

Preliminary findings & observations

1. Dato' Alan is directly involved in MITSB and fraudulent accounting entries were entered into CMSB's general ledgers to conceal his involvement.

D. Advances that were purportedly for MITSB were instead paid to Dato' Alan

- We noted an unusual accounting adjustment entry vide the JV 00000431 that reclassified the three (3) deposits to one Lim Yeng Poh and K W Chong & Partners account ledger from MITSB's account ledger. Besides these adjustment entries, we noted that the Journal Voucher also included the reclassification of the advances paid to MITSB (i.e. OCBC 032762) identified above to the following account ledger.

Reclassification Entry	Account Code	Account Name	Debit (MYR)	Credit (MYR)
#4	4001-K0021	K.W. Chong & Partners	100,000.00	
	3000-M0035	Mutiara Intra Timur Sdn Bhd		100,000.00
	TOTAL		100,000.00	100,000.00

- The accounting adjustment entry above is highly questionable as the said entry would suggest that the purported advances to MITSB was for the repayment of a purported debt owing to K W Chong & Partners.

CMSB was providing free financing to MITSB even though CMSB is the main contractor and project manager for MITSB

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2. CMSB was providing free financing to MITSB even though CMSB is the main contractor and project manager for MITSB

- Our preliminary analysis of the MITSB's accounts ledger, we noted that CMSB has been consistently making advances to MITSB ranging from MYR500 to MYR400,000 per transaction.
- In addition to advances to MITSB, we also noted that CMSB appears to be consistently making payments to sub-contractors on behalf of MITSB and that the amounts claimed from CMSB to MITSB for these payments on behalf were at cost (i.e. no mark-up).
- we identified a letter dated 15 May 2014 from CMSB to MITSB where it was noted that CMSB and MITSB "have agreed in principle" that the "**advances are interest free**". The letter further added that "**outstanding balances for the particular project after the 6th month of obtaining Certificate of Completion and Compliance (CCC) will be subject to an interest charge of 5.05% per annum until full settlement of the said balances. The interest rate will also be subjected to a monthly review depending on CAELY's weighted average cost of capital (WACC)**".

**Current and/ or past directors and/ or shareholders of
MITSB were either current and/ or former employees
of CMSB**

Preliminary findings & observations

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3. Current and/ or past directors and/ or shareholders of MITSB were either current and/ or former employees of CMSB

- The current directors and shareholders of MITSB as of 31 March 2022 are one Ramlan Anas bin Ahmad and Mohd Khairul Zaman bin Mohd Faisal. Besides the two (2) individuals, we noted that the past directors and/ shareholders of MITSB were as follows:

No.	Name	Designation	Appointed	Resigned
1	Lee Min Fei	First Director	18 Jul 2000	12 Aug 2000
2	Chow Soon Meng	First Director	18 Jul 2000	12 Aug 2000
3	Baharudin Bin Ahmad	Director	11 Aug 2000	18 Feb 2021
4	Rosmin Bin Iman	Director	11 Aug 2000	23 Nov 2006
5	Shazali Bin San Osman	Director	23 Nov 2006	15 Jun 2007
6	Mohamad Hamdan Bin Mokhtar	Director	15 Jun 2007	18 Feb 2021
7	Chuah Chin lai	Director	21 Sep 2007	15 Oct 2008
8	Lee Han Hoon	Director	21 Sep 2007	15 Oct 2008
9	Ramlan Anas Bin Ahmad	Director	18 Feb 2021	
10	Mohd Khairul Zaman Bin Mohd Faisal	Director	18 Feb 2021	

No.	Name	Movement							Balance as at 18 Jul 2021
		18 Jul 2000	31 Dec 2001	31 Dec 2005	30 Jun 2006	31 Dec 2007	31 Dec 2015	18 Jul 2021	
1	Lee Min Fei	1.00	-	1.00					-
2	Chow Soon Meng	1.00	-	1.00					-
3	Baharudin Bin Ahmad		1.00	25,000.00		224,999.00	425,000.00	- 675,000.00	-
4	Rosmin Bin Iman		1.00	25,000.00	- 25,001.00				-
5	Shazali Bin San Osman				25,001.00				-
6	Mohamad Hamdan Bin Mokhtar					25,001.00	49,999.00	- 75,000.00	-
7	Ramlan Anas Bin Ahmad							450,000.00	450,000.00
8	Mohd Khairul Zaman Bin Faisal							300,000.00	300,000.00
									750,000.00

