

The Star November 2019

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1. Most of 1MDB funds pumped into PetroSaudi instead of development projects, court told



KUALA LUMPUR: The High Court was told that most of the funds raised by 1Malaysia Development Bhd (1MDB) - which was intended for the development of two mega projects - was instead pumped to PetroSaudi International Ltd (PSI).

Former 1MDB CEO Datuk Shahrol Azral Ibrahim Halmi, 49, testified that the plan was for 1MDB to raise RM5bil and RM10bil through bridging loan facilities for the Kuala Lumpur International Financial District (KLIFD) (also known as Tun Razak Exchange or TRX) and Bandar Malaysia, a project located at the former Sungai Besi airport site.

Shahrol said 1MDB only raised RM1bil for the KLIFD project while the RM10bil was never raised.

The witness, who was under cross-examination by lead counsel Tan Sri Muhammad Shafee Abdullah at Datuk Seri Najib Razak's 1MDB trial here on Monday (Nov 4), said only a small proportion from the loan was used for the project while the majority of it was channelled into PSI for additional charges from the Murabaha deal.

Shafee: Were the RM5bil and RM10bil in funds raised by 1MDB?

Shahrol: For the RM5bil, yes. The RM10bil, no.

Shafee: To finance what?

Shahrol: To finance these two projects, Sungai Besi (airport land development) and TRX.

Shafee: Was the RM5bil ever used for the project (TRX)?

Shahrol: Only a very tiny proportion was used for TRX if I recall correctly, although I would have to look at financial records. The money mostly went to PSI for additional tranches for the Murabaha agreement we spoke earlier.

When asked if the former premier had ever said he knew for a fact who specifically was the owner of PSI, the witness said "Najib never said that".

Shafee: As the prime minister at that time (Najib) in his capacity as a shareholder, you cannot expect him to do due diligence?

Shahrol: In general yes. But in this situation, in my perception, Najib was the one who has personally invested in this relationship, has met up with Prince Turki (of Saudi Arabia) on a holiday. I cannot say one way or the other if the prime minister would have the capacity to do due diligence.

The witness agreed when Shafee suggested that someone professional should have been tasked to do due diligence such as 1MDB itself.

Najib, 66, faces 25 charges in total - four for abuse of power that allegedly brought him financial benefit to the tune of RM2.3bil; and 21 for money laundering involving the same amount of money.

The hearing before Justice Collin Lawrence Sequerah resumes on Tuesday (Nov 5).

2. High Court dismisses Zahid's bid to consolidate CBT charges



KUALA LUMPUR (Bernama): The High Court here has dismissed former deputy prime minister Datuk Seri Dr Ahmad Zahid Hamidi's application to consolidate his 12 criminal breach of trust (CBT) charges over funds belonging to Yayasan Akalbudi, to become three.

Judge Collin Lawrence Sequerah made the decision after finding that the present 12 charges against Ahmad Zahid are clear and the accused could understand them for preparing his defence, thus not raising any issue of prejudice.

"Moreover, Section 153(2) of the Criminal Procedure Code (CPC) does not make it mandatory for the prosecution to combine the charges," he said during case management on Friday (Nov 8).

Deputy public prosecutor Datuk Raja Rozela Raja Toran appeared for the prosecution while counsel Hisyam Teh Poh Teik represented Ahmad Zahid, 66.

Raja Rozela told reporters that the accused had filed an application to challenge the constitutionality of the Malaysian Anti-Corruption Commission Act (MACC) 2009 and the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

The court fixed Nov 18 to hear the application.

On Oct 19 and Dec 14, 2018, as well as Feb 20 this year, Ahmad Zahid had pleaded not guilty at the Sessions Court here to a total of 47 charges, 12 of which are for CBT, eight for bribery and 27 for money laundering involving tens of millions of ringgit belonging to Yayasan Akalbudi.

3. Nik Faisal recruited into 1MDB from Jho Low's company, says witness

KUALA LUMPUR (Bernama): The High Court here was told that Nik Faisal Ariff Kamil was recruited into 1Malaysia Development Berhad (1MDB) in 2011 from UBG (Utama Banking Group), a company owned by fugitive businessman Low Taek Jho, also known as Jho Low.

Former 1MDB chief executive officer Datuk Shahrol Azral Ibrahim Halmi said Nik Faisal was appointed as chief investment officer (CIO) in the sovereign wealth fund and the appointment was sanctioned by former prime minister Datuk Seri Najib Razak.

"Actually, I had earlier asked (1MDB executive director) Casey Tang whether he was willing to take the CIO post...before asking Jho Low if he had other recommendations. He suggested Nik Faisal, that was how Nik Faisal's name came up," he said when cross-examined by Najib's lead counsel Tan Sri Muhammad Shafee Abdullah on the 34th day of the former premier's 1MDB trial on Monday (Nov 11).

Nik Faisal is the former CEO of SRC International Sdn Bhd.

When asked if he could produce Nik Faisal's appointment letter, Shahrol Azral, 49, said he would try to get the letter from the investigating officer in the case.

For the record, Casey Tang and Shahrol Azral were brought into 1MDB by Jho Low.

On the appointment of 1MDB general counsel, Jasmine Loo Ai Swan, Shahrol Azral said he was the one who asked Jho Low if Jasmine could be brought in.

"Jasmine was from Jho Low's UBG as well. At first Jho Low was reluctant, but later said he would agree to release Jasmine, if she said yes. I remembered having lunch with Jasmine and talk to her about the job opportunity (at 1MDB).

"Regarding Datuk Ong Gim Huat's appointment as non-executive director, he too was brought in by Jho Low. We were in the process of expanding and trying to achieve Najib's 1Malaysia aspiration. Jho Low said he had talked to Datuk Seri Najib about it," he added.

To a question by Muhammad Shafee, Shahrol Azral described Ong as an independent and clean businessman.

Muhammad Shafee then referred Shahrol Azral to the 1MDB board minutes where Ong informed the board about the Public Account Committee's (PAC) request for the 1MDB quarterly risk report.

Shahrol Azral said he was reluctant to provide the document to PAC initially as the PAC members also comprised the opposition for fear that they would take the report out of context and spin it.

However, he said, he later gave the report to PAC which subsequently led to the opposition holding a press conference on the matter.

Najib, 66, is facing four charges of using his position to obtain bribes totalling RM2.3bil from 1MDB funds and 21 charges of money laundering involving the same amount.

The hearing before Judge Collin Lawrence Sequerah continues on Wednesday (Nov 13)

4. Court orders Najib to enter defence over RM42mil SRC case

KUALA LUMPUR: Former prime minister Datuk Seri Najib Razak has been ordered by the High Court to enter his defence for seven charges in the SRC International trial involving the misappropriation of RM42mil in SRC funds.

High Court judge Justice Mohd Nazlan Mohd Ghazali made the order after ruling that the prosecution had proven a prima facie case against the Pekan MP.

"The prosecution has successfully adduced credible evidence proving each and every essential ingredient of the offences of abuse of position for gratification, criminal breach of trust and money laundering as framed in the charges," said the judge who took almost an hour to read his decision here on Monday.

In his decision, Justice Nazlan pointed out to Najib's participation in Cabinet meetings in 2011 and 2012.

