

## The Star January 2020

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**1. Fugitive financier Jho Low denies being 'mastermind' behind 1MDB**



**KUALA LUMPUR (Reuters):** Fugitive Malaysian financier Low Taek Jho has said he only acted as an intermediary for deals involving 1MDB, denying in an interview published on Monday (Jan 6) that he had set the stage for the theft of billions of dollars from the Malaysian state fund.

Low faces charges in the United States and Malaysia for his alleged central role in defrauding up to US\$4.5bil (RM18.5bil) from 1Malaysia Development Bhd (1MDB), founded by former Malaysian prime minister Datuk Seri Najib Razak and the subject of the US Justice Department's largest ever anti-kleptocracy case.

Low, or Jho Low as he is popularly known, has consistently denied wrongdoing and says the charges against him are politically motivated.

"People and companies act as introducers or intermediaries all the time," Low said in an interview with Singapore's Straits Times.

"This is not a unique situation. I was requested to assist because of my good relationships with influential foreign businessmen and decision makers."

A spokesman for Low did not immediately respond to a request for additional comments.

To a question on why he has remained on the run, Low said the Malaysian government has victimised him and his family, ignoring "basic human rights and fair judicial processes" by branding him as the mastermind behind the scandal.

Malaysia's prime minister's office did not immediately respond to a request for comment.

Low said his "professional connections" had helped Malaysia build strong ties with key allies, particularly Saudi Arabia, boosting Haj pilgrimage quotas for Malaysian Muslims and investments in financial, real estate and other sectors in the South-East Asian country.

Low declined to divulge his current location but confirmed he was offered asylum in August last year. He did not name the country offering asylum.

In November, US authorities struck a deal with Low to recoup US\$1bil (RM4.11bil) in funds allegedly looted from 1MDB, which included a private jet, high-end real estate in Beverly Hills, New York and London, and other assets.

The deal does not include an admission of guilt or wrongdoing and is not tied to the criminal action against Low.

Low - who said he has had "multiple brushes with cancer" - said he now plans to focus on investing in cutting-edge cancer research.

"I would cherish the opportunity to reinvigorate my philanthropic efforts and to give back to the community and help others in any way I can."

## 2. MACC to challenge move on their right to issue compounds over 1MDB funds

UALA LUMPUR: The Malaysian Anti-Corruption Commission (MACC) will be challenging the move filed against them in court on their right to issue compounds over 1MDB funds.

Its chief commissioner Latheefa Koya said it had been served with the notices and would be challenging the fact that its powers were questioned.

"Those challenges are currently in the leave stage. So, we would be challenging the very fact that they are questioning our powers," she said during a press conference at Istana Budaya to launch the theatrical play titled "Semarak Pertiwiku" on Monday (Jan 6).

She added that the MACC would fight those challenges through the Attorney-General's Chambers (AGC).

The Edge had reported that former Felda chairman Tan Sri Shahrir Samad and former deputy finance minister Datuk Seri Ahmad Maslan were challenging the notices issued by MACC to recover funds allegedly originated from 1Malaysia Development Berhad (1MDB).

The report also noted that similar challenges were filed by, among others, Umno supreme council member Datuk Mohd Sumaili Reduan as well as the Indera Mahkota Umno and Taiping Umno divisions.

Latheefa said those served the notices had been given a chance to pay a fine.

However, she said if they did not pay up, then legal action would be taken against them.

In October last year, MACC had issued compound notices to 80 individuals and entities who had allegedly received funds from 1MDB amounting to RM420mil.

The list includes CIMB group former chairman Datuk Seri Nazir Razak, the brother of former prime minister Datuk Seri Najib Razak, who was revealed to have received RM25.7mil.

On another matter, Latheefa declined to divulge more information on the more than 10 cold cases to be reinvestigated.

"We cannot reveal what cases we have reopened as that will spoil our investigation. We won't divulge specific cases," she said.

The play "Semarak Pertiwiku" centres on the greed of contractors in the pursuit of wealth which sparked a corruption scandal.

The play was first performed in Kuching, Sarawak back in July and performances will be held at the Panggung Sari in Istana Budaya on Jan 30 and 31.

**3. Najib: I only found out about SRC International signature 'fraud' during trial**



**KUALA LUMPUR:** Datuk Seri Najib Razak told the High Court that he only realised "fraud" relating to his signatures had been committed after the SRC International Sdn Bhd case went to court.

The former prime minister said this when being cross-examined by prosecutor Datuk V. Sithambaram asked about the discrepancy in his statements to the court and the Malaysian Anti-Corruption Commission (MACC) regarding his signatures on several documents here on Monday (Jan 6).

The 67-year-old had earlier testified he was not sure the signatures were his but had previously confirmed them when the MACC recorded his statement during its investigation into the 1Malaysia Development Bhd (1MDB) scandal.

Sithambaram: Can you explain why you could not confirm the authenticity of the documents?

Najib: I vaguely remember (the reason I confirmed it then) but I was basing it on my signature. I signed many documents in a day. You know, running the country, you have 1,001 things (to do). This happened so long ago.

"When the case got into court, only then I knew there was penipuan (fraud)," he said.

Sithambaram replied that Najib could not simply say he did not sign the documents "in retrospect".

Najib said he made the confirmation before as he was not shown the original documents and based it on the signatures, which looked like his.

"I was not aware there were scams going on. This was only raised in court.

"But now I have doubts about the signatures," he said, adding that he was "misled" by the signatures.