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3. Current and/ or past directors and/ or shareholders of MITSB were either current and/ or former employees of CMSB

- Based on CMSB's employee listing, we noted that five (5) out of the 10 directors and/ or shareholders (including the current directors and shareholders) identified above were either former or current employees of CMSB where the employment periods were as follow:

No.	Name	Join Date	Resignation Date	Position at CMSB
1	Ramlan Anas bin Ahmad	27-Mar-00	31-Aug-21	Assistant Head of Business Development
2	Mohd Khairul Zaman bin Mohd Faisal	04-Apr-16	31-Aug-21	Executive – Property Development
3	Baharudin Bin Ahmad	01-Aug-94	Oct-2017 (Note 1)	Personal driver to Dato' Alan and Datin Fong
4	Mohamad Hamdan Bin Mokhtar	04-Mar-98	Existing employee	Security Guard
5	Chuah Chin Lai	01-Aug-86	30-Sep-21	Deputy Managing Director

- Upon analysing the directorship and shareholding of the individuals above to their employment periods, we noted that all five (5) employees above were the directors and/ or shareholders of MITSB during their employments at CMSB.

Dato' Alan direct involvement in MITSB is known to Mr. Choo. Mr. Choo have also assisted on various matter relating to MITSB.

Additional preliminary findings & observations

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1. Dato' Alan direct involvement in MITSB is known to Mr. Choo. Mr. Choo have also assisted on various matter relating to MITSB.

- Our investigations from Caely's server revealed an email by Choo Yen Wah ("Mr Choo") to one Christine <ce_lim86@yahoo.com> on 10 January 2012 annexing Dato' Alan's letter of appointment as managing director of Mutiara Intra Timur Sdn Bhd. We note that the address of Mutiara Intra Timur Sdn Bhd in the letter is the same address as Wisma Caely.

From: "Choo Yen Wah" <yenwahchoo@caely.com.my>
 Sent: 10-Jan-12 3:28:24 PM
 To: <ce_lim86@yahoo.com>
 Subject: Appointment Letter
 Importance: Normal
 Attachments: Mutiara Intra Timur Sdn Bhd.doc

Dear Christine,
 Annexed herewith the letter of appointment of Dato' Alan as a managing director to Mutiara for your reference.
 Thank you.
 Regards,
 Yen Choo

10th November 2011
 Mutiara Intra Timur Sdn Bhd
 (Company No. 20731-H)
 Wisma Caely
 Jalan Akhbar 1, Lda
 36000 Teluk Anson
 Perak Darul Ridzuan
 Tel: 05-6218 888 Fax: 05-6215 115
Private & Confidential

Dato' Alan Chiah Chin Lai
 Lot 4074 and Lot 4075
 Lea Tambaga 5
 Jalan Seri Aman off Jalan
 Mutiara Intra Timur Sdn Bhd
 36000 Teluk Anson
 Perak Darul Ridzuan

Dear Sir,
Letter of Appointment as a Managing Director
 On behalf of our Company, Mutiara Intra Timur Sdn Bhd, we would like to take this opportunity to congratulate Dato' Alan Chiah Chin Lai, I/c No. 600213-06-542, with effective on 01 December 2011, you are appointed as the Managing Director.
 As a Managing Director, you are responsible to oversee the whole Company daily operation, finance, banking, government department as well as report to the board of directors on the month basis.

- Further investigations seem to suggest that the email above is likely in relation to a loan application by Mutiara to UOB Bank. We discovered an email by Mr. Choo to one Fiona Chin Kee Pei (supposingly from UOB) on 6 December 2011, carbon copying <ce_lim86@yahoo.com>, notifying them that Mutiara Intra Timur Sdn Bhd loan application documents had been couriered.