"The interest of the accused in SRC must be seen in the correct context - which is from the time SRC was established, to the approval of the loan applications by SRC from the Retirement Fund Inc (KWAP) - which were guaranteed by the Government, until the RM42mil which was the property of SRC, were deposited into the accused's bank accounts.

"In my view, the intention to obtain gratification in this case could be easily inferred from the circumstances, given the failure of the accused to avoid conflict of interest position at Cabinet meetings," he said.

The judge opined that Najib's failure to avoid a conflict of interest during Cabinet meetings supplied the criminal intention against him - particularly when it was shown that he had interests in SRC, a company that he also controlled.

"SRC, the entity, was the subject matter of the decision to grant Government guarantees at these Cabinet meetings.

"Given the accused's control over SRC, the accused could cause the transfers of the company funds, in respect of the three transactions totalling RM42mil through intermediary companies, credited into his personal accounts and expended to his own advantage.

"This is gratification to the accused, pure and simple," he added.

Najib, 66, appeared calm when the decision was read in court on Monday (Nov 11).

He has chosen to give sworn evidence in his defence trial.

This would mean that Najib is subjected to cross-examination by the prosecution.

The prosecution trial lasted 58 days with 57 witnesses called to the stand.

During the trial, the prosecution tendered more than 750 exhibits, including bank documents relating to Najib's bank accounts, cash transactions, minutes of meetings and Blackberry Messenger chats over Najib's transactions.

The defence trial is expected to commence starting Dec 3.

Najib was accused of using his positions as the Prime Minister and the Finance Minister to receive a RM42mil gratification when he took part in the Government's decision in providing a guarantee for a loan of RM4bil from the Retirement Fund Inc (KWAP) to SRC International Sdn Bhd, a unit of 1MDB.

He allegedly committed the offence at the Prime Minister's Office in Putrajaya between Aug 17, 2011 and Feb 8, 2012.

He was charged under Section 23 of the Malaysian Anti-Corruption Commission (MACC) 2009 which provides for imprisonment of up to 20 years and a fine of up to five times the sum or value of the bribe, or RM10,000, whichever is higher, upon conviction.

Najib was also slapped with three counts of CBT under Section 409 of the Penal Code.

According to the charge sheets, as the Prime Minister, Finance Minister and the Advisor Emeritus of SRC International, Najib was entrusted with SRC's monies amounting to RM4bil, and he allegedly misappropriated RM27mil and RM5mil in two transactions between Dec 24 and Dec 29, 2014.

In the third CBT charge, he was accused of misappropriating RM10mil between Feb 10 and March 2, 2015 from the same RM4bil entrusted to him.

All of the CBT offences were allegedly committed at AmIslamic Bank Berhad, Bangunan Ambank Group, No. 55, Jalan Raja Chulan here.

The charges under Section 409 of the Penal Code are punishable by up to 20 years prison, whipping and a fine, if convicted.

5. 146 lashes, 4 years' jail for ex-TAPEM assistant for committing CBT

MELAKA: An ex-Melaka State Education Trust Fund (TAPEM) clerical assistant was sentenced to four years' jail and whipped 146 times by the Sessions Court at Ayer Keroh here to an offence of criminal breach of trust (CBT) involving RM2.4 million.

Judge Datuk Mohd Nasir Nordin meted out the sentence against Mohd Hanafi Ismail, 31, after he pleaded guilty to 146 counts of CBT.

Mohd Hanafi, who was responsible for managing the education funds, was charged with misappropriating RM2.4 million, which had been allocated as scholarships for students in the state.

He had committed the offences at TAPEM, Bangunan Kota Cemerlang, in Hang Tuah Jaya here, between Jan 23, 2017 and Dec 21, 2018.

He faces charges under Section 408 of the Penal Code, which carries a maximum jail term of 14 years with whipping and a fine, upon conviction.

The court also advised Mohd Hanafi to repent and return the money he had stolen to the Malaysian government.

The prosecution was conducted by Malaysian Anti-Corruption Commission prosecuting officers Irwan Shah and Nik Haslinie Hashim, while counsel Emirul Sarifudin represented Mohd Hanafi.

6. Najib seeking to postpone trial on tampering with 1MDB audit report



KUALA LUMPUR: Former prime minister Datuk Seri Najib Razak has filed an application to postpone his other trial, scheduled to begin on Monday (Nov 18), where he faces charges of tampering with 1Malaysia Development Bhd's (1MDB) audit report.

The notice of motion was filed on Wednesday (Nov 13) through Messrs Shafee & Co.

He named the public prosecutor and former 1MDB CEO Arul Kanda Kandasamy as respondents.

In his supporting affidavit, Najib asked for the hearing to be moved to Jan 13 on grounds that he would suffer prejudice if he and his lawyers were not allowed time to prepare for his defence in the SRC International case, where he has been ordered to enter his defence by a different court.

The defence trial is expected to commence on Dec 3.

"This gives me and my defence team a limited time of about two weeks to prepare for my defence, including reviewing the witnesses which should either be offered for cross-examination or made available, interviewing the potential defence witnesses and reviewing the statements of the potential witnesses or undertake any other action necessary to effectively prepare for the defence case," he said.

The adjournment, he said, was for him to be afforded a fair trial in pursuance of his constitutional rights and also in the best interest of the administration of justice.

No date has been fixed for the hearing of this motion presently.

The trial he is seeking to postpone was fixed for a 15-day hearing.

The dates were fixed from Nov 18 to 29, and Jan 13 to 17 next year and the prosecution was expected to call about 30 witnesses to testify in the proceedings.

Najib and Arul Kanda are represented by lawyers Tan Sri Muhammad Shafee Abdullah and Datuk N. Sivananthan, respectively.

On Dec 12, 2018, Najib was charged with using his position to order amendments to the 1MDB final audit report before it was tabled to the Public Accounts Committee (PAC) to avoid any action against him.

He was charged, in his capacity as a public officer, which was as the prime minister, with using his position to obtain gratification for himself, which was to evade disciplinary, civil or criminal action against him in connection with 1MDB, by ordering alterations to the 1MDB final audit report before it was finalised and tabled to the PAC, where he directly had interest in.

The Pekan MP was accused of committing the offence at the Complex of the Prime Minister's Department, Federal Government's Administrative Centre, Putrajaya between Feb 22 and Feb 26, 2016.

Arul Kanda was charged with abetting Najib in making amendments to the report to protect the Pekan MP from being subjected to disciplinary, civil or criminal action in connection with 1MDB, at the same place and time.

7. Arul Kanda objects to Najib's motion to delay trial



KUALA LUMPUR: Former 1Malaysia Development Berhad (1MDB) CEO Arul Kanda Kandasamy (*pic*) has objected to Datuk Seri Najib Razak's motion to delay their joint trial on charges relating to tampering the 1MDB audit report before the Public Accounts Committee (PAC).

While the former prime minister had sought to postpone the hearing, which was scheduled to commence this Nov 18, Arul Kanda's lawyer Datuk N. Sivananthan told the High Court that his client wanted to proceed with the hearing as scheduled.

He said Arul Kanda had been "in a dark cloud" since he was charged a year ago.

"My client wants the trial to begin soon so he can vindicate himself. The court must look into the interests of all parties, and not only one person," Sivananthan said in his submission here on Friday (Nov 15).

