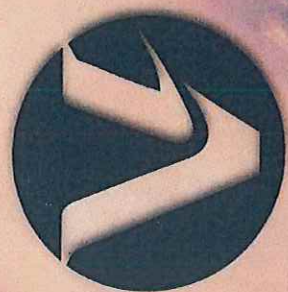
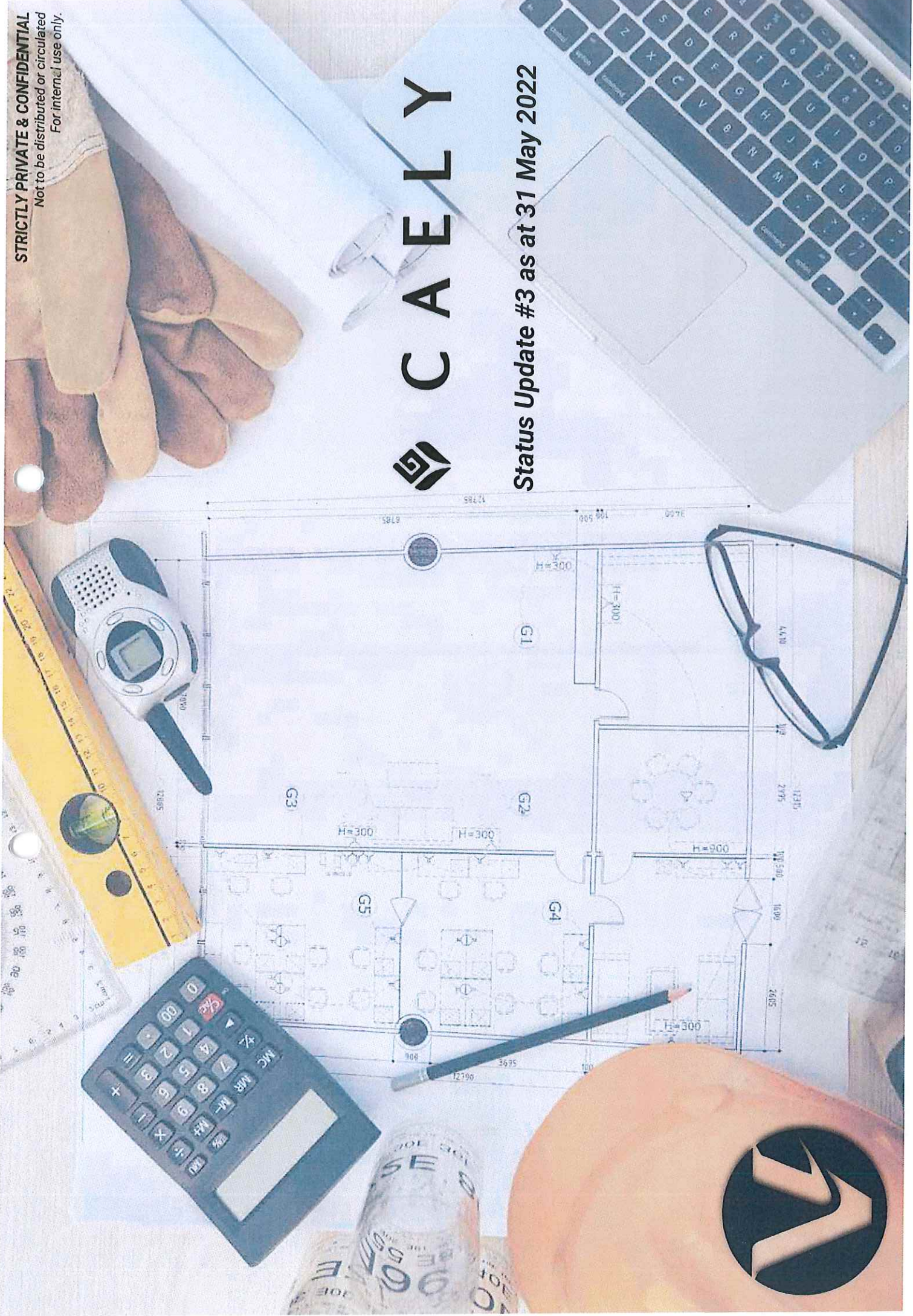


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Status Update #3 as at 31 May 2022



