddin who was the former special officer of Datuk Seri Najib Razak, when he was shown the cabinet's minutes of meetings dated Dec 19, 2008.

The document was shown to Amhari by Najib's lead counsel Tan Sri Muhammad Shafee Abdullah during cross examination.

Amhari, 43, who attended the meeting as a secretariat, said he however could not recall taking down the minutes although he was present.

When suggested by Shafee that Low had tabled a draft proposal when TIA was mandated in 2009 and had showed interest in the idea, Amhari said he was aware of Low's involvement from the early stages of the establishment.

When suggested that TIA was the project of Sultan of Terengganu Sultan Mizan Zainal Abidin, who at that time was the Yang di-Pertuan Agong, Amhari said he was not aware of it.

He had also described in his testimony that TIA was the 'baby' of the former prime minister.

"Najib wanted to develop it when he becomes the prime minister later. For example, 1MDB and whatever policy can be described as his 'baby', that is something important and inspiring to him. I do not know if it was his idea," he added.

When asked on the role of Jho Low in the meeting, Amhari said the fugitive businessman had facilitated the setting up of TIA.

**Shafee:** What was Jho Low's role when he attended the meetings?

**Amhari:** I think his role is to facilitate TIA.

**Shafee:** On the last occasion (during cross-examination), someone from TIA and the Menteri Besar's office questioned who Jho Low was?

**Amhari:** Yes.

**Shafee:** With the benefit of hindsight, you still cannot tell he was invited to represent whose interest?

**Amhari:** I don't know.

**Shafee:** Was he there to suggest the way to move forward. He was in fact there to give advice?

**Amhari:** He was there to facilitate whatever that needs to be done by TIA.

The witness also testified that Low was invited to the TIA steering committee meeting but he did not know whom he represented in the meeting.

Hearing continues before judge Collin Lawrence Sequerah.

Najib, 66, is facing four charges of having used his position to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.

**16. Tycoon fined RM1.5 million for abetting Ku Nan in graft**



**Property tycoon Datuk Tan Eng Boon was fined RM1.5 million by the High Court for abetting Tengku Adnan Tengku Mansor to receive a RM1 million bribe**

KUALA LUMPUR: Property tycoon Datuk Tan Eng Boon was fined RM1.5 million by the High Court for abetting Tengku Adnan Tengku Mansor to receive a RM1 million bribe.

Judge Mohd Nazlan Mohd Ghazali also ordered Tan to undergo a year's imprisonment if he failed to pay the fine.

Tan pleaded guilty to an alternative charge of abetting Tengku Adnan in committing the offence in December 2013.

He needs to settle the fine by tomorrow.

Nazlan in his judgment said corruption was a serious crime which would hinder the development of the country.

"The court has taken into consideration the aggravating and mitigating factors, as well as public interest.

"Firstly, the accused pleaded guilty before the commencement of trial and this saved the court's time.

"This is also the first offence by the accused and the charge is abetment involving RM1 million.

"The sentence seeks to achieve the objectives of prevention and deterrence (of corruption)," he said.

In November last year, Tan claimed trial to bribing the former Federal Territories minister with RM1million using Public Bank cheque belonging to Pekan Nenas Industries Sdn Bhd, which was deposited into Tengku Adnan's CIMB account.

The money was purportedly a reward for Tengku Adnan for approving Nucleus Properties Sdn Bhd's (now known as Paragon City Development Sdn Bhd) bid to increase the plot ratio relating to the development of Lot 228, Jalan Semarak, here.

The 71-year-old businessman was also slapped with an alternative charge under Section 109 of Penal Code for abetting Tengku Adnan in committing the offence.

Meanwhile, Tengku Adnan was charged in his position as a public servant, with accepting RM1 million from Tan.

The same court, on Aug 9, allowed the graft cases against Tan and Tengku Adnan to be heard together.

Since Tan has pleaded guilty, Tengku Adnan's trial will commence on Thursday.

Deputy public prosecutor Julia Ibrahim when met after the proceedings said the trial would begin as scheduled.

