

**ENGLISH TRANSLATION**

IN THE HIGH COURT OF MALAYA AT KUALA LUMPUR

(CIVIL DIVISION)

**SUIT NO. S2-23-41-2004**

BETWEEN

1. SARAWAK SHELL BHD (71978-W)
2. SHELL MALAYSIA TRADING SENDIRIAN BERHAD (6078-M)
3. SHELL REFINING COMPANY (FEDERATION OF MALAYA) BHD (3926-U)
4. SHELL TIMUR SDN BHD (113304-H)
5. SHELL EXPLORATION AND PRODUCTION MALAYSIA B.V. (993963-V)
6. SHELL OIL AND GAS (MALAYSIA) LLC (993830-X)
7. SHELL SABAH SELATAN SDN BHD (228504-T)
8. SABAH SHELL PETROLEUM COMPANY LTD (993229-W)      PLAINTIFFS

AND

HUONG YIU TUONG

DEFENDANT

**AFFIDAVIT**

I, **THAVAKUMAR KANDIAH PILLAI (NRIC NO. 8299631)**, a Malaysian of full age, of Bangunan Shell Malaysia, Changkat Semantan, 50490 Kuala Lumpur, do solemnly and sincerely affirm and say as follows:

1. I am the Legal Manager of the abovenamed Plaintiffs and I make this affidavit from personal knowledge and from documents that I have seen. The facts deposed to in this affidavit are true to the best of my knowledge,

information and belief. I am duly authorised to make this affidavit on behalf of the Plaintiffs.

2. This affidavit is filed in support of the plaintiffs' application for an interim injunction pending trial to restrain the Defendant from publishing defamatory statements of and concerning the plaintiffs and each of them and/or their servants or agents, either via the internet and/or emails, or in any other form whatsoever and to compel the Defendant, to remove certain publications defamatory of the Plaintiffs, from a website known as "**Shell Whistleblower No 2**".

## **BACKGROUND**

3. The Plaintiffs are part of the Shell group of companies operating in more than 100 countries. Shell is the brand name that is known throughout the world for many years.
4. The 1<sup>st</sup> to 4<sup>th</sup> and the 7<sup>th</sup> Plaintiffs are incorporated in Malaysia and carry out their respective businesses throughout Malaysia. The 5<sup>th</sup> Plaintiff is incorporated in the Netherlands with a place of business and registered office at Level 18, Tower 2, Petronas Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur and have substantial business dealings within Malaysia. The 6<sup>th</sup> Plaintiff is incorporated in the Island of Nevis with a place of business and registered address in Malaysia at Locked Bag No. 1, Lutong, 98009 Miri, Sarawak, and engaged in substantial business of oil and gas exploration and production in Malaysia. The 8<sup>th</sup> Plaintiff is a company incorporated in the United Kingdom with a place of business and registered office in Malaysia at 2-10-1 9<sup>th</sup> Floor, Wisma Han Sin, Plaza Wawasan, Lorong Wawasan, 88000 Kota Kinabalu, Sabah and engaged in substantial business activities of oil and gas exploration and production in Malaysia.

5. Shell have been engaged in business in Malaysia for more than 100 years and have been one of the leading entities in the oil and gas business in Malaysia. Their businesses range from oil and gas explorations and production in various areas in Malaysia, to market oil and gas products throughout Malaysia. The Plaintiffs have in their employment, amongst others, various technical personnels.
6. The Defendant is a former employee of the 1<sup>st</sup> Plaintiff and his position was that of a Assistant Technology Co-ordinator.

#### **DOMESTIC INQUIRY**

7. In or about April 2003, disciplinary proceedings were brought against the Defendant by the 1<sup>st</sup> Plaintiff in a Domestic Inquiry. In essence, the proceedings were predicated on certain misconduct on the part of the Defendant, where he was absent from work on various occasions in February and March 2003, without first obtaining leave or consent or permission of the Plaintiffs, and insubordination. The proceedings were instituted in accordance with the 1<sup>st</sup> Plaintiffs' human resources policies and procedures which are known to all Shell employees.