Agenda

Background of the allegations

Work performed

Summary of preliminary findings & observations

Additional findings & observations

Key points from our interview with Mr Choo & Hamdan

Investigation findings as per previous status updates

Limitations & outstanding items

Next steps

Background of the allegations

Background of the allegations

- A whistle-blower has recently provided certain documentations to the Independent Non-Executive Director regarding certain allegations of suspicious activities at CMSB. These suspicions surrounding CMSB are as follows:

1. *Potential Undisclosed Conflict of Interest*

- From the ledgers of CMSB, there have been constant advances in high amounts to Mutiara Intra Timur Sdn Bhd (“MITSB”) since 2014. We also understand that CMSB has made constant efforts to chase MITSB for payment as of 01 March 2022. In particular, the documents indicate that MITSB cheques to CMSB was signed by Dato’ Chuah Chin Lai (Alan).
- Aside from this, in a settlement agreement between MITSB and CMSB dated 24 July 2015, the signatories on behalf of MITSB, being one Baharudin bin Ahmad and Mohamad Hamdan bin Mokhtar was recognised as being employees of CMSB at the material time.

2. *Potential Loss of Revenue*

- CMSB has sold some double storey terrace houses in 2014 in Bandar Wallagonia which is located in the District of Batang Padang in Perak. We understand that the purchasers had entered into a supplemental agreement pursuant to their revoked Sale and Purchase Agreement (“SPA”) which ensured the same purchase price as stated in their original SPA.
- There are some suspicions that these double storey terrace houses were sold below market value.

Background of the allegations

3. *Legitimacy of Settlement*

- On 16 November 2016, CMSB has communicated its intention for settlement for the law suit between Skarf Napco Sdn Bhd (“SNSB”) and CMSB along with Kismajaya Sdn Bhd (Case No. BA-22NCVC-510-09/2016). In the settlement offer, CMSB has offered to pay SNSB RM 2,250,000.00 in cash and property for SNSB to withdraw the legal suit.

4. *Questionable amount owing from KPPFMB*

- According to the statement of account (“SOA”) of Koperasi Peserta-Peserta Felcra Malaysia Berhad (“KPPFMB”), it was noted that as at 21 December 2021, KPPFMB owes CMSB approximately MYR10.5 million.
- However, based on various letter of demands from CMSB and correspondences from KPPFMB, the amount owing from KPPFMB was only MYR1.4 million.
- This has resulted in a write-off of KPPFMB’s debt in CMSB’s financial records recently.

Work performed

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Work performed/ ongoing

1. Obtained CMSB's financial data (i.e. General Ledgers, and Management Account) from financial year ended 2014 to 2022
2. Cleaned and modulated CMSB's financial data for data analytics and analysis.
3. Obtained available CMSB financial documents – including but not limited to Payment Vouchers, Official Receipts, Journal Vouchers, Bank Statements in relation to the construction division
4. Obtained CMSB's Dejawint cheque listing
5. Conducted the following interviews:
 - a. Choo Yen Wah, Group Accountant
 - b. Nancy Chong, Finance Manager
 - c. Gok Ching Yee, former Group Chief Executive Officer
 - d. Mohamad Hamdan Bin Mokhtar, Security Guard
6. Conducted preliminary background checks on key suspects and entities

Work performed/ ongoing

7. Forensically imaged and processed Choo Yen Wah's computer and Caely Accounting Folder in Server.
8. Reviewing data from Choo Yen Wah computer and Caely Accounting Folder in Server
 - a. More than 3 million digital artifacts (i.e. documents, emails, etc) extracted from Choo Yen Wah's computer
 - b. More than 500k digital artifacts (i.e. documents, emails, etc) extracted from Caely Accounting Folder in Server
9. Analysed project revenue and costing of projects "awarded" by Mutiara Intra Timur Sdn Bhd
10. Analysed project revenue and costing for FELCRA projects