"Tan might be one of our key witnesses during the proceedings," she said.

**17. Ku Nan's corruption trial to go on before judge Nazlan as scheduled**



High Court judge Mohd Nazlan Mohd Ghazali remains the presiding judge in Datuk Seri Tengku Adnan Tengku Mansor's corruption trial

KUALA LUMPUR: High Court judge Mohd Nazlan Mohd Ghazali remains the presiding judge in Datuk Seri Tengku Adnan Tengku Mansor's corruption trial.

Nazlan today dismissed the former minister's application to recuse him (Nazlan) from hearing the case, fearing he might not get a fair trial.

The move comes in the heels of the guilty plea entered by property tycoon Datuk Tan Eng Boon on an alternative charge of abetting Tengku Adnan, who is better known as Ku Nan, in receiving a RM1 million bribe.

The Putrajaya member of Parliament and Tan were to be jointly tried before the same judge, before the businessman changed his stand and entered a guilty plea on an alternative charge.

Nazlan in dismissing the application said there was no real danger of bias on the court's part to hear the case.

"The primary reason relied on was on the facts of the case that the court heard and recorded (when Tan entered his guilty plea) and that he (Tan) had agreed to be the prosecution witness," said the judge, adding that this would not be prejudicial to the accused.

Nazlan said even if the case was transferred to another court, the same facts would be elicited and some facts would still be introduced by Tan in the new court.



The judge said considering the circumstances around the assertion of the application that he (Nazlan) might be influenced was not substantive.

"It is the court's duty to ensure that a fair trial is based on clear evidence... There is no basis, to the contention of a real danger of bias in the application. The application is without merit and therefore I dismiss the application," he said.

Nazlan also ordered for the trial to continue today after dismissing a stay application by the defence pending an appeal against the decision.

Earlier, Ku Nan's counsel Datuk Tan Hock Chuan submitted that his client was genuinely concerned and worried that he may not get a fair trial before the court.

This was because the judge had read the facts of the case furnished by the prosecution, after Tan pleaded guilty on Tuesday.

"My client is concerned that the judge may be influenced or otherwise by the facts of the case as the judge was aware that the facts are prejudicial to my client," he said.

Deputy Public Prosecution Julia Ibrahim, however, argued that the defence had failed to show the real danger of bias.

She said Ku Nan's application to recuse the judge was based merely on his fear and worry that the judge may be influenced by Tan's testimony if the businessman is called as a witness.

The trial the continued with two witnesses being called to the stand. This saw the Division secretary at the Parliament and Constitution Affairs Section at the Prime Minister's Department Daman Huri Nor and assistant registrar of the Companies Commission of Malaysia Muhamad Akmaludin Abdullah take the stand.

The trial which was supposed to start on Thursday was postponed following a notice of motion filed by Ku Nan, 69, seeking to recuse Nazlan from hearing the case and for it to be heard by a different judge.

On Tuesday, Tan who was supposed to be jointly tried with Ku Nan for giving the bribe was fined RM1.5 million after he pleaded guilty to an alternative charge of abetting Ku Nan in receiving the RM1 million.

On the same day, the court was supposed to hear Tan's application to postpone the hearing. However, the businessman made a sudden move to plead guilty to the alternative charge.

In Nov last year, Tan claimed trial to bribing the former Federal Territories minister with RM1million using a Public Bank cheque belonging to Pekan Nenas Industries Sdn Bhd, which was deposited into Ku Nan's CIMB account.

The money was purportedly a reward for Ku Nan, 69, to assist the approval of Nucleus Properties Sdn Bhd's (now known as Paragon City Development Sdn Bhd) bid to increase the plot ratio relating to the development of Lot 228, Jalan Semarak, here.

The 71-year-old was also faced an alternative charge of abetting Ku Nan in committing the offence.

Meanwhile, Ku Nan was charged in his position as a public servant, with accepting RM1 million from Tan.