It started with a Show Cause letter dated 10.3.2003 requesting the Defendant to give an explanation for his misconduct, in writing. Annexed hereto and marked as "TK-1" is a copy of the Show Cause letter.

8. On 17.3.2004, the Defendant wrote to the 1<sup>st</sup> Plaintiff by email, responding to the Show Cause letter. A copy of the Defendant's email is annexed hereto and marked as "TK-2".

9. After the showcause letter dated 10.3.2004, the Defendant again failed to turn up for work on three occasions i.e. 12.3.2003, 13.3.2003 and 14.2003. As such, the 1<sup>st</sup> Plaintiff issued a 2<sup>nd</sup> Show Cause letter, dated 24.3.2003. A copy of this letter is annexed and marked as exhibited "TK-3".
10. On 27.3.2004, the Defendant responded to the second Show Cause letter, via email. Annexed hereto and marked as exhibited "TK-4" is a copy of this email.
11. The 1<sup>st</sup> Plaintiff did not consider the Defendant's explanation to be acceptable, and therefore instituted the Domestic Inquiry proceedings.
12. The letter dated 3.4.2003 containing the charges and notifying that the Defendant had been suspended from work was served on the Defendant. On 10.4.2003, the Notice of the Domestic Inquiry was issued. Annexed hereto and collectively marked as exhibit "TK-5" are copies of the Notice of the Domestic Inquiry and the specific charges preferred against the Defendant.
13. A panel was duly formed to conduct the Domestic Inquiry. The panel consisted of Encik Haji Abu bin Yusup as Chairman and two other members, namely Mr Ko Tong Poh and Encik Othman Marahaban. The hearing of the Domestic Inquiry commenced on 16.4.03 and continued on various dates until it ended on 8.5.03. Annexed hereto and marked as exhibit "TK-6" are copies of the record of testimony in relation to the Domestic Inquiry.
14. The panel made its findings on 9.5.2003. It found the Defendant guilty of the disciplinary misconduct as contained in the charges. Accordingly, on 28.5.2003 the Defendant was dismissed from his employment with the 1<sup>st</sup> Plaintiffs. The notice of termination dated 28.5.2003 was duly served on the

Defendant. Annexed hereto and marked as "TK-7" are copies of the panel report as well as the notice of termination.

## DEFENDANT'S CONDUCT

15. Even before the commencement of the Domestic Inquiry, the Defendant had conducted himself in such manner as to demonstrate his recalcitrant attitude and his propensity to level accusations against others.

As the Legal Manager of the Plaintiffs, various legal issues arising within the Shell group of companies would be directed to me for my attention and as such, I have unrestricted access to materials in relation to such matters. When the Show Cause letters dated 10.3.03 and 24.3.03 were delivered, I was aware of it.

16. At about the time the two Show Cause letters were delivered, the Defendant disseminated certain emails to various officers of the Plaintiffs, making various allegations and contentions. In this regard, I annex hereto a copies of his emails dated 20<sup>th</sup>, 21<sup>st</sup> and 24<sup>th</sup> March 2004 which is annexed hereto and marked as "TK-8".
17. After the findings were delivered and the Defendant dismissed from his employment, the Defendant went on a vendetta, in which he disseminated a series of emails to various individuals, within the Shell group of companies. Some of these emails were even sent to people without any direct connection with the issue of his dismissal from the 1<sup>st</sup> Plaintiffs' employment. Annexed hereto and marked as "TK-9" is copies of these emails.

18. As can be seen in these emails, the Defendant made repeated insinuations against several employees as well as against the Plaintiffs themselves.
19. In essence, the Defendant in his various allegations insinuated that the Plaintiffs, acting together with the various officers, were dishonest, lacking in integrity, unethical and even guilty of criminal conduct, for example in fabricating facts to achieve illegal or wrongful purposes.
20. The emails culminated in a circular dated 14.5.2004, which the Defendant disseminated to various people, including those who were not even connected to the 1<sup>st</sup> Plaintiffs', either by employment or business. Annexed hereto and marked as "TK-10" is a copy of the circular.

It can be seen from the list of addressees that amongst the people who received this circular were influential members of society.