Sithambaram: I put it to you - you were not misled by the signature. You are misleading.

Najib: No, no.

Earlier, the prosecution had tried to move for impeachment proceedings against Najib because of the discrepancy in Najib's statements.

The application to initiate impeachment proceedings was made under Section 145 and 155 of the Evidence Act 1950 but it was dismissed by Justice Mohd Nazlan Mohd Ghazali who ruled that there was no material contradiction in Najib's two statements.



**4. He's no victim, says Najib's lawyer in rubbing Jho Low's claims**



**Low Taek Jho**

PETALING JAYA: Datuk Seri Najib Razak's defence team maintains that Low Taek Jho is the central figure in the 1Malaysia Development Bhd (1MDB) scandal, refuting claims in an interview that he was merely a "victim".

Najib's defence lawyer Tan Sri Muhammad Shafee Abdullah said the fugitive businessman, who is also known as Jho Low, had lied in his interview with Singapore's *The Straits Times* when he said others played a far bigger role in the scandal.

"I don't think he's telling the truth," he said.

Shafee believed that his client was not getting the best defence as Low and his alleged accomplices were absent.

"Is it purposely done to deprive my client of the best defence? These are witnesses my client can use by way of cross-examination and prove my client's case," he said.

Shafee also criticised Low for playing the victim card.

"He says he is a victim because he is not a politician. That is totally rubbish.

"If you are not a politician, nobody would want to victimise you," he said.

In his interview with the Singapore daily on Monday (Jan 6), Low claimed that the charges brought against him over the financial scandal were politically motivated.

He also claimed to have acted as an intermediary for deals involving 1MDB and denied that he had siphoned billions from the fund.

Low faces charges in the United States and Malaysia for his alleged central role in defrauding up to US\$4.5bil (RM18.5bil) from 1MDB and the subject of the US Justice Department's largest-ever anti-kleptocracy case.

He has consistently denied any wrongdoing.

**5. Shafee: Jho Low central to 1MDB**



**PETALING JAYA:** Datuk Seri Najib Razak's defence team maintains that Low Taek Jho a.k.a Jho Low is the central figure in the 1Malaysia Development Bhd (1MDB) scandal despite Low insisting he only acted as an intermediary for deals.

Najib's defence lawyer Tan Sri Muhammad Shafee Abdullah said the fugitive businessman had lied in his interview with Singapore daily The Straits Times by claiming others played a far bigger role in the scandal.

"I don't think he's telling the truth.

"I think he is the central figure who organised everything else including the financial institutions or people like the bankers and his cronies who are actually his accomplices," he said yesterday.

Shafee also believes his client is not getting the best defence as these people, including Low, are absent.

"Is it purposely done to deprive my client of the best defence? These are witnesses my client can use by way of cross-examination and prove my client case," he said.

Shafee maintains the former premier had been led to believe that Low could open doors to investors in Saudi Arabia, the United Arab Emirates and China.

In the recent interview, Low stuck to his claim that he is a victim in the 1MDB saga.

"This is not a unique situation. I was requested to assist because of my good relationships with influential foreign businessmen and decision makers," he said.

To a question on why he has remained on the run, Low claimed the Malaysian government has "victimised" him and his family, ignoring "basic human rights and fair judicial processes".

He declined to divulge his current location but claimed he had been offered asylum in August last year, although he refused to name the country.

Low faces charges in the United States and Malaysia for his alleged central role in defrauding up to US\$4.5bil (RM18.5bil) from 1MDB and the subject of the US Justice Department's largest ever anti-kleptocracy case.

He has consistently denied wrongdoing and says the charges against him are politically motivated.

Last November, US authorities struck a deal with Low to recoup US\$1bil (RM4.11bil) in funds allegedly looted from 1MDB, which included a private jet, high-end real estate in Beverly Hills, New York and London, and other assets.

The deal does not include an admission of guilt or wrongdoing and is not tied to the criminal action against Low.

In the interview, Low alluded to having had "multiple brushes with cancer" and said he now plans to focus on investing in cutting-edge cancer research as part of his "philanthropic efforts".

Tom Wright, who co-authored the bestseller *The Billion Dollar Whale* with Bradley Hope, described the interview as "pointless".

He said Low should instead answer the multiple charges against him by US and Malaysian authorities.

"He's still on the run in China," Wright posted on Twitter yesterday.

*The Billion Dollar Whale* is about how Low allegedly masterminded the 1MDB scandal.

**6. Najib denies responsibility for monies credited into his account**



KUALA LUMPUR (Bernama): Datuk Seri Najib Razak (*pic*) on Wednesday (Jan 8), told the High Court here that as the bank account holder, he was not responsible for the RM42mil credited into his accounts but only responsible for spending.

The 67-year-old former prime minister also conceded that he had benefited from the RM42mil that was transferred into his accounts by fugitive businessman Low Taek Jho, better known as Jho Low.

When cross-examined by ad-hoc prosecutor Datuk V. Sithambaram, the accused said he did not lose any money from his bank accounts as a result of the alleged manipulation of his accounts by Jho Low.

Sithambaram: As an account holder, you were not responsible for the amount that credited into your accounts but only responsible for spending?

Najib replied "Yes".

Sithambaram: Very good case (with laughter).

Sithambaram: You have told your counsels in the course of the prosecution's case and in your witness statement that you are accusing Jho Low of manipulating your accounts. Am I correct sir?