**18. Shafee: Bring Jho Low to court for cross examination**



Datuk Seri Najib Razak arrives at the High Court ahead of the 1MDB trial in Kuala Lumpur.

KUALA LUMPUR: Datuk Seri Najib Razak's defence team today called for 1Malaysia Development Bhd (1MDB)-linked fugitive businessman Low Taek Jho or Jho Low to be produced as soon as possible.

Counsel Tan Sri Muhammad Shafee Abdullah said Low should be brought to court immediately to help determine the truth in the former prime minister's case.

"The Inspector-General of Police (IGP) said not more than a month ago that they (the police) know exactly where Jho Low is.

"The Prime Minister and Deputy Prime Minister said they must get Jho Low.

"I would like to invite Jho Low to be produced as soon as possible so we can determine the truth," he said.

Shafee, who is the lead counsel for Najib, said this when submitting on 'hearsay' evidence in the testimony of former 1MDB chief executive officer (CEO) Datuk Shahrol Azral Ibrahim Halmi.

Shahrol, 49, who took the stand yesterday as the ninth prosecution witness in Najib's trial involving the misappropriation of RM2.3 billion in 1MDB funds had described the close relationship between the former prime minister and Low.

To this, Shafee said it was all 'hearsay' since nobody could prove what the witness said since Low was not around.

He submitted that hearsay evidence in general could not be admissible unless Low was called to court.

"Natural justice is totally removed because I have no chance of cross examining Jho Low," Shafee said.

He added that whatever Shahrol heard from Low may not be the truth as the eighth witness, Datuk Amhari Efendi Nazaruddin who was Najib's former special officer in his testimony had labelled Low as a 'master manipulator'.

"Why must we accept his (Low) words when he manipulated the entire event, TIA, 1MDB and in fact the PM (Prime Minister)," he said.

To rebut the defence, lead prosecutor Datuk Seri Gopal Sri Ram said the prosecution was entitled to show that Najib was not and could not have been misled by Low.

He recalled Amhari's testimony that Najib did not make any adverse response or appeared surprised at all when informed of Low's instructions through a draft of a letter.

"This is conduct accompanying the words spoken by Jho Low," he said.

Sri Ram also said the cases relied on by the defence in their submissions was inapplicable to the fact pattern of the current case which he described as unique.

He said this was because the accused was not an ordinary person but the prime minister and the most powerful person in the country (when the alleged offences were committed).

"For those reasons, we respectfully submit that what Shahrol and Amhari said, how they acted upon Jho Low's statements, how they verified with the accused and the accused's state of mind and Jho Low's are all relevant," he said adding that it was circumstantial evidence.

High Court judge Collin Lawrence Sequerah reserved his judgement.

Trial continues with Shahrol taking the stand.

Najib, 66, is facing four charges of having used his position to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.

**19. TIA took RM70,000 loan from Jho Low to increase share capital**

KUALA LUMPUR: Terengganu Investment Authority (TIA) had taken a RM70,000 loan from fugitive businessman Low Taek Jho or Jho Low in 2009 to increase its share capital to RM1 billion, the High Court heard.

Its former chief executive officer (CEO) Datuk Shahrol Azral Ibrahim Halmi said the money was paid directly into his personal account.

Shahrol was testifying as the ninth prosecution witness in Datuk Seri Najib Razak's trial involving the misappropriation of RM2.3 billion funds from 1Malaysia Development Bhd (1MDB), formerly known as TIA.

During examination in chief by lead prosecutor Datuk Seri Gopal Sri Ram, Shahrol said Low gave TIA the money as the sovereign wealth fund was in the midst of obtaining a government guarantee to allow the issuance of an Islamic medium-term notes (IMTN) bond.

The witness said he had informed Low that TIA was in a state of emergency and needed more funds when the Penang-born businessman gave him the money.

Sri Ram: Was any money extended for this purpose?

Shahrol: Yes, RM70,000

Sri Ram: Did the company have RM70,000?

Shahrol: Not at that time.

Sri Ram: Where did the money come from?