On Wednesday (Nov 13), Najib filed a notice of motion to adjourn the Nov 18 hearing to Jan 13, next year.

He named the public prosecutor and Arul Kanda as respondents.

DPP Ahmad Akram Gharib who appeared for the prosecution also objected to the postponement on grounds that it would bring a negative perception on the judicial system.

"The defence team had filed another application in the SRC International trial to ask for 112 witness statements before Justice Mohd Nazlan Mohd Ghazali this afternoon.

"There is a possibility for them to ask for an adjournment from that proceedings so they can examine the documents," he said.

Najib's lawyer Harvinderjit Singh in his submissions said the defence would not have ample time to prepare for the SRC International trial, which was scheduled to go into the defence stage on Dec 3.

Justice Mohamed Zaini Mazlan then fixed next Monday (Nov 18) to make his ruling pending the latest development before Justice Mohd Nazlan.

On Thursday (Nov 14), Justice Mohamed Zaini had dismissed the prosecution's application to adjourn the proceedings as their key prosecution witness is currently testifying under cross-examination in Najib's ongoing 1MDB trial involving the misappropriation of RM2.28bil of 1MDB funds.

Justice Zaini, when dismissing the prosecution's application, said it was difficult to find alternative dates for the hearing.

His court had fixed Najib and Arul Kanda's trial, dubbed as the PAC trial, for a 15-day hearing from Nov 18 to 29, and Jan 13 to 17 next year.

The prosecution was expected to call about 30 witnesses to testify in the proceedings.

On Dec 12, 2018, Najib was charged with using his position to order amendments to the 1MDB final audit report before it was tabled to the PAC to avoid any action against him.

He was charged in his capacity as a public officer - which was as the prime minister - with using the position to obtain gratification for himself, in a bid to evade disciplinary, civil or criminal action against him in connection with 1MDB, by ordering alterations to the 1MDB final audit report before it was finalised and tabled to the PAC, where he directly had interest in.

The Pekan MP was accused of committing the offence at the Complex of the Prime Minister's Department, Federal Government's Administrative Centre, Putrajaya between Feb 22 and Feb 26, 2016.

Arul Kanda was charged with abetting Najib in making amendments to the report to protect the Pekan MP from being subjected to disciplinary, civil or criminal action in connection with 1MDB, at the same place and time.

8. PAC trial of Najib, Arul Kanda begins with first witness



KUALA LUMPUR: The joint trial of Datuk Seri Najib Razak and former 1Malaysia Development Bhd (1MDB) CEO Arul Kanda Kandasamy relating to the tampering of 1MDB final audit report - dubbed the PAC trial - began on Monday (Nov 18) with the first witness taking the stand.

This came after High Court judge Justice Mohamed Zaini Mazlan dismissed an application by Najib's lawyers to postpone the proceedings.

The hearing proceeded with lead prosecutor Datuk Seri Gopal Sri Ram delivering the prosecution's opening statement.

He said the prosecution will prove the extent to which the accused went to remove material from an official record to prevent disclosure of information.

Gopal added that Najib did this to conceal the truth on the 1MDB scandal.

"Najib knew, or it was certainly within his contemplation, that if the truth emerged, he would be exposed to civil or criminal liability for the reasons already stated.

"This is an objective fact which the prosecution will establish through the acts and omissions of the accused in the circumstances of the case," he said.

Sri Ram said Arul Kanda had abetted Najib in the transaction by his conduct.

"I am duty-bound to inform the court that at the appropriate stage, the public prosecutor will apply in writing to call Arul Kanda to give evidence in the prosecution's behalf," he added.

The prosecution then called its first witness, Prime Minister's Department (Parliamentary Affairs) secretary Daman Huri Nor.

9. PAC trial: Conflicting financial statements among issues removed from 1MDB audit report

KUALA LUMPUR: Two conflicting versions of the 1Malaysia Development Bhd (1MDB) financial statements for the year 2014 were among the four issues removed from the 1MDB audit report, the High Court heard.

Former chief secretary Tan Sri Ali Hamsa, 64, who was reading his witness statement at the PAC trial involving Datuk Seri Najib Razak and former 1MDB CEO Arul Kanda Kandasamy, said the matter was raised during a coordination meeting he chaired with representatives from relevant agencies on Feb 24, 2016.

He said the meeting was instructed by Najib to address his dissatisfaction in the 1MDB audit report by the National Audit Department (NAD).

"Najib said he was not satisfied with the contents of the report. He did not want two different financial statements for 1MDB to be submitted in the audit report.

"At that time, I did not know what was the problem with 1MDB's annual financial statement submitted in the report," he said here on Tuesday (Nov 19).

Despite being a member of the board of advisors in 1MDB, Ali said he was never called to attend any meetings in his capacity as a board member nor that he signed any documents.

He said he was never involved in any 1MDB audit process by the NAD.

When the meeting convened on Feb 24, Arul Kanda (1MDB), former Auditor-General Tan Sri Ambrin Buang and Saadatul Nafisah (NAD), Datuk Seri Mohamad Isa Hussain and Asri Hamdin (Treasury), Datuk Dzulkifli Ahmad (Attorney General's Chambers), Tan Sri Shukry Mohd Salleh (Prime Minister's Office) and Ali's senior private secretary Datuk Norazman Ayob were in attendance.

According to the witness, no minutes were recorded during the meeting.

Ali said Arul Kanda had voiced his disapproval on various matters in the report, saying that they were not factual and merely hearsay.

"Arul Kanda insisted that these should not be included in the report. He also insisted that the report be in accordance with what he wanted," he added.

At the meeting, Ambrin brought up issues on the two different versions of financial statements for 2014, and this was admitted by Arul Kanda.

Arul Kanda insisted that the conflicting versions should not be included in the report and asked for a police investigation to be conducted.

The meeting agreed that the Ministry of Finance Inc (MOF Inc) would lodge the police report.

Ali said he instructed Isa to lodge the report and Isa had no objections.

Another matter that was struck out of the report was the presence of fugitive financier Low Taek Jho at the 1MDB board of directors meeting relating to the Islamic Medium Term Notes (IMTN) investment.

"This issue was addressed in the report because the NAD's due diligence found that Low did not hold any position nor played any role in 1MDB.

"Therefore his presence in the said meeting was viewed as a red flag," Ali said.

The witness said Shukry requested for Low's presence to be removed after taking into account the sensitivity of the matter and to prevent it from being manipulated by the Opposition at that time.

Arul Kanda also requested for the removal of the agreement between Country Groups Securities Thailand and ACME Time Limited.

He said the agreement was out of the NAD's auditing scope because it involved a 'secondary market' and outside of 1MDB's involvement.

The fourth matter that was removed was on the delay in the issuance of IMTN bonds with Government guarantee and Arul Kanda said issues pertaining to the issuance were business decisions.

According to Ali, Ambrin agreed to have all four issues removed.

On March 1, 2016, a final review session by the audit team and 1MDB was held at Ali's office.

"I was not involved in the discussion that day. I only prepared the space for both parties to resolve issues," he added.

On March 3, Norazman informed Ali that Saadatul Nafisah from the NAD would come to the office to deliver the newly printed audit report.

The hearing before Justice Mohamed Zaini Mazlan resumes on Wednesday (Nov 20).