Najib: Yes, he was dealing with former SRC International chief executive officer Nik Faisal Ariff Kamil I believe. I do not know the details.

Sithambaram: You accused Jho Low of manipulating your accounts?

Najib: Yes.

Sithambram: As a result of this alleged manipulation of your accounts by Jho Low, you did not lose any money from your bank accounts?

Najib: No, I did not.

Sithambram: In fact Datuk Seri, to the contrary, you benefited by the millions of ringgit deposited by Jho Low.

Najib: I did not ask for it.

Sithambram: With all due respect sir, that was not my question. You did not lose any money, but in fact, you benefited from money deposited by Jho Low into your accounts.

Najib: Yes

At one point, Sithambram raised his voice when Najib said AmBank should have alerted him when monies went into his accounts.

Sithambram: So any time, any money goes into your accounts, local or foreign, it is the bank's duty to find out... not your responsibility... you just happily spend it?

Najib: The bank should alert me, I do not know because I did not manage the accounts.

An exasperated Sithambram said, "You should alert the bank because the monies go into your accounts".

Najib also said that there were no action taken by SRC or its subsidiary company Gandingan Mentari Sdn Bhd to recover the RM42mil which was transferred into his accounts.

When asked about the personal donation amounting to RM2.6bil, which Najib allegedly received from King Abdullah Abdulaziz Al-Saud, the accused agreed that he did not inform the Arab to credit the donation into the Government of Malaysia's account for transparency.

Najib is making his defence against seven charges of misappropriating RM42mil in SRC International funds, comprising three counts of criminal breach of trust, three counts of money laundering and one count of abuse of position.

**7. Najib admits in court that he was in touch with Jho Low on 'few occasions' over bank accounts**

KUALA LUMPUR: Datuk Seri Najib Razak admitted to the High Court that he was in contact with fugitive businessman Low Taek Jho on "a few occasions" over the operations of his personal AmBank accounts.

The former prime minister made the admission during cross-examination by lead prosecutor Datuk V. Sithambaram on Thursday (June 9).

Najib was questioned about a chat between AmBank relationship manager Joanna Yu and Low, or better known as Jho Low, via BlackBerry Messenger (BBM) in 2014.

Sithambaram read out the chat, which was regarding the remaining balance in Najib's accounts to ensure that the balance was sufficient for the former prime minister to issue cheques.

Sithambaram: This is clear that Jho Low was making sure that you have enough money to issue cheques. Is this correct, sir?

Najib: It would appear so.

Sithambaram: It is clear that Jho Low was making sure all transactions were honoured. Correct, sir?

Najib: Yes.

Sithambaram: From these transactions and conversations, Jho Low verified the accounts to the bank for the purpose of ensuring sufficient funds for you to use your credit cards and issue cheques. Correct, sir?

Najib: Yes.

Sithambaram: I put it to you, these BBM chats would show that Jho Low was, on some occasions, in contact with you, to ensure the cards and cheques were honoured.

Najib: It was through (former principal private secretary) Datuk Azlin Alias.

Sithambaram: But on some occasions with Jho Low?

Najib: A few occasions. On a very few occasions.

Sithambaram: On a few occasions he liaised with you?

Najib: Yes.

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

The hearing continues before Justice Mohd Nazlan Mohd Ghazali on Jan 20.



**8. Half a billion ringgit – Jho Low's superyacht paid for in full by Genting**



**PUTRAJAYA (Bernama):** Genting Malaysia Bhd has become the new owner of the superyacht once owned by Low Taek Jho, after sale proceeds in excess of half a billion ringgit were credited into the specially-opened 1Malaysia Development Bhd (1MDB) account, says Tan Sri Tommy Thomas.

The Attorney General said the full purchase price was paid within the specified period of time.

"The entire episode from the time the yacht sailed into Malaysian waters in August 2018 and arrested pursuant to an order of the Admiralty Court to its ultimate sale by private treaty, was implemented according to the highest standards of maritime law, on par with every reputable legal system," he said in his speech at the opening of Legal Year 2020, here on Friday (Jan 10).

Thomas said everything was done in an open, transparent and accountable manner.

"Everyone involved in the administration of justice should be proud of the law's contribution in acquiring a national asset for the public good," he said.

The yacht which was named the *Equanimity*, was believed to have been purchased by the fugitive businessman, also known as Jho Low, for US\$250mil (RM1.02bil), allegedly using money linked to 1MDB.

In April 2019, it was reported that the Genting Malaysia Bhd or its special purpose vehicle (SPV) company was buying the vessel for US\$126mil (RM514mil), which the company renamed as the *Tranquility*.

Thomas said the Sheriff's commission for the private treaty sale of the vessel, in excess of RM6.4mil, was paid in December 2019 was a record in Malaysia's legal history

**9. PAC trial: 1MDB's two different financial statements described as 'dangerous' evidence**



**KUALA LUMPUR:** The High Court was told that the former chief secretary to the government had described the two differing financial statements from 1Malaysia Development Bhd (1MDB) as "dangerous evidence".

The description came from Tan Sri Ali Hamsa, and he was heard saying "a very dangerous material evidence" over an audio recording that was played in court, purportedly of a meeting on Feb 24, 2016, that discussed the amendments of the 1MDB audit report.

Retired audit director Saadatul Nafisah Bashir Ahmad, 65, was asked about the audio recording during an examination-in-chief by DPP Ahmad Akram Gharib.

She was testifying 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 Monday (Jan 13).

