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INTERNATIONAL-LEVEL INVESTIGATIVE DOSSIER

Alleged Procurement Manipulation, Fraud, Forgery, Embezzlement, Abuse of Power, and Proxy-Based Conflict of Interest Involving Public Officials and Private Business Interests

Consolidated Chronology and Case Brief

Malaysia Rolling Stock Strategy (RSS) Programme — Railway Assets Corporation (RAC) · Berapit Mobility Sdn. Bhd. (BMSB) · Keretapi Tanah Melayu Berhad (KTMB)

> This dossier amalgamates all primary source materials, prior investigative work products, and corporate/credit records gathered to date into a single chronological record, graded under a four-tier evidentiary standard. It is prepared to support formal referral to Malaysian oversight bodies and is not a finding of guilt against any named individual or entity.

Distribution: Restricted — Named-Recipient Copy Withheld
Intended Referral Channels: SPRM/MACC · Public Accounts Committee (PAC) · National Audit Department · Ministry of Finance
Document Date: 10 September 2026

1. Purpose, Scope and Evidentiary Standard

This dossier amalgamates every primary document, corporate/credit record, and prior investigative work product gathered in this matter into one consolidated chronology, together with a case brief. It covers the Rolling Stock Strategy ("RSS") Programme operated by Railway Assets Corporation (RAC) and Keretapi Tanah Melayu Berhad (KTMB) from its origin in KTMB's 2019 stock-shortage requests through to RAC's May 2026 written rebuttal to central-agency objections and the corporate-credit findings obtained in June 2026.

Every entry below is graded under the four-tier evidentiary standard used consistently throughout this investigation, so that referral bodies can immediately distinguish established fact from inference from unverified allegation:

TERDOKUMEN *Documented*	Directly evidenced by an official primary-source document in hand — Cabinet memoranda, RAC's own written rebuttal to central agencies, UKAS/AGC/Economy Ministry written comments, MOF correspondence, SSM/CTOS filings. Highest confidence.
DISOKONG *Supported*	Consistent with, and reasonably inferred from, multiple documented facts, but not itself stated verbatim in a single primary document — e.g. a pattern or a conflict-of-interest inference drawn from board composition.
DIDAKWA *Alleged*	Sourced from a complaint, informant account, or one-sided submission that has not been independently corroborated against primary records. Treated as an investigative lead, not a finding.
TIDAK DISOKONG *Unsupported*	A hypothesis that was tested against the record and found inconsistent with, or unsupported by, the evidence gathered to date.

This dossier makes no finding of criminal or civil liability against any named individual. Named officials are referenced only in respect of documented acts performed in an official capacity; exculpatory material — including RAC's own procedural defences, the absence of any adverse SPRM finding on the record, and RAC's stated capital-constraint rationale — is preserved alongside adverse findings throughout.

2. Executive Brief

2.1 The Programme

The RSS Programme is a 25-year sale-and-leaseback arrangement under which RAC's own ageing fleet of 44 locomotives and 246 wagons — most over 20 years old — was sold to a private bidder for refurbishment, then leased back to RAC and sub-leased to KTMB for cargo operations. The stated policy rationale is sound and well-documented: KTMB's cargo rolling stock shortage, worsened by the 27 February 2021 Batu Tiga derailment, made new capacity urgent, and RAC lacked the up-front capital for conventional refurbishment. The concern in this dossier is not the policy — it is how the specific award was procured, priced and disclosed.

2.2 The Award

An open RFP in 2023 drew bids from only 4–5 companies per category; roughly half were disqualified at first pass; and the successful proposal came from SMH Rail Sdn. Bhd., a company that was already a KTMB/RAC contractor and lessor before RSS. One week after RAC's Board shortlisted bidders, a new special-purpose vehicle — Berapit Mobility Sdn. Bhd. (BMSB) — was incorporated; SMH Rail went on to hold 98.58% of it. The Letter of Intent was issued to BMSB without the matter first passing through UKAS, the central Public-Private Partnership unit — notwithstanding that UKAS itself later determined the deal met UKAS's own PPP-referral threshold from the outset.