Najib is accused of using his position to order amendments to the 1MDB final audit report before it was tabled to the PAC to avoid any action against him.

He allegedly committed the offence in Putrajaya between Feb 22 and Feb 26, 2016.

Arul Kanda was charged with abetting Najib in making amendments to the report to protect the Pekan MP from being subjected to disciplinary, civil or criminal action in connection with 1MDB, at the same place and time.

10. Conflicting 1MDB financial statements removed

KUALA LUMPUR: Two conflicting versions of the 1Malaysia Development Bhd (1MDB) financial statements for the year 2014 were among four issues removed from the 1MDB audit report.

Former Chief Secretary to the Government Tan Sri Ali Hamsa, who was reading his witness statement at the Public Accounts Committee (PAC) trial involving Datuk Seri Najib Razak and former 1MDB CEO Arul Kanda Kandasamy, said the matter was raised during a coordination meeting he chaired with representatives from relevant agencies on Feb 24, 2016.

The meeting was directed by Najib to address his dissatisfaction with the 1MDB audit report prepared by the National Audit Department (NAD).

"He did not want two different financial statements for 1MDB to be submitted in the audit report.

"At that time, I did not know what was the problem with 1MDB's annual financial statement submitted in the report," he testified yesterday.

Despite being a member of the 1MDB board of advisers, Ali said he was never called to attend any meeting and never signed any document.

At the meeting on Feb 24, Arul Kanda, then auditor-general Tan Sri Ambrin Buang and Saadatul Nafisah (NAD), Datuk Seri Mohamad Isa Hussain and Asri Hamdin (Treasury), Datuk Dzulkifli Ahmad (Attorney General's Chambers), Tan Sri Shukry Mohd Salleh (Prime Minister's Office) and Ali's senior private secretary Datuk Norazman Ayob were present. No minutes were recorded.

Ali said Arul Kanda had voiced his disapproval on various matters in the report, saying that they were not factual and merely hearsay.

"Arul Kanda insisted that these should not be included in the report. He also insisted that the report be in accordance with what he wanted," Ali added.

At the meeting, Ali said Ambrin brought up the issue of two different versions of financial statements, and this was admitted by Arul Kanda.

Arul Kanda insisted that the conflicting versions be omitted and asked for a police investigation to be conducted, he added.

Ali said the meeting agreed that the Ministry of Finance Inc (MOF Inc) should lodge the police report.

Ali said he instructed Isa to do so and the latter had no objections.

Another matter that was struck out of the report was the presence of fugitive financier Low Taek Jho at the 1MDB board of directors meeting relating to the Islamic Medium Term Notes (IMTN) investment.

Low's presence was addressed in the report because the NAD's due diligence found that he did not hold any position or played any role in 1MDB.

"Therefore, his presence in the meeting was viewed as a red flag," Ali said.

Shukry then requested for Low's presence to be removed after taking into account the sensitivity of the matter and to prevent it from being manipulated by the Opposition at that time.

Another matter that was requested to be removed was an agreement between Country Groups Securities Thailand and ACME Time Limited.

Arul Kanda said the agreement was out of the NAD's auditing scope because it involved a "secondary market" and outside of 1MDB's involvement, Ali testified.

The fourth matter, he said, was the delay in the issuance of IMTN bonds with government guarantees and Arul Kanda said issues pertaining to the issuance were business decisions.

According to Ali, Ambrin agreed to have all four issues removed.

On March 1, 2016, Ali said a final review session by the audit team and 1MDB was held at his office.

"I was not involved in the discussion that day. I only prepared the space for both parties to resolve issues," he added.

On March 3, he said Norazman informed him that Saadatul would come to the office to deliver the newly printed audit report.

11. 1MDB audit tampering trial: Audio clip of meeting to amend report played in court



KUALA LUMPUR: An audio recording said to be of a coordination meeting to amend the 1Malaysia Development Bhd (1MDB) audit report was played for the High Court here on Wednesday (Nov 20).

Several of the voices of those attending the meeting, which was held on Feb 24, 2016, were identified in the recording which lasts two hours and 45 minutes.

Former Chief Secretary to the Government Tan Sri Ali Hamsa, who was under examination-in-chief by lead prosecutor Datuk Seri Gopal Sri Ram, confirmed several voices in the recording.

They are former Auditor General Tan Sri Ambrin Buang and Saadatul Nafisah (National Audit Department), Datuk Seri Mohamad Isa Hussain (Treasury), and Tan Sri Shukry Mohd Salleh (Prime Minister's Office).

The witness also confirmed the voice of former 1MDB CEO Arul Kanda Kandasamy in the recording.

Earlier, Sri Ram tendered a USB pendrive that contained the voice recording of a Feb 24 meeting chaired by Ali.

A transcript of the recording was also handed over to the court.

When asked whether he had seen the pendrive before, Ali answered in the negative.

In his testimony on Tuesday, Ali revealed that he called a coordination meeting between 1MDB and several related agencies at the behest of former prime minister Datuk Seri Najib Razak.

When the meeting convened on Feb 24, Arul Kanda, Ambrin and Saadatul Nafisah, Mohamad Isa and Shukry were in attendance.

According to Ali's witness statement, three other individuals were also present, namely Asri Hamdin (Treasury), Datuk Dzulkifli Ahmad (Attorney General's Chambers) and Ali's senior private secretary Datuk Norazman Ayob.

No minutes were recorded during the meeting.

At the end of the meeting, it was agreed that four issues would be removed from the audit report, including the issues of two conflicting financial statements and fugitive financier Low Taek Jho's presence at a 1MDB meeting despite him having no official position in the company.

Najib is accused of using his position to order amendments to the 1MDB final audit report before it was tabled to the Public Accounts Committee (PAC) to avoid any action against him.

He is accused of committing the offence in Putrajaya between Feb 22 and Feb 26, 2016.

Arul Kanda was charged with abetting Najib at the same place and time.

The hearing continues before Justice Mohamed Zaini Mazlan on Thursday (Nov 21).

12. Audit hampered as 1MDB did not hand over crucial documents, says Ambrin Buang



KUALA LUMPUR: Former auditor-general Tan Sri Ambrin Buang says the audit on 1Malaysia Development Bhd (1MDB) and its group of companies took so long to do as the sovereign wealth fund was slow to or never handed over crucial documents to the National Audit Department (NAD).

He told the High Court that the auditing exercise started in March 2015 and was carried out by 12 officers from the NAD.

He said the audit could have been completed in five months, but instead, the process took one year as it had difficulty accessing information.

"The NAD faced limitations in obtaining several original and important documents, either they were delayed or never handed over by 1MDB at all.

"These documents were significant to verify the true financial position and company operations as well as related transactions for the audit," said Ambrin.

He was reading his witness statement at the joint trial of former prime minister Datuk Seri Najib Razak and former 1MDB CEO Arul Kanda Kandasamy, dubbed as the Public Accounts Committee (PAC) trial, here on Thursday (Nov 21).

According to Ambrin, some of the documents that never arrived from 1MDB include bank statements from foreign financial institutions.

"There was also no access to the company's computers, laptops or servers for the audit team to cross-check information during the auditing process," he added.

Ambrin said he decided to classify the audit report under the Official Secrets Act 1972 to avoid the report from being sensationalised before it was tabled to the PAC.