Ahmad Akram: Ali was heard saying, "A very dangerous material evidence". What does he refer to?

Saadatul Nafisah: We have the evidence of the two (differing) financial statements.

Ahmad Akram: And that is the dangerous material?

Saadatul Nafisah: Yes, and we can prove that there are two statements.

The court had earlier heard testimony that two conflicting versions of the 1MDB financial statements for the year 2014 were among four issues removed from the 1MDB audit report.

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 Tuesday (Jan 14).

**10. Feb 5 mention for 1MDB bond cases against Goldman Sachs Singapore**

KUALA LUMPUR (Bernama): The High Court here has set Feb 5 for mention of the Government's RM27.2bil (US\$6.5bil) 1Malaysia Development Berhad (1MDB) bond cases against Goldman Sachs (Singapore) Pte.

Judge Mohamed Zaini Mazlan fixed the date after Deputy Public Prosecutor Zaki Asyraf Zubir informed the court that the notice of summons had yet to be served on the company due to technical grounds.

"There was an old date on the summons (that was) issued to Goldman Sachs (Singapore). Due to that, Singapore Goldman Sachs refused to accept our summons served on them," he told the court here on Tuesday (Jan 14).

Following that, Mohamed Zaini set Feb 5 as the new mention date.

Also present were lawyers Krishna Dallumah and Datuk Prem Ramachandran, representing Goldman Sachs (Singapore).

Meanwhile, at the Magistrate's Court before Magistrate Nur Farah Ain Roslan, Zaki Asyraf informed the court that the prosecution would issue a new notice of summons with the correct date.

Nur Farah also set Feb 5 for mention.

The High Court had previously fixed today to hear the prosecution's application to transfer the case involving Goldman Sachs (Singapore) from the Magistrate's Court to the High Court.

In December last year, Malaysia filed four charges against investment bank and financial services company Goldman Sachs at the Magistrate's Court here for allegedly leaving out material facts on the sale of bonds between a subsidiary of 1MDB and Aabar Investment PJS Ltd (Aabar).

The offences were allegedly committed at 1MDB's premises at Level 8, Menara IMC, No. 8, Jalan Sultan Ismail here, between March 19, 2012 and Nov 11, 2013.

The company was charged under Section 179(c) of the Capital Markets and Services Act 2007, which carries a penalty of imprisonment for a term not exceeding 10 years and a fine of not less than RM1mil, upon conviction.

Former Goldman Sachs banker Roger Ng Chong Hwa has also claimed trial to four counts of abetting the company, in reference to the sale of the same bonds by omitting material facts and making false statements.

The United States Department of Justice has estimated that about US\$4.5bil was misappropriated from 1MDB between 2009 and 2014.

#### 11. Goldman Sachs tests M'sia reach in Tesco deal



**Major deal: Tesco Extra Mutiara Damansara. Up to one fifth of Tesco's operations by value in South-East Asia sit in Malaysia.**

HONG KONG: A smooth sale of a Tesco unit will signal it's mostly back to business as usual for Goldman Sachs. The US bank is advising the British grocer on a potential US\$9bil exit from South-East Asia.

Up to one fifth of the operations by value sit in Malaysia. That means the Wall Street bank led by David Solomon may earn fees from the sale of assets in a country where Goldman is still tangling with authorities for its role in the multi-billion-dollar 1MDB sovereign fund scandal.

The bank is serving a long-standing client: Goldman has worked for Tesco on corporate bond issues, asset-backed securities and more over the decades. It advised on the company's 2003 acquisition, and subsequent exit, from Japan. Most of the assets now under review by the £25bil chain are headquartered in Bangkok and the rest in Kuala Lumpur.

The mandate, though, is significant for a bank that has been tied up in controversy for fees pocketed on three 1MDB bond issues totalling US\$6.5bil in 2012 and 2013. The Goldman banker who led those deals, Tim Leissner, went on leave in early 2016, and eventually pleaded guilty to money laundering charges. Dealogic has no record of Goldman earning investment banking fees in Malaysia between 2017 and 2019. That's a long stretch, even in a small market where business is lumpy.

Goldman is advising on the sale from London and will most likely be paid by a UK-based company. That kind of a remote setup is not uncommon for global dealmakers. Still, local authorities seeking a

settlement over 1MDB may be irritated by the thought of the bank earning fees from the sale of Malaysian assets.

Prime Minister Tun Dr Mahathir Mohamad in December said that compensation of "one point something billion" dollars offered by the bank was too small. Meanwhile, criminal charges filed earlier by Malaysia against 17 current and former directors of the bank remain outstanding. Goldman senior executives have publicly said that the bank wants to put the issue behind it.

Goldman will be keen to demonstrate that it is ready and able to serve all the needs of its multinational clients, and the Tesco deal would test the reach of Malaysian authorities. Supermarkets might become an unwelcome reminder to politicians that capital is global.



**12. We were forced to accept decision to expunge parts of audit report, witness tells High Court**



**KUALA LUMPUR (Bernama):** The former director of the National Audit Department told the High Court here that she and the former auditor-general Tan Sri Ambrin Buang were forced to accept the decision to expunge parts of the audit report on 1Malaysia Development Berhad (1MDB).