2.3 The Cost Discrepancy

Two different price tags for the same 25-year commitment appear in the official record: RM4.4 billion, the figure represented to the Economy Ministry and implicit in the Cabinet Memorandum's own RM176 million/year estimate; and RM5.851 billion (RM234.04 million/year), the figure UKAS calculated independently and asked MOF to review. The gap — RM1.451 billion — is not a rounding difference; it is roughly a third larger than the number Cabinet was working from. UKAS separately found that RM24.85 million in proceeds from disposing of the old locomotives and wagons was booked as RAC revenue rather than credited against the lease cost, and that SMH Rail's own bid to purchase those old assets was priced well below competing offers — the opposite of what would be expected if RAC were maximising value on the disposal side of the same transaction.

2.4 The Funding Contradiction

RAC represented to the Economy Ministry that RSS involved no Government funding at all. The Attorney General's Chambers's own review of the Cabinet Memorandum flags that this is contradicted by a 20 November 2025 MOF letter confirming the Federal Government will inject annual funding into KTMB specifically to cover the cargo-revenue shortfall the lease payments create. Both statements cannot be true simultaneously, and the Memorandum reached Cabinet without the contradiction resolved.

2.5 The Governance Loop

The same small set of institutions appears on both sides of every check in this file. RAC's Technical and Financial Evaluation Committees were staffed by RAC, KTMB and MOT officers; the “independent” verification of that committee's work was performed by HSSI Sdn. Bhd., a consultant RAC itself appointed and scoped; and the Board that approved the award includes the RAC Chief Executive Officer (Dato' Azhar bin Ahmad) as an ex-officio member and the MOT Ketua Setiausaha (Dato' Seri Jana Santhiran Muniayan) as the ministry's own oversight representative. No stage of the chain sits outside the two institutions whose own conduct is under scrutiny.

2.6 The Legal Exposure

RAC's own written defence rests on Section 89(1) of the Railways Act 1991 (Act 463), which RAC argues gives it a statutory discretion that “prevails over” any Treasury circular or UKAS guideline. UKAS's objection is that a project of this size and structure met the PPP-referral threshold under Treasury Circular WP7.5 and PIKAS 2030 independent of RAC's internal discretion. If a court were to agree with UKAS's reading, RAC's actions in bypassing UKAS — taken on RAC's own asserted authority — would sit exposed to challenge as ultra vires. This is a live, unresolved legal risk sitting inside an already-signed 25-year, multi-billion-ringgit contract.

2.7 What Remains Unproven

A broader hypothesis under investigation — that SMH Rail, through related entities such as Destini Berhad, M Rail Technics and KTMB Technics, operates as a camouflaged conduit funnelling KTMB/RAC maintenance and leasing spend to a single beneficial-ownership group — remains circumstantially plausible but unproven. The decisive missing evidence is M Rail Technics' audited accounts (cost-of-sales and related-party notes) and SMH Rail's debtor ledger; neither has been obtained. A separate Government-to-Government rolling-stock track involving UEM Group and CRRC Zhuzhou was examined and found to structurally compete with, rather than benefit, SMH Rail's position — it does not corroborate a single-beneficiary thesis. A political-favoritism thesis linking Dato' Azhar's RAC appointment to named DAP political figures was also tested against the open-source record and found unsupported.

> **In one sentence: a statutory rail-asset corporation sold its own ageing fleet to a newly created vehicle owned by an existing contractor, on terms whose true 25-year cost is contested by the government's own PPP oversight unit by RM1.451 billion, approved by a board that included the same executives responsible for running the tender, and forwarded to Cabinet with an unresolved contradiction over whether taxpayers are on the hook for the shortfall.**

3. Consolidated Chronology — Rolling Stock Strategy Programme

The table below merges every dated and datable event from the Cabinet Memorandum, RAC's rebuttal annex, and the corporate/credit records obtained, into a single timeline. Where a document states a range or an undated fact tied to a clearly ordered stage, that stage is placed at its correct point in sequence and marked accordingly.