Najib is accused of using his position to order amendments to the 1MDB final audit report before it was tabled to the PAC to avoid any action against him.

He allegedly committed the offence in Putrajaya between Feb 22 and 26, 2016.

Arul Kanda was charged with abetting Najib at the same place and time.

The hearing continues before Justice Mohamed Zaini Mazlan on Wednesday (Nov 27).

13. Witness: I hid device to record 1MDB audit report meeting in my boss' pencil case

KUALA LUMPUR: The High Court heard that the device used to record the coordination meeting which discussed amendments for the 1Malaysia Development Bhd (1MDB) audit report on Feb 24, 2016 was hidden inside a pencil case.

Audit director Nor Salwani Muhammad, 52, testified that she had placed the recorder inside the pencil case belonging to former audit performance director Saadatul Nafisah Bashir Ahmad without the latter's knowledge.

The witness, who was under examination-in-chief by lead prosecutor Datuk Seri Gopal Sri Ram, explained that she inserted the device in order to have the meeting minutes.

"I was appointed as the coordinator for the preparation of 1MDB audit report. Therefore, I needed to know what was discussed in the meeting as I was not allowed to join it.

"Saadatul Nafisah did not know I placed the recorder inside her pencil case. After the meeting ended, I took the device," she said here on Thursday (Nov 21).

Nor Salwani made the revelation during the joint trial of former prime minister Datuk Seri Najib Razak and former 1MDB CEO Arul Kanda Kandasamy, dubbed as the PAC trial.

According to Nor Salwani, her ex-bosses, former Auditor-General Tan Sri Ambrin Buang and Saadatul Nafisah left the meeting room after the discussion ended and Ambrin appeared upset.

Sri Ram: Did you notice what Ambrin looked like? His demeanour?

Nor Salwani: He looked upset with what had transpired. He looked very sad, he was mumbling something as I followed him.

Sri Ram: He looked upset?

Nor Salwani: I followed him to the washroom as he went to wash his face.

Sri Ram: Why did you do that?

Nor Salwani: I was afraid he might fall down because he looked fragile at the time. He looked upset.

Sri Ram: Did he say anything?

Nor Salwani: He was mumbling, "what is the purpose of the audit?"

The witness said she and the audit team went back to the NAD office and replayed the recording.

"We were shocked upon hearing the request to omit some things from the report, including on the existence of two (1MDB) financial statements.

"There were orders for several reports not to be included in the audit as well as to dispose of the documents. I took a further step and transferred the recording into a hard disk and a thumb drive," she added.

Nor Salwani said the original recording in the device she used was deleted as the device belonged to the government. This, she said, was to prevent a leak of information.

The witness said in her 22-year work experience, hearing the two-hour-and-forty-five-minute recording of the Feb 24 meeting was very shocking.

"It was not normal," she told the court.

On Wednesday (Nov 20), the audio clip was played at the High Court and former chief secretary to the Government Tan Sri Ali Hamsa identified several voices in it.

On Tuesday (Nov 19), Ali revealed that he called a coordination meeting between 1MDB and several related agencies as instructed by Najib.

He said no minutes were taken during the meeting.

At the end of the meeting, four issues were agreed to be removed from the audit report, including the issues of two conflicting financial statements and fugitive financier Low Taek Jho's presence at a 1MDB meeting despite him having no official position in the company.

Najib is accused of using his position to order amendments to the 1MDB final audit report before it was tabled to the PAC to avoid any action against him.

He allegedly committed the offence in Putrajaya between Feb 22 and 26, 2016.

Arul Kanda was charged with abetting Najib at the same place and time.

The hearing continues before Justice Mohamed Zaini Mazlan on Wednesday (Nov 27).

14. State agency director among five civil servants arrested for corruption

KOTA KINABALU: A director of a state agency was among five civil servants who were arrested here in connection with a RM700,000 graft probe involving land re-zoning.

The five, who were detained separately after they were called up to the Malaysian Anti-Corruption Commission office here on Wednesday (Nov 20), were remanded Thursday (Nov 21) to facilitate investigations into the case.

Two of the suspects, aged 56 and 36, were brought before Magistrate Stephanie Sherron Abbie, who allowed for a six-day remand.

They were unrepresented.

The remaining three suspects, aged 60, 56 and 40, were brought before Magistrate Jessica Ombou Kakayun, who then ordered them to be remanded for five days.

The three were represented by counsel Hamid Ismail.

They are being investigated for corrupt practices under Section 17(a) of the MACC Act 2009, which provides for a jail term of up to 20 years' jail, and a fine of not less than five times the bribe, or up to RM10,000, whichever is higher.

15. Malaysia's appeal at London Court over 1MDB issue succeeds



PETALING JAYA: The Malaysian government has succeeded in its appeal against the London Court's decision to delay its legal challenge to nullify a consent award involving 1MDB, the Minister of Finance Incorporated (Mofi) and two Abu Dhabi-based companies as part of its efforts to recover US\$3.5bil (RM14.68bil).

Attorney General Tan Sri Tommy Thomas (pic) said that the Court of Appeal in London overturned a decision of the High Court of England, which had stopped a court application by 1MDB and Mofi to set aside a consent award entered by former premier Datuk Seri Najib Razak's administration with the Abu Dhabi entities - International Petroleum Investment Company (Ipic) and Aabar Investments PJS.

"As a result of the Court of Appeal's decision, 1MDB and Mofi's application to set aside the consent award will now proceed to a hearing at the London High Court.

"The Court of Appeal also ordered that the parallel arbitration proceedings commenced by Ipic and Aabar be restrained," he said in a statement Tuesday (Nov 26).

Both 1MDB and Mofi had filed an application in the Commercial Court in London in October last year to challenge a consent award that the two Malaysian parties had recorded under Najib's administration in May 2017 with Ipic and Aabar.

It was reported that the London Commercial Court rejected Ipic and Aabar's attempt to strike out the application made by 1MDB and Mofi to challenge the consent award.

The High Court of London also rejected the application by Ipic and Aabar to stay 1MDB and Mofi's application, pending the determination of parallel arbitration proceeding.

Thomas said the October 2018 challenge was filed on grounds that the settlement deeds and the consent award were engineered by Najib as part of a conspiracy to defraud, and that Ipic and Aabar knew that Najib was acting contrary to the interests of Mofi and 1MDB.

He also noted that if Malaysia succeeds in the UK action, Malaysia will be able to "proceed to seek the recovery of US\$3.5bil (RM14.7bil) that was paid by 1DMB subsidiaries to Ipic subsidiaries," or in the alternative, reduce Malaysia's liability to pay interest and principal under the 2012 bonds that were jointly guaranteed by Ipic up to US\$3.5bil.

Following the successful appeal, Thomas said that "our setting aside-application will now be heard by the High Court in London as part of an open and transparent process, enabling Malaysians and the rest of the world to follow the proceedings in court."

He added that bringing the perpetrators in the 1MDB case to justice is a complex and challenging task as the transactions have been carried out over several jurisdictions and involve many persons and entities.

"Billions of dollars of taxpayer monies have been misappropriated in the course of the 1MDB scandal in what has been described as the greatest kleptocracy in modern history.

"The Malaysian government is committed, in the public interest, to set this right and will unrelentingly pursue those who are responsible for this grievous injustice," he added.