From: "Choo Yen Wah" <yenwahchoo@caely.com.my>
 Sent: 06-Dec-11 2:46:14 PM
 To: "Fiona Chin Kee Pei" <chin.kspei@uob.com.my>
 CC: <ce_lim86@yahoo.com>
 Subject: Mutiara Loan Application Documents
 Importance: Normal

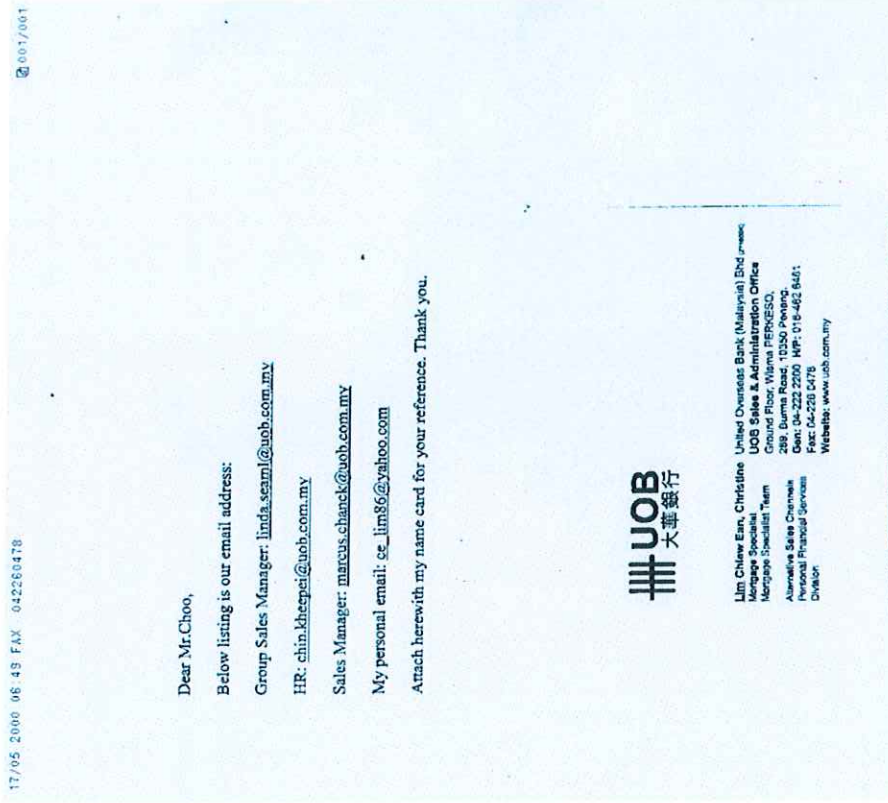
Dear Christine,
 We had courier the Mutiara Intra Timur Sdn Bhd loan application documents to you today.
 Please kindly check if you do not receive the said documents, please let me know.

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1. Dato' Alan direct involvement in MITSB is known to Mr. Choo. Mr. Choo have also assisted on various matter relating to MITSB.

- We also noted that Christine <ce_lim86@yahoo.com> was a Mortgage Specialist at UOB at the material time.



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1. Dato' Alan direct involvement in MITSB is known to Mr. Choo. Mr. Choo have also assisted on various matter relating to MITSB.

- We found another email dated 14 April 2011 with the subject matter "Confirmation of Dato' Alan Appointment to Mutiara", which was sent by Mr. Choo to one "Ms. Tan" with the email address "wcnbw@yahoo.com", which is linked to a law firm – Wong Chooi & Mohd Nor, where Mr Choo had furnished a letter confirming Dato' Alan appointment in MITSB. Mr. Choo further added that he will update the law firm on the signing of an "S & P agreement" when he gets feedback from Dato' Alan.

From: Choo Yen Wah <yenwahchoo@classica.com.my>
Sent: Thursday, 14 April 2011 2:05 PM
To: wcnbw@yahoo.com
Subject: Confirmation of Dato' Appointment to Mutiara
Attachments: Letter.jpg



ADDRESS & CONTACT INFORMATION

Item	Description
Firm	Wong-Chooi & Mohd Nor
Branch	Butterworth
Address	4987, 1st Floor, Jalan Kampong Benggali 12200 Butterworth Pulau Pinang
Telephone	04-3324955 / 04-3319037 / 04-3310007 . 04-3203681
FAX	04-3314593
e-mail	wcnbw@yahoo.com
Website	

MEMBERS LAWYER

Item	Description
Name	Cheah Hui Lee Ng Pei Yee Poh Boon Kar

Dear Ms. Tan,

We are pleased to furnish you the confirmation letter of Dato' Alan Chush appointment to Mutiara Intra Timur Sdn Bhd.