Date	Event	Classification	Source
2019	KTMB submits internal rolling-stock funding requests to Government totalling RM1.242 billion across six wagon/locomotive projects; requests are not approved.	TERDOKUMEN	*MJM RSS Memo, ¶¶6–7*
19 Apr 2019	Having been refused Government funding, KTMB formally applies to RAC to procure 30 high-power diesel locomotives and 1,200 units of 20-TAL wagons for cargo operations.	TERDOKUMEN	*MJM RSS Memo, ¶7; Lampiran 1*
27 Feb 2021	Derailment near Batu Tiga station: 11 of 50 wagons in a train derail and are severely damaged, sharply worsening the fleet shortage later cited to justify RSS.	TERDOKUMEN	*MJM RSS Memo, ¶8*
2021	KTMB's "Pay-As-Use" leasing scheme is approved by UKAS, MOF and the KTMB Board; RAC later cites this scheme as the policy precedent for the RSS sell-and-lease-back model.	TERDOKUMEN	*MJM RSS Memo, ¶10*
Pre-2023 (undated)	Before RSS, KTMB already leases locomotives/wagons directly from SMH Rail Sdn. Bhd. and from CRRC Dalian (China) — SMH Rail is an incumbent counterparty before becoming the RSS SPV's ultimate parent.	TERDOKUMEN	*RAC Rebuttal Lampiran, p.23–24*
15 Apr 2023	RAC Board approves an open-tender RFP to sell, refurbish-and-lease-back, and maintain 44 locomotives and 246 wagons — RAC's own ageing fleet (most 20+ years old).	TERDOKUMEN	*MJM RSS Memo, ¶15*
18 May – 31 Jul 2023	RFP is advertised and closes. Of prospective bidders who purchased tender documents (7 locomotive / 9 wagon), only 4 locomotive and 5 wagon bidders actually submit proposals.	TERDOKUMEN	*MJM RSS Memo, ¶17*
1 Sep 2023	RAC Board adopts the sell-and-lease-back model and short-lists only 2 of 4 locomotive bids and 2 of 5 wagon bids — a first-pass disqualification rate later flagged by UKAS as irregular.	TERDOKUMEN	*MJM RSS Memo, ¶18; UKAS comment, RAC Rebuttal p.13–14, 28*
8 Sep 2023	Berapit Mobility Sdn. Bhd. (BMSB) is incorporated as a private SPV — one week after the Board's shortlisting decision. CTOS records (2026) later confirm SMH Rail Sdn. Bhd. holds 98.58% of BMSB.	DISOKONG	*CTOS Report (BMSB); SSM registration data*
17 Nov 2023	Negotiation outcomes with short-listed bidders are presented to the RAC Board, which resolves to appoint an independent consultant to review the recommended award.	TERDOKUMEN	*MJM RSS Memo, ¶19*
18 Dec 2023	RAC Board formally approves RSS via Sell-and-Lease-Back for 44 locomotives and 246 wagons over 25 years, naming SMH Rail's proposal successful. A Letter of Intent is issued to BMSB without prior referral to UKAS, despite the deal meeting UKAS's own PPP-referral threshold.	TERDOKUMEN	*MJM RSS Memo, ¶20; RAC Rebuttal p.1, 9, 23, 28*
Undated (2023–24)	RAC appoints HSSI Sdn. Bhd. — a consultant RAC itself engages and scopes — to verify the findings of RAC's own Technical/Financial Evaluation	DISOKONG	*RAC Rebuttal p.6–7, 15–16*