Overview of preliminary findings & observations

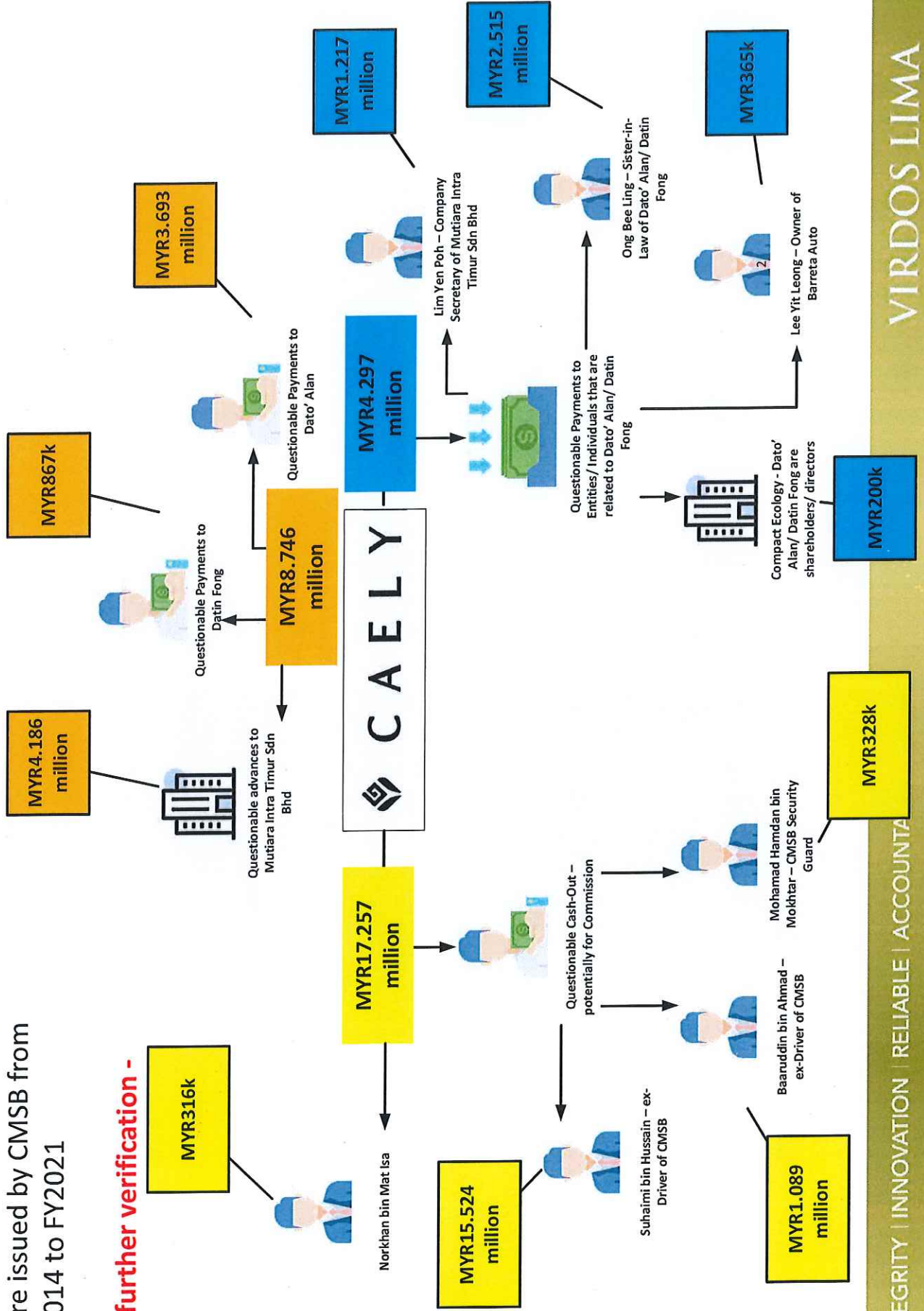
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Overview of preliminary findings & observations – Questionable Payments