16. 'MACC sending wrong signals'

PETALING JAYA: Blunder or not, the Malaysian Anti-Corruption Commission's (MACC) move to send a report to political party PKR and also to ministries and government agencies is sending the wrong signals, say transparency groups.

The Centre to Combat Corruption and Cronyism (C4) executive director Cynthia Gabriel said MACC's independence should not have been jeopardised by such actions.

"This is a terribly unacceptable mistake. The MACC has no business writing letters to a political party.

"It is supposed to be a top independent law enforcement agency," she said yesterday.

MACC on Monday admitted that it erred when it sent a letter to PKR advising the party to take disciplinary action against two of its members who were being investigated for alleged corruption.

Gabriel said there should not be any need for the MACC to report to government agencies or ministries.

If there was evidence of bribery and maladministration, the MACC should directly recommend to the Attorney General for the wrongdoers to be charged, she said.

"This has been C4's call all along that there should be no interference to MACC's independence.

"The institution must be safeguarded at all costs," she added.

On fears of interference raised by certain quarters as the current MACC chief commissioner Latheefa Koya was a former PKR central committee member, Gabriel said that their concerns were valid.

She said C4 believed that the "erroneous decision" was the mistake of Latheefa's subordinates, specifically the person who sent the letter.

Meanwhile, other civil society figures said MACC reports should not be sent to political parties, though it was common practice for MACC to bring them before government agencies.

Anti-corruption activist Datuk Seri Akhbar Satar said MACC would typically present any report to the relevant state or federal agencies, and not to political entities.

"Usually MACC is only required to send reports of wrongdoing to government agencies or ministries, not to political parties or the private sector.

"They will forward the report to the relevant state or federal agencies for appropriate action under the General Order," he said, referring to the Public Officers (Conduct and Discipline) (General Orders, Chapter "D") regulations.

Akhbar, who is also the president of the Malaysian Association of Certified Fraud Examiners, said any punishment or action taken would come under the General Order.

He added that since MACC admitted to the error, the matter should be put to rest.

On Monday, MACC deputy chief commissioner (operations) Datuk Seri Azam Baki said based on the stipulated disciplinary guidelines, the commission was only required to report wrongdoings to ministries and federal or state agencies if the person under investigation was a civil servant.

"The MACC does not report or make recommendations on disciplinary action to any political party," he was quoted as saying.

Azam said the MACC would be sending a letter to explain to the PKR disciplinary board chairman on the error to avoid any misunderstanding in future.

On Sunday, PKR sacked its Bera division chief Zakaria Abdul Hamid and Pahang member Ismail Dulhadi following corruption allegations brought against them by the MACC.

The party's disciplinary board chairman Datuk Ahmad Kassim said they received a letter from the MACC dated Oct 23 on the allegations, which were said to have happened during last year's party elections.

17. Bustari returns RM3.6m to government

KUALA LUMPUR: Businessman Tan Sri Bustari Yusof has surrendered RM3.6mil to the government as a settlement following a civil forfeiture suit filed by the Malaysian Anti-Corruption Commission (MACC) over funds allegedly linked to 1Malaysia Development Bhd (1MDB).

MACC deputy public prosecutor Allan Suman Pillai told the High Court yesterday that Bustari had agreed to forfeit an amount of RM3,683,117.94 to the government.

MACC, he said, had received a cheque for the sum from Bustari on Monday.

DPP Allan informed the court that he was withdrawing the forfeiture suit against Bustari following the settlement and a representation letter from the respondent (Bustari).

High Court judge Justice Collin Lawrence Sequerah allowed the forfeiture suit to be withdrawn and thanked both parties for reaching a settlement.

Bustari, who is the brother of Datuk Seri Fadillah Yusof, Petra Jaya MP and former Works minister, was among 41 individuals and entities served with a civil forfeiture suit by the MACC earlier this year, in a bid to recover about RM270mil allegedly linked to 1MDB.

The government, through the MACC, had originally sought RM11,923,934.54 from the businessman, alleging that the funds were linked to 1MDB.

DPP Allan also requested for the RM11.9mil in Bustari's account which had been frozen following the filing of the forfeiture suit to be released.

Counsel Datuk Mohd Yusof Abiden, who represented Bustari, confirmed that the respondent sent the cheque to MACC on Monday.

Yusof also thanked the prosecution for withdrawing the suit.

Tiara Katrina Fuad also sat as counsel for Bustari.

18. Stealth recording of 1MDB audit meeting did not breach the code of conduct, High Court hears

KUALA LUMPUR: Audit director Nor Salwani Muhammad did not breach any code of conduct when she slipped a recording device in a pencil box to capture audio during a coordination meeting discussing amendments to the 1Malaysia Development Bhd (1MDB) audit report on Feb 24, 2016, the High Court heard.

Former auditor-general Tan Sri Ambrin Buang said that Nor Salwani - then a deputy audit director - was part of the National Audit Department team and was supposed to take notes. However, she ended up outside the meeting room as there was not enough space inside.

The 66-year-old witness was under examination-in-chief by lead prosecutor Datuk Seri Gopal Sri Ram at the joint trial of Datuk Seri Najib Razak and former 1MDB CEO Arul Kanda Kandasamy - dubbed as the Public Accounts Committee (PAC) trial - here on Wednesday (Nov 27).

Sri Ram: Salwani could not attend the meeting. She placed the recording device in the pencil case of her superior. Would you describe that as a breach of the code of conduct?

Ambrin: No because if she had been able to attend the meeting, she would not have breached it (the code of conduct) as she could then take down notes for internal use of NAD.

Sri Ram: What is her function?

Ambrin: She is supposed to take down notes because the meeting discussed very important issues. There is a standing instruction that she has to follow all the (1MDB audit report) meetings.

Last week, the court heard that Nor Salwani slipped a recorder inside a pencil case belonging to former audit performance director Saadatul Nafisah Bashir Ahmad without her knowledge.

Nor Salwani said she did this so she could have the minutes as she was not allowed in the meeting.

The meeting was called by former chief secretary to the Government Tan Sri Ali Hamsa, involving 1MDB and several related agencies as instructed by Najib.

No minutes were recorded during the meeting.

At the end of the meeting, four issues were agreed to be removed from the audit report, including the issue of two conflicting financial statements.

Ambrin also told the court that he agreed to make the amendments to the audit report - particularly the two versions of financial statements - when Najib told him that there would be a thorough probe on the matter.

Sri Ram: When he (Najib) said "I will get to the bottom of it", did you believe him?

Ambrin: He was the prime minister, I had no reason not to believe him.

However, Ambrin said there was no confirmation whether Najib actually "got to the bottom of it".

Ambrin said he felt cheated when he discovered no police report was lodged despite Najib's assurance.

"On that premise, I agreed to drop the issue of the two versions (of the 1MDB financial statements) from the (1MDB final audit) report," he added.

Najib is accused of using his position to order amendments to the 1MDB final audit report before it was tabled to the PAC to avoid any action against him.

He allegedly committed the offence in Putrajaya between Feb 22 and 26, 2016.

Arul Kanda was charged with abetting Najib at the same place and time.

19. Ex-auditor-general: Najib wanted to omit issue of two 1MDB financial statements

KUALA LUMPUR: The High Court heard that Datuk Seri Najib Razak asked that the issue of two differing versions of 1Malaysia Development Bhd (1MDB) financial statements not be included in the final audit report, promising an investigation into it later.