Date	Event	Classification	Source
	Committees (staffed by RAC, KTMB, MOT officers). HSSI concludes RAC's process was "satisfactory, orderly and acceptable."		
7 Feb 2024	RAC Board formally records its procurement decision, asserting authority under Section 89(1) of the Railways Act 1991 (Act 463) rather than Treasury PPP procedure.	**TERDOKUMEN**	*RAC Rebuttal p.7, 11*
2024 (Cabinet briefing)	Cabinet-facing materials represent the RSS 25-year commitment as RM4.4 billion (RM176 million/year), with no direct Government funding involved.	**TERDOKUMEN**	*RAC Rebuttal p.8; MJM RSS Memo, Tujuan (c)*
22 Nov 2024	Treasury Circular WP7.5 (2024 Amendment) takes effect, requiring MOF Board-certified approval for statutory-body procurements above RM500 million. RAC/MOT argue RSS predates this amendment — a defence that does not address UKAS's separate, earlier-dated referral requirement.	**DISOKONG**	*RAC Rebuttal p.11*
9 Jun 2025	KTMB formally applies to MOF for approval to enter the locomotive lease contract with RAC (financial implication exceeding RM300 million).	**TERDOKUMEN**	*MJM RSS Memo, ¶21; Lampiran 7*
24 Jul 2025	MOF grants a first tranche of interim (non-final) approval covering 6 locomotives and 196 wagons, without ruling on the full application.	**TERDOKUMEN**	*MJM RSS Memo, ¶21; Lampiran 8*
1 Oct 2025	Under interim approval, one locomotive set and 50 wagons begin commercial cargo operation; KTMB begins paying RAC the associated lease costs.	**TERDOKUMEN**	*MJM RSS Memo, ¶32*
11 Nov 2025	MOF issues a second tranche of interim approval.	**TERDOKUMEN**	*MJM RSS Memo, ¶21; Lampiran 8*
20 Nov 2025	MOF writes to MOT: (i) recommending RSS be tabled to Cabinet; and (ii) confirming the Federal Government will inject annual funding into KTMB to cover the cargo-revenue funding gap — directly contradicting the earlier "no Government funding" representation. AGC's own comment on the Cabinet Memorandum flags this contradiction.	**TERDOKUMEN**	*AGC comment, RAC Rebuttal p.1; MJM RSS Memo, ¶21, Lampiran 9*
2026 (pre-tabling)	MOT tables Cabinet Memorandum MXXX/2026, "Cadangan Pemerkasaan Industri Logistik Khususnya Pengangkutan Kargo Selaras dengan Dasar Road-to-Rail," seeking Cabinet endorsement of RSS as already-implemented policy.	**TERDOKUMEN**	*MJM RSS Memo (cover, Tujuan)*
2026 (review round)	AGC, Ministry of Economy and UKAS lodge formal comments. UKAS finds the RFP process irregular and never referred to UKAS as required; finds SMH Rail's own bid to purchase RAC's old assets was priced below competing offers; finds RM24.85 million in disposal proceeds was booked as RAC revenue instead of offset against lease cost; and calculates the true 25-year cost at RM5.851 billion (RM234.04 million/year) — RM1.451 billion above the RM4.4 billion figure given to Cabinet. UKAS recommends MOF review the agreed lease cost.	**TERDOKUMEN**	*RAC Rebuttal p.9, 13, 22–24, 28*
19 May 2026	RAC issues a formal written rebuttal to every central-agency objection, defending the RFP under Treasury Circular PK 2.8, defending the model on NPV grounds, and asserting that Act 463 §89(1) gives RAC statutory discretion that "prevails over" any Treasury circular or UKAS guideline.	**TERDOKUMEN**	*RAC Rebuttal Lampiran (document date)*

Date	Event	Classification	Source
17 Jun 2026	CTOS credit report on BMSB: paid-up capital RM232 million; total assets RM1.51 billion; total company charges RM3.0 billion; net loss after tax RM16.56 million. Same-day report confirms SMH Rail Sdn. Bhd.'s 98.58% holding and 9 further related group entities.	TERDOKUMEN	*CTOS Report (BMSB) & CTOS Report 2 (SMH Rail group), 17 Jun 2026*
17 Jun 2026	Separate CTOS credit report on SMH Rail Sdn. Bhd. itself shows RM503.4 million in company charges, multiple unsatisfied bank charges (2019–2026), a Letter of Demand issued by external solicitors on 23 Apr 2026 following a final reminder on 20 Apr 2026, and trade amounts overdue more than 180 days.	TERDOKUMEN	*CTOS Report 2 (SMH Rail Sdn Bhd), 17 Jun 2026*