Meanwhile, regards to the signing of S & P agreement, as Dato' did not come to office today, I will keep you inform once I got the feedback from him.

Thank you.

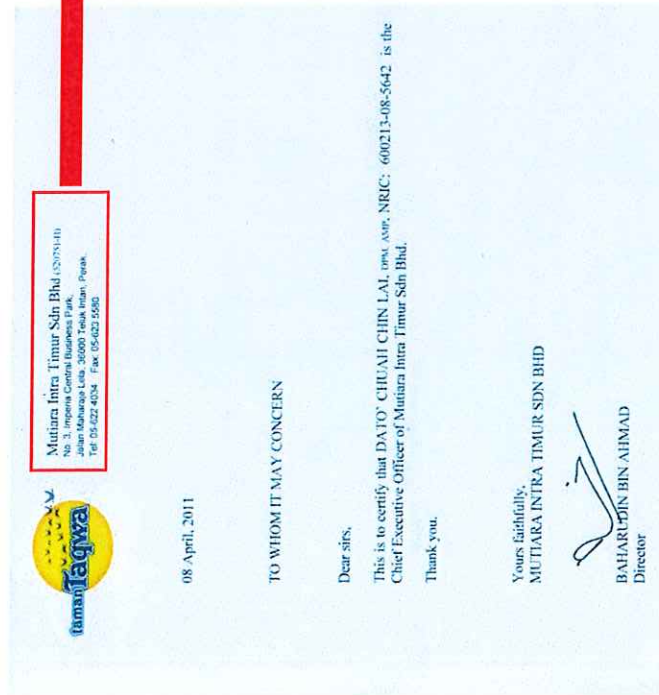
Regards,
 Yen Choo

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1. Dato' Alan direct involvement in MITSB is known to Mr. Choo. Mr. Choo have also assisted on various matter relating to MITSB.

- The attachment "Letter.jpg" indicated that Dato' Alan was appointed as the Chief Executive Officer of MITSB and was signed by Baharudin bin Ahmad (i.e. Dato' Alan and Datin Fong's personal drivers at the material time).
- Additionally, the address indicated on the letterhead (i.e. No. 3, Imperia Central Business Park, Jalan Maharaja Lela, 36000 Teluk Intan, Perak) was linked to three (3) entities namely Beaucon Construction Sdn Bhd; B-TAR Construction Sdn Bhd; and Compact Ecology Sdn Bhd.
- We also noted that the telephone number (i.e. 05-622 4034) from the same letter was linked to Compact Ecology Sdn Bhd's contact number.



1



2

CORPORATE INFORMATION	
Name	:BEAUCON CONSTRUCTION SDN. BHD.
Last Old Name	:NIL
Date of Change	:NIL
Registration No.	:201001023968 (1008458-D)
Incorporation Date	:03-07-2012
Type	:LIMITED BY SHARES PRIVATE LIMITED
Status	:EXISTING
Registered Address	:NO.3, IMPERIA CENTRAL BUSINESS PARK JALAN MAHARAJA LELEA TELUK INTAN PERAK

3

Company Name	: B-TAR CONSTRUCTION (M) SDN. BHD.
Address	: NO.3 IMPERIA CENTRAL BUSINESS PARK, JALAN MAHARAJALELA, TELUK INTAN, PERAK
Telephone	: 05-6235580
Facsimile	: 05-6229707

Additional preliminary findings & observations

1. Dato' Alan direct involvement in MITSB is known to Mr. Choo. Mr. Choo have also assisted on various matter relating to MITSB.

- Our preliminary analysis noted that Beaucon Construction Sdn Bhd has been the preferred sub-contractor that were normally directly appointed by CMSB for its development projects (i.e. Tapah Road, FELCRA, etc).
- Besides, our public search on Compact Ecology Sdn Bhd noted that Datin Fong and Dato' Alan are directors and/ or shareholders as indicated below.