Prosecution witness Saadatul Nafisah Bashir Ahmad (*pic*) said this occurred at a coordination meeting on Feb 24, 2016, which was chaired by then Chief Secretary to the Government, Tan Sri Dr Ali Hamsa, at his office, with 1MDB's then chief executive officer Arul Kanda Kandasamy; Tan Sri Shukry Mohd Salleh, the principal private secretary at the time to then prime minister Datuk Seri Najib Razak; and officer at the Attorney-General's Chambers, Tan Sri Dzulkifli Ahmad, in attendance.

Saadatul Nafisah, 65, who is now retired, said this on Thursday (Jan 16) during cross-examination by lawyer Tan Sri Muhammad Shafee Abdullah who is representing Najib in the trial of both Najib and Arul Kanda who have been charged with tampering with the 1MDB final audit report.

**Muhammad Shafee:** Was there anything during the meeting from start to finish, to indicate that the Chief Secretary or anyone else forced you or Tan Sri Ambrin to accept a certain decision?

**Saadatul Nafisah:** Yes, there was.

**Muhammad Shafee:** Could you indicate (in the transcript of the audio recording of the meeting on Feb 24, 2016) where such force was made?

Saadatul Nafisah: It's in section 285.

Going on to read section 285, Muhammad Shafee questioned the witness on the existence of the element of force during the meeting.

Saadatul Nafisah responded that there were statements of fact in the report which "in the end, had to be expunged" because of the pressure exacted during the meeting.

Muhammad Shafee: That is what you are saying.

Saadatul Nafisah: But in the end, the paragraph was expunged.

She went on explain that she viewed Ali's request that her department consider expunging portions of the report as an order, and it was akin to being forced to do so.

Asked by Muhammad Shafee to show further evidence of the presence of such pressure, Saadatul Nafisah referred the counsel to section 325 in the transcript of the audio recording which was made in secret by the fourth witness for the prosecution, Nor Salwani Muhammad.

The section comprised an alleged statement from Ali to Ambrin: "This can be done. The AG (Auditor-General) can use his discretion to drop this".

Muhammad Shafee: How do you view this statement as an act of force?

Saadatul Nafisah: It was force because if we did not expunge it, the issue would crop up once again.

The witness, however, agreed with Muhammad Shafee's assertion that she and Ambrin had not opposed the suggestion made by Ali concerning the expunction.

Saadatul Nafisah also told the court that the NAD took many months to secure information for the audit process from Arul Kanda before the report was submitted to the Public Accounts Committee (PAC).

"Arul Kanda said there was no problem but the information never reached us," she said, explaining that he had kept her department waiting for months, and in the end, department officials had to resort to getting information from third parties including Bank Negara Malaysia and the Finance Ministry.

Saadatul Nafisah added that she had contacted 1MDB's board of directors to obtain information required for the audit "but we only managed to get 60% of the information from 1MDB to complete the report, and that took up a long time".

Najib, 67, is charged with using his position to order amendments to the 1MDB final audit report before it was tabled before the Public Accounts Committee (PAC), to prevent any action being taken against him, while Arul Kanda, 44, is charged with abetting Najib.

Both men have been charged under provisions of the Malaysian Anti-Corruption Commission (MACC) Act 2009, which carry a jail term of up to 20 years and a fine, upon conviction.

Judge Mohamed Zaini allowed Muhammad Shafee's application for the PAC to supply a copy of the notes of proceedings taken during Ambrin's testimony before the committee on Dec 4, 2018, as the notes would be helpful to the defence.

In announcing that the court would fix a separate date for case management and thereafter fix further trial dates, Mohamed Zaini reminded witnesses not to discuss the case.

### 13. Objections over original audit report

KUALA LUMPUR: The original 1Malaysia Development Berhad (1MDB) audit report findings were objected to by its chief executive officer (CEO) and a group of civil servants during a coordination meeting chaired in 2016 by Tan Sri Dr Ali Hamsa, the chief secretary to the government at the time.

The former director of the National Audit Department (NAD), Saadatul Nafisah Bashir Ahmad, 65, who revealed the matter to the High Court here yesterday, said the meeting took place on Feb 24, 2016, at Ali's office in Putrajaya.

The retired top officer of the NAD testified that she and then auditor-general Tan Sri Ambrin Buang had defended the original 1MDB audit report prepared by the department even though its findings were disagreed with by those who attended the meeting.

Saadatul Nafisah said this at the trial of former prime minister Datuk Seri Najib Tun Razak and former 1MDB CEO Arul Kanda Kandasamy over the tampering of the final audit report of the state-owned sovereign wealth fund.

Under examination-in-chief by lead prosecutor Datuk Seri Gopal Sri Ram, the witness was referred to a two hour-and-45-minute audio recording purportedly about the meeting during which a decision was made to drop several controversial issues from the report.

Saadatul Nafisah said that during the meeting, one of the attendees, Tan Sri Shukry Mohd Salleh, had voiced out disagreements with the NAD findings.

"What I understood at the time was that he (Shukry) was talking about the contradictions in our findings. The group disagreed with our opinion," she said.

Sri Ram: The group disagreed with your report?

Saadatul Nafisah: They disagreed with our opinion, the auditor-general's (Ambrin) opinion. It was only our opinion, it can be agreed or disagreed with... but as auditors, we need to give our opinion.

To further questioning, Saadatul Nafisah agreed that if it was not for the Feb 24, 2016, meeting, the original 1MDB audit report would not have been changed.

Sri Ram: You were there in the meeting for almost three hours. In your opinion, for whose benefit were the amendments?