3.1 Adjacent Pattern Evidence — Prior SMH Rail Tender Conduct (Undated, Unverified)

A separate complaint-style document in the file alleges three additional SMH Rail tender episodes, outside the RSS Programme itself. These are reproduced here as investigative leads only — the underlying tender files and KTMB claims-audit records have not yet been obtained to corroborate them:

(i) KTMB Class 26 locomotive maintenance contract — alleged repeated submission of incorrect or inflated payment claims by SMH, said to have been caught only on KTMB's own review.

(ii) RAC locomotive-rental tender — alleged award to SMH at RM14,000/day against a competing offer of RM7,000–RM10,000/day, with contract terms said to omit late-delivery or non-availability penalty clauses against SMH.

(iii) 36-unit Class 92 SCS carriage maintenance tender — alleged disqualification of 7 of 8 bidders at first-pass technical/financial screening, leaving SMH as sole qualifier.

> **Classification: DIDAKWA (Alleged). This is a one-sided narrative without accompanying primary tender records in hand. It is preserved because, if corroborated, it would establish a pattern predating RSS — but it must not be cited to oversight bodies as established fact until the underlying RAC tender files and KTMB claims-audit correspondence are obtained.**

4. Key Entities and Individuals

Entity / Individual	Role	Documented Connection to the Matter
Railway Assets Corporation (RAC)	*Federal statutory body (Railways Act 1991, Act 463)*	Owner-lessor of the RSS locomotives/wagons; issued the RFP; its Board approved the award and later authored the rebuttal to central-agency objections.
Keretapi Tanah Melayu Berhad (KTMB)	*National rail operator (GLC)*	Lessee/end-user of RSS assets; officers sit on RAC's Technical and Financial Evaluation Committees for the same tender KTMB benefits from.
Berapit Mobility Sdn. Bhd. (BMSB)	*Private SPV, incorporated 8 Sep 2023*	Recipient of the RSS Letter of Intent; 98.58% owned by SMH Rail Sdn. Bhd.; loss-making (–RM16.56m) and carrying RM3.0bn in charges per CTOS.
SMH Rail Sdn. Bhd.	*Private company*	BMSB's 98.58% parent; pre-existing KTMB/RAC lessor and maintenance contractor; RM503.4m in company charges and an active Letter of Demand (Apr 2026) per CTOS.
HSSI Sdn. Bhd.	*RAC-appointed consultant*	Engaged and scoped by RAC to "independently" verify RAC's own evaluation committees; concluded RAC's process was satisfactory.
UKAS (PPP Unit, Prime Minister's Department)	*Central PPP oversight agency*	Found the RFP irregular and never referred to UKAS as required; calculated the true cost at RM5.851bn against the RM4.4bn figure given to Cabinet.
Attorney General's Chambers (AGC)	*Central legal adviser*	Flagged the Government-funding contradiction and the Act 463 §89(1) ultra vires exposure risk in its comment on the Cabinet Memorandum.
Ministry of Finance (MOF)	*Central fiscal authority*	Granted only interim, non-final approvals (Jul & Nov 2025); later recommended the Cabinet route; separately confirmed annual funding-gap injections to KTMB.
Ministry of Transport (MOT)	*Line ministry*	Tabled the Cabinet Memorandum seeking RSS endorsement; its Ketua Setiausaha sits on the RAC Board that approved the award.
Dato' Seri Jana Santhiran Muniayan	*KSU, MOT; RAC Board member*	Holds the ministry's line-oversight role and a seat on the procurement-approving RAC Board simultaneously — a structural dual role, not an allegation of misconduct.
Dato' Azhar bin Ahmad	*RAC Chief Executive Officer; RAC Board ex-officio member*	Runs the RFP/negotiation process as CEO while also sitting on the Board that approves its outcome — a structural dual role.
YB Anthony Loke Siew Fook	*Minister of Transport*	Ministerial approval within the RAC/MOT chain that preceded Cabinet tabling.
Destini Berhad / M Rail Technics (RAILTEC) / KTMB Technics	*Related maintenance-sector entities*	Examined for a possible SMH-conduit/camouflage structure. Remains DISOKONG/unproven pending M Rail Technics' audited accounts and SMH Rail's debtor ledger.