Shahrol: Jho Low gave me the money.

Shahrol said RM70,000 was credited into his bank account via cash deposit, the day after he informed Low of the matter.

The money from Low was given to TIA in a form of director's loan and later, the same amount was reimbursed after the company obtained proceeds from the issuance of the bond.

"I told Jho Low that I wanted to give the money back to him, but he said 'later, later'... After a while, I stopped asking him and used the money for charity," he said.

Shahrol said he utilised the money among others to sponsor orphans to watch an 'Upin & Ipin' musical theatre performance at Istana Budaya, here.

Earlier, the witness told the court that Low and TIA executive director Casey Tang had managed all the documents pertaining to the bond (IMTN) issuance worth RM5 billion.

He said both Low and Tang had directly dealt with AmInvestment Bank which was the main bank for the issuance of the bond.

Shahrol also testified that he informed Low as soon as he received feedback from the Ministry of Finance (MoF) on the status of the government guarantee for the IMTN as Low was an adviser to TIA.

Trial continues before judge Collin Lawrence Sequerah.

Najib, 66, is facing four charges of having used his position to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.

**20. Jho Low intended to use 1MDB's name in London hotel bid**



The High Court today heard how a RM715 million drawdown by 1Malaysia Development Bhd (1MDB) from the Syndicated Term Loan (STL) was side-tracked to acquire a hotel in London.

KUALA LUMPUR: The High Court today heard how a RM715 million drawdown by 1Malaysia Development Bhd (1MDB) from the Syndicated Term Loan (STL) was side-tracked to acquire a hotel in London.

The money was initially meant for the Bandar Malaysia (KLIFD) projects.

Former 1MDB chief executive officer (CEO) Datuk Shahrol Azral Ibrahim Halmi said it was fugitive businessman Low Taek Jho or Jho Low's idea for 1MDB to invest in the United Kingdom hotel with its subsidiary Aabar Investments PJS.

He said the original purpose of the RM715 million was for the KLIFD projects, now known as the Tun Razak Exchange (TRX).

However, at the same time, PetroSaudi International (PSI) had through Low requested for a US\$750 million drawdown as additional investments for the 1MDB-PSI JVco (joint-venture).

Shahrol, 49, who was testifying as a witness in the trial of former prime minister Datuk Seri Najib Razak involving the misappropriation of RM2.3 billion of 1MDB funds said upon receiving the request, he consulted Low.

"At the same time, he received another drawdown request for US\$750 million from PSI CEO Tarek Obaid.

"I immediately discussed with Low on the drawdown request and asked for his opinion on whether Najib had really agreed to the additional investment," he said.

He said he also received a notice in March 2011 related to a request from PSI director Patrick Mahony on the US\$750 million drawdown which was conveyed through Low, but no action was taken since he was still discussing the matter with Low.

Shahrol who was the ninth prosecution witness said it was during this discussion that Low proposed for investment to be made in the UK hotel sector.

"This was included in the Chairperson of Board of Directors (CBOA) minutes of meetings which Low prepared and later got Najib's to sign the minutes.

"In the minutes, Najib agreed for 1MDB to provide US\$750 million for the additional investment with JVco PSI.

"I signed the minutes as the secretary upon seeing Najib's signature on it," the witness said.

Referring to the CBOA minutes of meeting dated March 30, 2011, Shahrol confirmed that Najib agreed to provide the US\$750 million to PSI if 1MDB obtained a RM3 billion loan from Social Security Organisation (Socso) to focus on projects under Maybourne Hotel Group, SRC International Sdn Bhd and KLIFD.

He said however, the proposal on the Maybourne Hotel project was never discussed or planned by the 1MDB board of directors.

"I believe that Jho Low just wanted to use 1MDB's name for the hotel bid," he said.

Trial continues Monday before judge Collin Lawrence Sequerah.

Najib, 66, is facing four charges of having used his position to obtain gratification totalling RM2.3 billion in 1MDB funds and 21 counts of money laundering involving the same money.