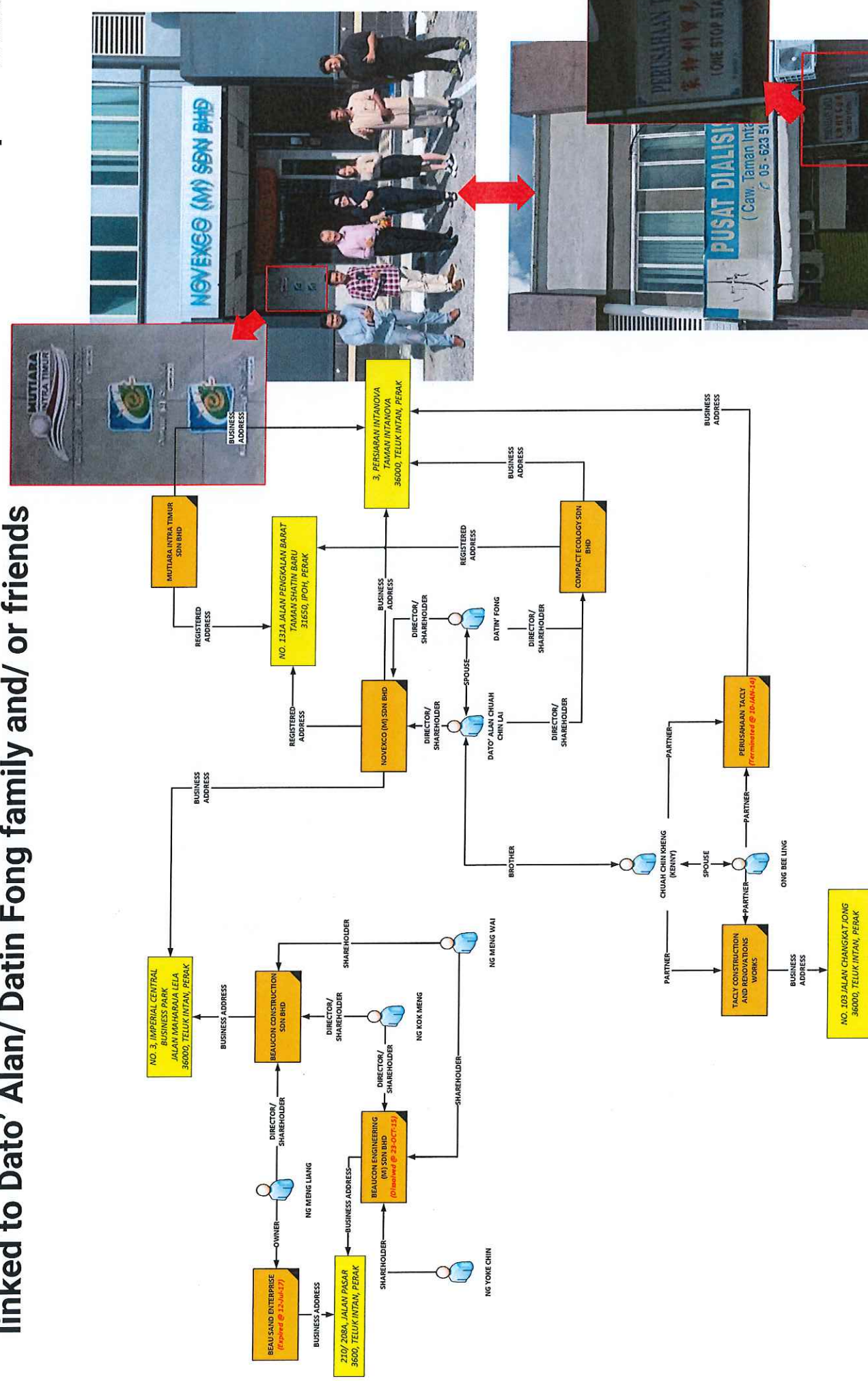
MYR30.3 million questionable payments were issued by CMSB from FY2014 to FY2021