Saadatul Nafisah: I think it was more for Tan Sri KSN (Tan Sri Ali Hamsa at the time) and the nation, as it might affect the country and the share market also... some of the sensitive issues (in the audit report) were not to be raised.

Sri Ram: If you look at page 95 of the transcript of the audio recording, Ali said 'we want to take care of our leadership'. What do you understand by this?

Saadatul Nafisah: The prime minister.

Sri Ram: Do you know who the chairman of the board of advisers of 1MDB was?

Saadatul Nafisah: The minister of finance (MOF)

Sri Ram: The MOF happens to be the PM?

Saadatul Nafisah: Yes, Najib

Najib, 67, is charged with using his position to order amendments to the 1MDB final audit report before it was presented before the Public Accounts Committee (PAC) to avoid any action being taken against him, while Arul Kanda is charged with abetting Najib in making amendments to the report, to protect Najib from being subjected to action.

Both men have been charged under provisions of the Malaysian Anti-Corruption Commission Act 2009, which carry a maximum jail term of 20 years and a fine of no less than five times the amount of gratification or RM10,000, whichever is higher, upon conviction.

The trial before judge Mohamed Zaini Mazlan continues tomorrow.

#### **14. MACC arrests govt agency director over alleged fraud**

KOTA BARU (Bernama): The Malaysian Anti-Corruption Commission (MACC) arrested the director of a Federal Government agency over alleged fraud here on Monday (Jan 20).

The arrest took place at 4.30pm at the MACC's Kota Baru office.

It is understood that the arrest of the 45-year-old director was made based on complaints over his involvement in submitting false claims for the department's programmes and courses.

It is suspected false details were furnished for supply of drinks and course equipment as well as programmes, which were not delivered in full.

In addition, the department's vehicle maintenance claims were also suspected to contain false details as it is believed that no maintenance was carried out.

The investigation also involved false claims for public programmes in 11 parliamentary constituencies in the state, and the appointment of relatives as procurement or service providers with the department.

Kelantan MACC director Ramli Ismail, when contacted confirmed the arrest but declined to comment further, saying the suspect is on remand for four days beginning Tuesday (Jan 21) for investigations.

### **15. Najib tells court all money from his account used for CSR**

KUALA LUMPUR: The High Court heard that Datuk Seri Najib Razak spent tens of millions of ringgit that were credited into his personal bank accounts between 2014 and 2015 for corporate social responsibility (CSR) programmes.

The former prime minister admitted to spending the money in his accounts for CSR purposes but maintained that he did not know the funds came from SRC International Sdn Bhd.

Najib was cross examined by lead prosecutor Datuk V. Sithambaram in the SRC International trial, where he is accused of misappropriating RM42mil in SRC's funds.

Sithambaram: RM27mil went into your account in July (2014). You said you did not know?

Najib: Yes, I did not know that it was SRC's money. I only knew much later.

Sithambaram: But you spent every sen of it?

Najib: Yes.

Sithambaram: Did you know that RM5mil went into your account in September (2014)?

Najib: I did not know at that time.

Sithambaram: But you spent every sen of it?

Najib: Yes.

Sithambaram: In December (2014), RM27mil went into your account. Did you know that?

Najib: At that time, I did not know.

Sithambaram: But you spent it?

Najib: Yes, I spent it. It was the CSR fund that I had.

The Pekan MP also denied keeping former CEO turned fugitive Nik Faisal Ariff Kamil in SRC International to facilitate the movement of funds between accounts.

"I can't be so stupid (laughs). Come on, " he quipped.

This prompted Sithambaram to reply that he had seen many "very intelligent" people ending up in court in his four decades of experience.

"I was not aware of what happened. I am saying I am not stupid to do something like this, " Najib added.

Sithambaram then suggested that Najib knew what was going on as bank statements would have shown money from Ihsan Perdana Sdn Bhd, an entity established to manage 1Malaysia Development Bhd's corporate social responsibility programmes, landing into his personal account.

"Yes, but those accounts (statements) were not with me. I never authorised it.

"And there is no evidence to show that, " Najib said.

Sithambaram: And I would say sir, for myself, I won't be so stupid to see money RM42mil coming in and going out, without checking.

Najib: That's on you.

Sithambaram: I put it to you, that you wilfully appoint Nik Faisal as the mandate holder of account and SRC CEO to accomplish this transfer of funds.

Najib: I totally disagree because there is no evidence to show that.

Nik Faisal was removed from the CEO post in 2014 for financial mismanagement but remained a member on the board of directors in the company.

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



**16. Difficult to get Saudi royal family to testify over RM2.6bil donation, says Najib**



KUALA LUMPUR (Bernama): Datuk Seri Najib Razak told the High Court here Thursday (Jan 23) that it would be difficult for the defence to get a member of the Saudi royal family to testify about the RM2.6bil donation that he had purportedly received between 2011 and 2014.

The 67-year-old former prime minister said this when asked during cross-examination by deputy public prosecutor Datuk V. Sithambaram if any member of the royal family would be called to court to confirm the matter.

**Sithambaram:** I put it to you, from day one, that you knew as a fact these monies never came from the Saudi royal family.

**Najib:** I disagree... because some of the monies directly came from the Saudi Ministry of Finance.

**Sithambaram:** Unfortunately, no member of the Saudi royal family would come to court and confirm this, correct, Sir?

**Najib:** Well, it is difficult to have them come to court.

At this point, Sithambaram said it was also convenient for the accused not to call them to court to maintain his story to which Najib disagreed.