DIRECTORS / OFFICERS			
Name	Address	IC/PP No	Designation
<u>DATO' CHUAH CHIN LAI</u> App Date : 01 Nov 2001	LOT 4074 & 4075 LORONG TEMBAGA 5 TAM SERI EMAS, TELUK INTAN 36000 TELUK INTAN PERAK	600213-08-5642 / 5428931 DOB : 13/02/1960	DIRECTOR
<u>DATIN FONG NYOK YOOK</u> App Date : 01 Nov 2001	LOT 4074 & 4075 LORONG TEMBAGA 5 TAM SERI EMAS, TELUK INTAN 36000 TELUK INTAN PERAK	611215-07-2064 / 8137553 DOB : 18/12/1961	DIRECTOR
<u>ELORENCE TAN LIAH LIAH</u> App Date : 19 Nov 2020	23 LEBUH SHATIN 11 TAMAN SHATIN 31650 IPOH PERAK	730904-08-5784 DOB : 04/06/1973	SECRETARY
SHAREHOLDERS / MEMBERS			
Name	Address	IC/PP/Local No	Shareholding %
<u>DATIN FONG NYOK YOOK</u>	LOT 3861, BATU 3, JALAN MAHARAJA LELA 36000 TELUK INTAN PERAK	611215-07-2064 / 8137553 DOB : 18/12/1961	150,000.00 50.00
<u>DATO' CHUAH CHIN LAI</u>	LOT 2661, BATU 3, JALAN MAHARAJA LELA 36000 TELUK INTAN PERAK	600213-08-5642 / 5428931 DOB : 13/02/1960	150,000.00 50.00
Total			300,000.00

- We have also identified at least seven (7) payments amounting to RM370k from CMSB to Compact Ecology Sdn Bhd, which were purportedly paid to MITSB, Ng Choo Beng and also Suhaimi bin Hussain. It was further noted that Ng Choo Beng is the majority shareholder (i.e. 80%) in Omni Green Sdn Bhd.

Bank	Bank Acc No	Chq No	Date	Description	Amount (RM)
BMM	14050004480711	000155	18 Jul 2017	MUTIARA INTRA TIMUR (REFUND COMPACT)	60,000.00
MBB	008065606223	579015	24 May 2016	NG CHOO BENG (COMPACT ECOLOGY)	100,000.00
MBB	008065606223	579086	04 Oct 2016	MUTIARA INTRA TIMUR S/BHD (COMPACT E	30,000.00
MBB	008065606223	636693	03 Mar 2017	MUTIARA INTRA TIMUR (REFUND COMPACT	15,000.00
OCBC	008065606223	671541	13 Jun 2017	SUHAIMI BIN HUSSAIN (REFUND COMPACT)	35,000.00
OCBC	723-102674-6	000005	28/06/2016	MUTIARA INTRA TIMUR S/BHD (ADV FOR COMPACT)	30,009.54
				COMPACT ECOLOGY SDN BHD	100,000.00

MITSB's financial records were found in Caely's server

Additional preliminary findings & observations

2. MITSB's financial records were found in Caely's server

- Our preliminary investigations in Caely's server identified the existence of MITSB's financial records in Caely's Server.
- Among the documents that we found is what we presume to be MITSB's General Ledger of certain accounts from 2012 up to 24 May 2017. The accounts that were generated were as follows:

- KISMA JAYA (PADANG TEMBAK)
- JV LOT 11581(LOT 5578) KG GAJAH
- JV LOT 2986 & LOT 554 KG GAJAH
- JV PT 22875

Print Ledger
Date : 24/05/2017

Date	Batch	Ref.No.(1)	Ref.No.(2)	Desc.	Project	Job	Debit	Credit	Balance
MUTIARA INTRA TIMUR SDN BHD									
Account No.: 2030/0051 O P - KISMA JAYA(PADANG TEMBAK)									
				BALANCE B/F					191,768.11
31/07/2012	2	JV0712/010	OCBC028107	DE CITY ENTERPRISE			240.00		192,008.11
22/08/2012	2	JV0812/007	OCBC028260	PUSAKA RUNDING SDN BHD			8,370.00		190,378.11
22/08/2012	2	JV0812/008	OCBC028261	J.A.Y ARCHITECTURE			9,540.00		199,918.11
30/08/2012	2	JV0812/015	OCBC028343	CAELY (M) SDN BHD			4,300.00		204,218.11
06/09/2012	2	JV0912/005	OCBC028375	LEAN BEING ENTERPRISE			2,600.00		206,818.11
01/10/2012	1	PV1012/001	HLB029948	Sports Turf Solutions			35,000.00		241,818.11
10/10/2012	1	PV1012/002	HLB030956	Teluk Rubiah Country Club			30,000.00		271,818.11
15/10/2012	1	PV1012/003	HLB030957	Teluk Rubiah Country Club			35,000.00		306,818.11
30/10/2012	1	PV1012/005	HLB030958	TELUK RUBIAH COUNTRY CLUB			35,000.00		341,818.11
30/11/2012	1	PV1112/001	HLB 030961	Abdul Rahman Bin Noordin			120,000.00		461,818.11
31/01/2013	2	JV0113/005	HLB030961	NOVEXBUILDERS SDN BHD				120,000.00	341,818.11

- This finding has brought light the existence of dealings between Kismajaya and MITSB and existence of joint ventures between MITSB and an unknown party for certain plots of land. The volume of transactions for each account is relatively sparse for each year.
- Kismajaya is also the JV party, which CMSB entered for the development of the Casamas project.
- However, it is to be noted that there are some descriptions noting "CAELY (M) SDN BHD" in the General Ledger under the "KISMA JAYA (PADANG TEMBAK)" account, which we would require the full GL of MITSB to fully understand the accounting treatment done and its effect towards CMSB.

Additional preliminary findings & observations

2. MITSB's financial records were found in Caely's server

Print Ledger
Date : 24/05/2017

Date	Batch	Ref.No.(1)	Ref.No.(2)	Desp.	Project	Job	Debit	Credit	Balance
MUTIARA INTRA TIMUR SDN BHD									
Account No. : 2030/005:I O P - KISMA JAYA (PADANG TEMBAK)									
				BALANCE B/F					181,768.11
31/07/2012	2	JV0712/010	OCBC028107	DE CITY ENTERPRISE			240.00		182,008.11
22/08/2012	2	JV0812/007	OCBC028260	PUSAKA RUNDING SDN BHD			8,370.00		190,378.11
22/08/2012	2	JV0812/008	OCBC028261	J.A.Y ARCHITECTURE			9,540.00		199,918.11
30/08/2012	2	JV0812/015	OCBC028343	CAELY (M) SDN BHD			4,300.00		204,218.11
06/09/2012	2	JV0912/005	OCBC028375	LEAN BENG ENTERPRISE			2,600.00		206,818.11
01/10/2012	1	PV1012/001	HLB029948	Sports Turf Solutions			35,000.00		241,818.11
10/10/2012	1	PV1012/002	HLB030956	Teluk Rubiah Country Club			30,000.00		271,818.11
15/10/2012	1	PV1012/003	HLB030957	Teluk Rubiah Country Club			35,000.00		306,818.11
30/10/2012	1	PV1012/005	HLB030958	TELUK RUBIAH COUNTRY CLUB			35,000.00		341,818.11
30/11/2012	1	PV1112/001	HLB 030961	Abdul Rahman Bin Noordin			120,000.00	120,000.00	461,818.11
31/01/2013	2	JV0113/005	HLB030961	NOVEXBUILDERS SDN BHD				4,300.00	341,818.11
31/01/2013	2	JV0113/006	OCBC028343	NOVEXBUILDERS SDN BHD					337,518.11
31/01/2013	2	JV0113/010	OCBC028421	DE CITY ENTERPRISE			850.00		338,368.11
28/02/2013	2	JV0213/005		CAELY (M) SDN BHD				35,000.00	303,368.11
28/02/2013	2	JV0213/006		CAELY (M) SDN BHD				100,000.00	203,368.11
31/03/2013	2	JV0313/009		CAELY (M) SDN BHD			51,707.70		255,075.81
30/04/2013	2	JV0413/008		CAELY (M) SDN BHD				51,707.70	203,368.11
							332,607.70	311,007.70	

***PKF appears to be aware of the relationship between
MITSB and Caely. However, this relationship was not
disclosed in Caely's audited financial statement/
annual report.***