- Pending further verification -

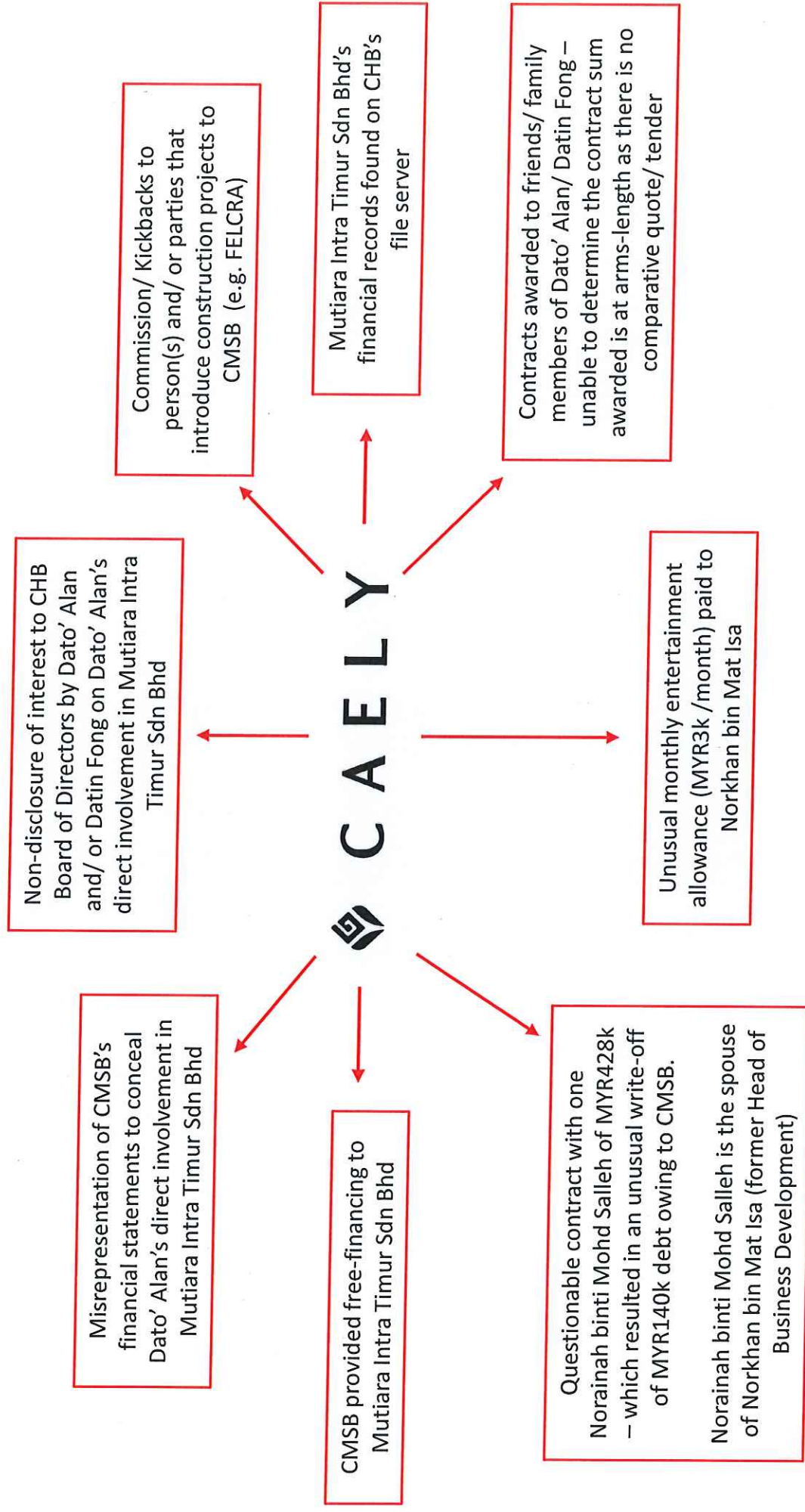


Overview of preliminary findings & observations – Contracts awarded to companies linked to Dato' Alan/ Datin Fong family and/ or friends

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Overview of preliminary findings & observations – Other Wrongdoings



Summary of preliminary findings & observations

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Summary of preliminary findings & observations as at 31 May 2022

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Investigation findings & observations as at 31 May 2022

- Dato' Alan is directly involved in MITSB and fraudulent accounting entries were entered into CMSB's general ledgers to conceal his involvement.
- CMSB had been providing MITSB with free financing though being the main contractor and project manager for MITSB.
- Current and/or past directors and/ or shareholders of MITSB were either current and/ or former employees of CMSB.
- Dato' Alan direct involvement in MITSB is known to Mr. Choo. Mr. Choo have also assisted on various matter relating to MITSB.
- MITSB's financial records were found in Caely's server.
- 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.
- Questionable payments of at least RM 500,000.00 to Lee Yit Leong.
- Payment of MYR10,000 purportedly paid to Lee Yit Leong was instead paid to Dato' Alan
- Questionable payments of at least RM 2mil to Ong Bee Ling – Dato' Alan's sister-in-law
- Cash withdrawals of at least RM 15mil through Suhaimi bin Hussain.
- CMSB advanced approximately MYR4.186 million to MITSB
- Questionable Payments to Kismajaya which are highly possible kickbacks/ commission for FELCRA project.

Summary of preliminary findings & observations as at 31 May 2022

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Additional investigation findings & observations as at 31 May 2022

- Unusual Journal Entries to “reduce” MITSB’s debt owing to CMSB
- Unusual monthly allowance of MYR3k /month paid to Norkhan bin Mat Isa.
- Unusual write-off of debt amounting to MYR140k of a customer account relating to Mutiara Intra Timur Sdn Bhd and spouse of Norkhan bin Mat Isa

Additional findings & observations

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