Tan Sri Ambrin Buang, who was the auditor-general at the time, said he agreed to this request based on Najib's promise.

The witness recalled that he was asked to attend a meeting at the prime minister's office by the former premier's private secretary, Tan Sri Shukry Mohd Salleh, to discuss the audit report.

The meeting, which was held before Feb 22, 2016, was also attended by former chief secretary to the government, Tan Sri Ali Hamsa.

Ambrin said Najib asked him for a briefing on serious issues that were found during the audit, and so he raised the matter of 1MDB having two different financial statements.

"He promised me that the relevant authorities would investigate and get to the bottom of this," said the witness, who was testifying in the joint trial of Najib and former 1MDB CEO Arul Kanda Kandasamy, dubbed the Public Accounts Committee (PAC) trial, here on Wednesday (Nov 27).

On the meeting held two days later on Feb 24, Ambrin said Ali instructed him and Saadatul Nafisah Bashir Ahmad (former National Audit Department audit director) to attend the meeting, while the remaining members of the 1MDB audit team were to wait outside the meeting room.

The court had earlier heard a testimony from Ali, who had said he called a meeting on Feb 24, 2016, with 1MDB and other relevant agencies to discuss amendments to 1MDB's audit report.

"In the meeting, Shukry said the audit report prepared by the NAD can be politicised by the Opposition.

"I was also briefed that 1MDB management, led by Arul Kanda, will be able to respond to our audit report," he said.

During the meeting, Ambrin said NAD was pressured to listen to the response from 1MDB about its findings.

"Arul Kanda expressed many opinions on the matter of the two versions of financial statements produced by 1MDB, and pressured NAD to not include this matter in the audit report," he said.

"I had no intention to hide, but agreed to not include this into the final audit report based on Najib's promise to report this to the police," he said.

Najib is accused of using his position to order amendments to the 1MDB final audit report before it was tabled to the PAC to avoid any action against him.

He allegedly committed the offence in Putrajaya between Feb 22 and 26, 2016.

Arul Kanda was charged with abetting Najib at the same place and time.

The hearing continues before Justice Mohamed Zaini Mazlan tomorrow.

20. Ambrin: My conscience was clear when told to amend 1MDB audit report



KUALA LUMPUR: Former auditor-general Tan Sri Ambrin Buang (*pic*) told the High Court that his conscience was clear when he agreed to the amendments to the 1Malaysia Development Bhd (1MDB) audit report despite being pressured into it.

"As far as I'm concerned, my conscience was very clear," he said.

Ambrin, 70, said he made the amendments based on his judgment and facts that were presented to the National Audit Department (NAD) at that time.

"As I've said, facts are facts. All sorts (of things) have been said about our opinion. They are not respecting my opinion as the auditor-general," he said.

The witness was testifying at the joint trial of former prime minister Datuk Seri Najib Razak and 1MDB CEO Arul Kanda Kandasamy, dubbed as the PAC trial, here on Thursday (Nov 28).

During proceedings, he was grilled by Najib's lead counsel Tan Sri Muhammad Shafee Abdullah on his decision to amend the report.

Ambrin said he had no choice but to make the amendments due to national interest issues raised by other attendees in a coordination meeting to discuss amendments on the 1MDB audit report on Feb 24, 2016.

The meeting was chaired by former chief secretary to the government Tan Sri Dr Ali Hamsa and attended by Arul Kanda and other representatives from relevant agencies.

Four issues were agreed to be removed from the audit report, including two conflicting financial statements and fugitive financier Low Taek Jho's presence at a 1MDB meeting despite him having no official position in the company.

"In this particular case, there was no choice. I was under pressure to do the amendments," Ambrin said.

This prompted Shafee to probe Ambrin on his function as the auditor-general.

Shafee: You sell out your profession?

Ambrin: No I didn't sell out my profession.

Shafee then questioned why Ambrin did not make a police report over the matter, resulting in his client (Najib) being criminally charged in court due to the changes in the audit report.

Shafee: You are obliged in law to lodge a police report.

Ambrin: It didn't occur to me at that time (to lodge a police report).

Shafee: Do you know that if you didn't lodge a police report, you yourself have committed an offence?

Ambrin: No I'm not aware.

Najib is accused of using his position to order amendments to the 1MDB final audit report before it was tabled to the PAC to avoid any action against him.

He allegedly committed the offence in Putrajaya between Feb 22 and 26, 2016.

Arul Kanda was charged with abetting Najib at the same place and time.

The hearing continues before Justice Mohamed Zaini Mazlan on Jan 9, next year.

21. Courts sets Jan 3 date to hear Jamal Yunos' application to strike out summons



Datuk Seri Jamal Md Yunos.

KUALA LUMPUR (Bernama): The application by Sungai Besar Umno chief Datuk Seri Jamal Md Yunos to strike out a summons filed by Primary Industries Minister Teresa Kok Suh Kim over alleged misuse of Yayasan Warisan Anak Selangor (Yawas) funds will be heard on Jan 3, 2020.

High Court Judicial Commissioner Quay Chew Soon fixed the date during the case management in chambers Friday (Nov 29).

Lawyer Mohammed Nasser Yusof, acting for Jamal, was present while Elyse Ng Zi Qian appeared on behalf of Kok.

Mohammed Nasser, when met later said, Jamal as the defendant filed the application on April 25 on the grounds that there was no reasonable basis for the plaintiff's claim.

"The plaintiff's claim was that the defendant had made a defamatory statement alleging that she had misused the funds. The defendant had lodged a report with the MACC over the alleged irregularities.

"To date the investigation is ongoing and no decision has been made by the MACC. Therefore, the cause of the claim brought by the plaintiff is premature as the outcome of the investigation is not out yet," he said.

Kok filed the suit on April 6, 2017 over Jamal's alleged defamatory statement pertaining to Yawas' funds during a news conference on March 8, 2017.

In her statement of claim, Kok said the statement was published by the print and electronic media, as well as Jamal's Facebook page.

Kok, who is also Seputeh MP, claimed that the defamatory statement, among others, gave the impression that she had misused state government funds for her own use and was an unethical person.

She is seeking RM1 million in general damages, compensatory damages, aggravated damages and exemplary damages, and an injunction to prevent Jamal from making further such claims in the media.

22. Najib files contempt proceedings against Kit Siang, Malay Mail and journalist



KUALA LUMPUR: Former prime minister Datuk Seri Najib Razak (*pic*) has filed contempt proceedings against DAP adviser Lim Kit Siang, Malay Mail and a journalist over an article about his SRC trial which was published online.

He named the Iskandar Puteri MP, journalist Emmanuel Santa Maria Chin and Malay Mail Sdn Bhd as respondents in two separate suits filed through the law firm Messrs Shafee & Co on Nov 27.

In his supporting affidavit, Najib said malaymail.com had published an article entitled "Kit Siang: High Court decision on Najib and Tanjung Piai by-election outcome will indicate where Malaysia headed towards" on its website.

He said there were six paragraphs in the article that constituted the purported contempt of court.