To another question, the former finance minister said he did not know who was the owner of Tanore Finance Corporation, the party named as the receiver for the US\$620mil (RM2.2bil) funds that the former premier had returned.

Najib said, in fact, he did not check whether the owner of the company was a royal family member of Saudi Arabia or rather because Low Taek Jho or better known as Jho Low, was a conduit to the royal family.

**Sithambaram:** I put it to you that Tanore does not belong to the Saudi royal family.

**Najib:** I cannot confirm.

**Sithambaram:** In hindsight, instead of asking Jho Low to whom the money was sent, would it not be more prudent to check with the donor?

**Najib:** I did not check because Jho Low was the conduit of the royal family.

**Sithambaram:** It is a very large sum of money. Wouldn't it be more prudent to check with the person who wrote you the letter?

**Najib:** No, because Jho Low was nominated by the royal family... because he was dealing with Prince Al Turki (Prince Faisal Al Turki) at that time.

**Sithambaram:** How do you personally know this as a fact? Did the royalty put both of you in a room and told you that Jho Low is their nominee?

**Najib:** No... I know it as a fact.

**Sithambaram:** Do you agree that Jho Low is associated with Tanore?

**Najib:** According to the report, but I cannot confirm.

Najib is making his defence to seven charges of misappropriating RM42mil in SRC International Sdn Bhd funds, comprising three counts of criminal breach of trust, three counts of money laundering and one count of abuse of position in relation to the SRC funds.

The trial before Judge Mohd Nazlan Mohd Ghazali continues.

**17. SRC International case: Defence may ask former AG Apandi to testify**

KUALA LUMPUR: The defence in the SRC International Sdn Bhd trial may ask former attorney general (AG) Tan Sri Mohamed Apandi Ali to testify.

This was mentioned by former prime minister Datuk Seri Najib Razak during cross-examination by lead prosecutor Datuk V. Sithambaram here on Thursday (Jan 23) when asked about Apandi's appointment as the AG in July 2015.

Najib was referred to a press statement issued by Apandi, which cleared him of any wrongdoing related to SRC International, a subsidiary of 1Malaysia Development Bhd (1MDB).

Sithambaram: I put it to you, despite the statement by the then AG, you abused your position as finance minister and prime minister by taking part in the decision to provide the two government guarantees.

Najib: I disagree.

Sithambaram: From the bank statements and all the evidence, it is clear evidence that RM42mil from SRC had gone into your account with your knowledge.

Najib: I disagree.

Sithambaram: Are you calling Apandi as a witness in this case?

Najib: We are considering the matter.

Apandi was the AG from July 2015, taking over from Tan Sri Abdul Gani Patail. His services was terminated in June 2018, a month after Barisan Nasional lost in GE14.

Najib's lawyer Harvinderjit Singh said the defence would also call their own expert in the week of Feb 10 over the Pekan MP's signatures on 13 disputed documents.

Harvinderjit informed Justice Mohd Nazlan Mohd Ghazali that the expert, an Australian, could only travel on the said week.

"The week of Feb 10 is the only arrangement that could be done. I do not foresee much delay on the trial. Examination will take only two days. A report is expected to be ready in a week after the analysis," he said.

Previously, the court had set for the examination to take place before Feb 3.

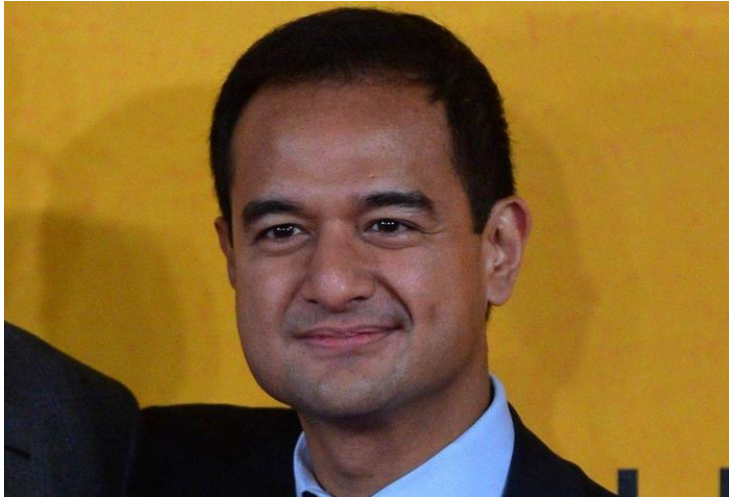
Of the 13 documents, 11 are marked as prosecution evidence and another two as defence evidence.

On Wednesday (Jan 22), Justice Nazlan allowed Najib's application to call his own expert on grounds that an accused was entitled to procure and lead any relevant evidence of his choice in his defence.

During the trial, Najib had raised questions on the authenticity of his signatures as he claimed that he was never shown the original copies of the disputed documents.

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

## 18. Real-life 'Wolf of Wall Street' sues Najib's stepson Riza Aziz for RM1.2bil



LOS ANGELES (Variety.com): Jordan Belfort, the pump-and-dump scammer immortalised in Martin Scorsese's *The Wolf of Wall Street*, said in a lawsuit Thursday that he was victimised by a far grander scam perpetrated by the film's producers.

Belfort filed a US\$300mil (RM1.2bil) fraud lawsuit in Los Angeles Superior Court against Red Granite Pictures and its CEO, Riza Aziz, saying he had no idea they financed the film with millions of dollars stolen from the Malaysian government.