5. The Cost Discrepancy, Reconciled

Two figures for the same 25-year RSS commitment recur throughout the record. Reconciling them in one place removes any ambiguity for a reader unfamiliar with the file:

> **RM4.4 billion — the figure given to the Economy Ministry and implicit in the Cabinet Memorandum's stated annual estimate of RM176 million × 25 years.**
>
> **RM5.851 billion — UKAS's independently calculated figure, at RM234.04 million × 25 years, which UKAS asked MOF to review.**
>
> Difference: RM1.451 billion over the life of the contract — the annual gap alone (RM58.04 million/year) is larger than the entire

budget of many individual RAC line items in this file. UKAS additionally found RM24.85 million in asset-disposal proceeds was booked as RAC revenue rather than credited against the lease cost, which would widen — not narrow — the true cost gap if corrected.

6. Outstanding Evidentiary Gaps

The following items would materially change the evidentiary grading of one or more findings above if obtained. None has yet been reviewed in primary form.

1. M Rail Technics' audited financial statements — specifically cost-of-sales and related-party transaction notes — needed to test the SMH-conduit/camouflage hypothesis across Destini/M Rail/KTMB Technics.
2. SMH Rail Sdn. Bhd.'s debtor ledger, to establish the direction and materiality of cash flows between SMH Rail, BMSB and KTMB.
3. Beneficial-ownership filings (SSM Form 24/49) for BMSB and SMH Rail's other private counterparties, beyond the CTOS shareholder snapshot already in hand.
4. RAC's internal RFP evaluation minutes and scoring sheets — to test whether the 1 September 2023 disqualification of half the bidders followed the RFP's own stated criteria.
5. HSSI Sdn. Bhd.'s engagement letter and scope of work, to establish how much latitude RAC retained in defining what HSSI was asked to verify.
6. Primary tender files and KTMB's claims-audit correspondence for the three undated SMH Rail tender episodes (Section 3.1), to move them from DIDAKWA to a documented tier.
7. The RAC Board's own minutes for the 7 February 2024 and 18 December 2023 resolutions, to confirm whether the Section 89(1) legal rationale was recorded contemporaneously or constructed later in response to UKAS's objection.

7. Referral Pathway

Consistent with the evidentiary-discipline principle applied throughout this investigation, referral materials should invite each recipient body to confirm, explain, or produce records — not assert wrongdoing outright. This preserves the presumption of innocence for every named official and gives no basis for an easy deflection on procedural grounds.

- SPRM/MACC — the governance-loop finding (Section 4: overlapping RAC/MOT/KTMB roles across evaluation, verification and approval) and the SMH-conduit hypothesis (Section 2.7) fall within SPRM's conflict-of-interest and abuse-of-position mandate.
- Public Accounts Committee (PAC) — the RM1.451 billion cost discrepancy and the funding-gap contradiction (Sections 2.3–2.4, 5) are properly a PAC value-for-money and public-accounts question.
- National Audit Department — positioned to independently verify UKAS's RM5.851 billion recalculation and the RM24.85 million disposal-proceeds treatment against RAC's books directly.
- Ministry of Finance — UKAS has already recommended MOF review the agreed lease cost; this dossier supports that specific, narrow request rather than a broader reopening of the contract.

Before submission: complete sender-identification placeholders, obtain Malaysian legal advice on handling classified (RAHSIA-marked) material and on defamation exposure, and verify the CTOS ratio-column alignment against the printed source pages — each of these was flagged in prior review and remains outstanding.