"I have been advised by my solicitors and verily believed that the statement that nobody had been sent to jail for the offence of corruption and money-laundering in Malaysia although Malaysia is the home of the 1MDB scandal took place, the said media release and the said article had been created to give pressure to this court in deciding the criminal case where I am the accused before this court," he said.

Najib also contended that the article appeared to be a threat and had the tendency to weaken and undermine the power of the court, as well as interfering and obstructing the course of justice and exerting unnecessary pressure on the court.

"This sort of threat and intimidation, especially in an ongoing proceeding is obviously to divert the course of justice and therefore an interference in the judicial process.

"The article, when read as a whole, had amount to a serious contempt of court and also an unwarranted attack on the Malaysian judiciary," he said.

When met by reporters on Friday (Nov 29), Najib's lawyer Tan Sri Muhammad Shafee Abdullah said it was an ex-parte matter for a show cause against the respondents.

"We are going to appear before the judge on a date yet to be fixed because the judge wants the papers to be tweaked a bit," he said.

On Nov 11, Justice Mohd Nazlan Mohd Ghazali ordered Najib to enter his defence on all seven charges in the SRC trial after ruling that the prosecution had proven a prima facie case against Najib.

Najib is facing seven charges, of which three are for criminal breach of trust, one for abuse of power and three for money laundering involving SRC International funds totalling RM42mil.

23. Ambrin: Najib promised a probe



KUALA LUMPUR: Former auditor-general Tan Sri Ambrin Buang told the High Court that he agreed to exclude the issue of two different versions of 1Malaysia Development Bhd (1MDB) financial statements in its final audit report as the then prime minister promised a probe into the matter.

He said he was called to a meeting by Datuk Seri Najib Razak's principal private secretary Tan Sri Shukry Mohd Salleh to discuss the audit report at Najib's office on Feb 22, 2016.

Then chief secretary to the government Tan Sri Dr Ali Hamsa was also present, he testified.

Ambrin said Najib asked him for a briefing on serious issues that were found during the audit, adding that he (Ambrin) raised the matter of 1MDB having two different financial statements.

"He promised me that the relevant authorities will investigate and get to the bottom of it," the witness said.

Ambrin, 66, was under examination-in-chief by lead prosecutor Datuk Seri Gopal Sri Ram in the joint trial of Najib and former 1MDB CEO Arul Kanda Kandasamy, dubbed the Public Accounts Committee (PAC) trial, yesterday.

The court had earlier heard of a coordination meeting on Feb 24, 2016, to discuss amendments on the audit report.

Ambrin said Ali instructed him and former National Audit Department (NAD) audit director Saadatul Nafisah Bashir Ahmad to be in the Feb 24 meeting with the remaining members of the 1MDB audit team to wait outside.

"In the meeting, Shukry said the audit report prepared by NAD could be politicised by the Opposition.

"I was also briefed that 1MDB management, led by Arul Kanda, would be able to respond to our audit report," he said.

During the meeting, Ambrin said NAD was pressured to listen to the response from 1MDB on its findings.

"Arul Kanda expressed many opinions on the two versions of financial statements produced by 1MDB and pressured NAD not to include this in the audit report.

"I had no intention to hide but agreed to not include this into the final audit report based on Najib's promise to report this to the police," he further testified.

Sri Ram: When he (Najib) said "I will get to the bottom of it", did you believe him?

Ambrin: He was the prime minister, I had no reason to not believe him.

However, the witness said there was no confirmation whether Najib actually got to "the bottom of it".

Ambrin said he felt cheated when he discovered no police report was lodged despite Najib's assurance.

"On that premise, I agreed to drop the issue of the two versions (of the 1MDB financial statements) from the (1MDB final audit) report," he added.

Ambrin said audit director Nor Salwani Muhammad did not breach the code of conduct when she slipped a recording device into the Feb 24 meeting.

He said Nor Salwani - who was then a deputy audit director - was part of the NAD audit team which was tasked to take notes for the internal use of NAD but ended up being left out of the meeting as there was not enough space in the room.

Ambrin said there was a standing instruction for Nor Salwani to follow all 1MDB audit report meetings.

Last week, the court heard that Nor Salwani slipped a recorder inside a pencil case belonging to Saadatul without the latter's knowledge.

Najib is accused of using his position to order amendments to the 1MDB final audit report before it was tabled to the PAC to avoid action against him.

He allegedly committed the offence in Putrajaya between Feb 22 and 26, 2016.

Arul Kanda was charged with abetting Najib at the same place and time. The hearing continues before Justice Mohamed Zaini Mazlan.

24. Ambrin: I had no political agenda

KUALA LUMPUR: Former auditor-general Tan Sri Ambrin Buang said he had no political agenda in the 1Malaysia Development Bhd (1MDB) report prepared by the National Audit Department (NAD), the High Court heard.

The 70-year-old witness said he was more concerned about presenting the findings to the Public Accounts Committee (PAC).

"The report has already been printed. We (the NAD) were all ready to defend our report to the PAC," he said.

Ambrin was under an examination-in-chief by lead prosecutor Datuk Seri Gopal Sri Ram at the joint trial of former prime minister Datuk Seri Najib Razak and former 1MDB CEO Arul Kanda Kandasamy, dubbed as the PAC trial, here yesterday.

The witness was earlier asked about a coordination meeting held on Feb 24, 2016 to discuss amendments to the 1MDB report.

The meeting with 1MDB and several related agencies was called by former chief secretary to the government Tan Sri Dr Ali Hamsa, as instructed by Najib.

Sri Ram: According to transcript of the recording... "kalau ada complaint, susah untuk kita defend Najib. His name will be tarnished... it will impact..." This was said by Ali. How you understand this paragraph?

Ambrin: The government is worried about the content of our audit report and it needed to be amended. The government was also worried that the report would be spinned by the opposition.

Sri Ram: This was a specific statement from Ali, on behalf of the government. Whose name was he protecting?

Ambrin: Najib.

Sri Ram then asked about the "tone of the Feb 24 meeting" and Ambrin said those who attended the meeting was worried about the findings on the 1MDB report.

Sri Ram: Do you have a political agenda?

Ambrin: Why should I?

Sri Ram: Just answer the question.

Ambrin: I have no political agenda.

Sri Ram: You are just the auditor-general doing your job.

Ambrin: True.

The witness also spoke about his frustration upon leaving the meeting.

"You are in a room with some people with a lot of questions about our audit report which at that time we have finalised and we are ready to defend to the PAC.

"So we had to re-open our report. Of course we are not happy, " he added.

Ambrin said the NAD had been very patient, including the timeframe to prepare the audit.

(The court had heard his earlier testimony where he said the audit could have been completed in five months but was delayed up to a year).

"We have been very generous, " Ambrin said, adding that some did not understand the role of the NAD.

"As the NAD, we look at things based on facts. And these facts must be verified by supporting documents, " he said.

Sri Ram: And you defended those facts?

Ambrin: Yes. Based on facts, the auditor-general is in power to give his opinion. You may not agree with our opinion but you must give leeway to the auditor-general to present those opinions.

Najib is accused of using his position to order amendments to the 1MDB final audit report before it was tabled to the PAC to avoid any action against him. He allegedly committed the offence in Putrajaya between Feb 22 and 26,2016.

Arul Kanda was charged with abetting Najib at the same place and time.

The hearing continues before Justice Mohamed Zaini Mazlan on Jan 9 next year.