Riza Aziz is currently facing corruption charges in Malaysia for allegedly embezzling US\$248mil (RM1bil) from 1Malaysia Development Bhd (1MDB), a state-run development fund.

His stepfather, Datuk Seri Najib Razak, was ousted as prime minister in the wake of the alleged theft of some US\$4.5bil (RM18.3bil) from the fund.

Belfort - who served 22 months in prison after bilking investors out of US\$200mil in the early 1990s - alleges that the 1MDB scandal has tainted the rights to his story.

Belfort sold Red Granite the rights to his memoir and the sequel, *Catching the Wolf of Wall Street*.

But in the wake of the 1MDB scandal, the suit contends that the company is no longer able to fully capitalise on those rights.

According to the suit, Belfort believed Riza Aziz when he said that Red Granite's money came from legitimate sources, including high-net worth individuals and Goldman Sachs.

"Belfort was completely blindsided to learn, after the fact, of the source of funding for Red Granite and the film based on his book/ story, as defendants concealed these criminal acts and funding sources from him," the suit states.

"Had he known he certainly never would have sold the rights."

In a 2017 interview with [fineews.com](http://fineews.com), however, Belfort said he knew upon meeting the people around Red Granite that they were "f--ing criminals".

"I met these guys, and said to Anne (his fiancée), 'These guys are f--ing criminals', " Belfort said in the interview.

A few months after he sold the rights, he said the company threw a multimillion-dollar launch party at Cannes.

"I said to Anne, 'This is a f--ing scam, anybody who does this has stolen money.'... I knew it, it was so obvious".

The US Department of Justice filed a civil forfeiture suit in 2016 to recoup some of the proceeds of *The Wolf of Wall Street*, which grossed US\$392mil (RM1.6bil) worldwide. In March 2018, Red Granite agreed to pay US\$60mil (RM244mil) to settle the civil forfeiture action.

Red Granite's attorney, Matthew Schwartz of Boies Schiller Flexner, said on Thursday that Belfort's suit has no merit.

"Jordan Belfort's lawsuit is nothing more than a desperate and supremely ironic attempt to get out from under an agreement that for the first time in his life made him rich and famous through lawful and legitimate means," Schwartz said in a statement.

In 2017, the US government said that Belfort has paid back only US\$12.8mil of the US\$110mil he was ordered to return to investors. The government has sought to garnish additional funds from Belfort in the years since the film was released.

Belfort is represented by Bryan Freedman of Freedman and Taitelman LLP.

### **19. Najib's former relationship manager seeks to strike out lawsuit**

KUALA LUMPUR: Former AmBank relationship manager Joanna Yu is seeking to strike out the lawsuit against her filed by former prime minister Datuk Seri Najib Razak.

Yu, together with AMMB Holdings Bhd and AmBank Islamic Bhd, were sued by the Pekan MP over alleged mismanagement of his bank accounts that were central in the SRC International Sdn Bhd trial.

Lawyer Muhammad Farhan Muhammad Shafee said that Najib's legal representatives were just served with the application to strike out the writ of summons and statement of claim on Tuesday (Jan 28).

He said Yu had filed the application on grounds that it was an abuse of the court process and the lawsuit was meant to bolster Najib's defence in the SRC International case.

"Yu had also filed a certificate of urgency for case management to be held today (Wednesday, Jan 29). We will be responding to the striking out application as she needs to explain her action thoroughly," he told the press.

Further case management is fixed on Feb 4 before High Court judge Justice Khadijah Idris.

Yu was represented by lawyer Jessica Ram Binwani.

On Dec 9 last year, Najib filed the suit and named AMMB Holdings Bhd, Ambank Islamic Bhd and Yu as defendants.

Yu was a prosecution witness in the SRC International trial where Najib is accused of misappropriating RM42mil in SRC funds.

In his statement of claim, Najib said AmBank and Yu had committed negligence when handling his bank accounts (ending 694,880,898 and 906) by disclosing it to fugitive financier Low Taek Jho, better known Jho Low.

He said the defendants had disclosed his bank statements, debit and credit remittance transactions, and balances of funds of account 694 to a third party (Low), without his (Najib's) authorisation.

Najib claimed the defendants did not engage with him to report on Low's action regarding the said bank accounts and that the bank had facilitated an unauthorised third party to make money transfers between accounts 880,898 and 906.

He also claimed he was kept in the dark on the details of his own bank accounts statements and other related documents by the bank under Low's instruction.

He alleged that Low with the help of other unauthorised third parties had made 20 transactions to regularise the accounts totalling RM12mil through several local and foreign remittances of funds and that the accounts had been "red flagged" by Bank Negara.

According to Najib, the defendants had failed to report and get direct instructions from him despite the accounts being red flagged.

Najib also claimed that he only discovered the act committed by the defendants during the SRC International trial after the prosecution had revealed the conversations between Yu and third parties.

He is seeking for special, general, aggravated and exemplary damages from the defendants.

Najib, 67, is facing seven charges of criminal breach of trust, abuse of power and money laundering involving RM42mil of SRC International funds.



## 20. Ex-bank manager seeks to strike out Najib's suit against her

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He said Yu had filed the application on grounds that it was an abuse of the court process and the lawsuit was meant to bolster Najib's defence in the SRC International case.

"Yu had also filed a certificate of urgency for case management to be held today (yesterday). We will be responding to the striking out the application as she needs to explain her action thoroughly," he said.

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