It is clear that the Defendant was seeking to agitate the issue relating to his dismissal and this is made clear by the title of the circular, which makes direct reference to the Plaintiffs, in particular, the use of the words "Shell Management in Malaysia". The title of this circular i.e. **"Does Shell Management in Malaysia promote and support Injustice, Lies, Deception, Cover-up and Conspiracy in the country they operate?"**, conveys clearly, imputations of criminal conduct. Further the title is printed in large fonts, in distinctive colour, which adds to the sting of the allegation.

21. The Defendant's dissemination of these allegations to various people was a matter of grave concern to the Plaintiffs as they had the effect of tarnishing the corporate stature and reputation of the Plaintiffs and the Shell brand name. In addition to being false and defamatory, they were also totally unprovoked, unwarranted and scurrilous.

22. Additionally, the Defendant had by this time, filed a complaint to the Ministry of Labour under Section 20 of the Industrial Relation Act 1967. This complaint amounts to challenging the findings of the Domestic Inquiry and the dismissal resulting there-from. A reconciliation meeting was held before the Labour Officer in Miri and as the reconciliation failed, the Labour Officer rendered its finding to the Minister. I am advised and verily believe that at this moment, a decision from the Minister is still pending.
23. Given these circumstances, the Defendant's substantial allegations circulated to various individuals and which contain false and defamatory statements, had to be dealt with.

Not only were the false and defamatory statements caused continuing damage and injury to the Plaintiffs, they also had the probable effect of attempting to influence the decision of the Minister, which is still pending.

The Plaintiffs were willing to give the Defendant an opportunity to cease and desist from such conduct. The 1<sup>st</sup> Plaintiff had written to the Defendant on 9.7.03, to request that he refrained from making the defamatory statements or from breaching his obligations to observe confidentiality under his terms of employment. Annexed hereto and marked as "TK-11" is a copy of this letter.

24. The Defendant did not send any emails thereafter until sometime in early 2004. From about April 2004 he started once again to send emails and these are referred to at paragraphs 17 and 18 above.
25. As a result of these emails, the 1<sup>st</sup> Plaintiff wrote again to the Defendant on 17.5.04, demanding from he ceased and desisted from continuing with the circulation of the various allegations against the Plaintiffs and/or their staff members. A copy of this letter is annexed as "TK-11A".

26. Instead of acceding with the Plaintiffs' request the Defendant followed up with more insidious and extensive attacks and this time, directly against the Shell group of companies and the brand name, Shell.

### **INTERNET POSTINGS**

27. It was obvious to me that the Defendant was not content to let the matter of his complaint to the Minister, takes its course. As at this moment, I personally have seen on certain internet postings made by the Defendant containing grave and serious allegations, including imputations of criminal conduct against the Plaintiffs. These postings were done on the website known as "**Shell Whistleblower No. 2**" which is accessible from the Internet anywhere, including all parts of Malaysia.

There are now altogether three postings done by the Defendant on this website on 10.6.04, 13.6.04 and 16.6.04. Annexed hereto and marked as "TK-12" is copies of the printouts from these postings.

#### **Posting of 10.6.04**

28. This webposting contains inter alia the following statements:

***I will supply for publication further informed comment and revelations in the run up to Shell's AGM on 28 June. It will include examples of the toxic combination of arrogance, greed, dishonesty, and blatant disregard for all ethical norms by Shell Management, that has culminated in the current shame heaped upon the once proud Shell name.***

*"In my experience Shell directors" and Shell managers, "believe that truth is a precious commodity to be used as a last resort. It has to be squeezed out of them. They prefer to deceive, make empty pledges (Shell's code of ethics), intimidate, "ostracize, "hide information from their own shareholders", employees, the government who gave them the license to operate and, and finally "retreating behind their army of lawyers" for shelter "whenever there is a prospect that management misdeeds will be exposed".*

*Correspondence between Sir Mark Moody Stuart and Mr Richard Wiseman below shows the actual mentality of Shell Management in high places. This behaviour was inevitably imitated by executives in operating companies who followed and adopted the example of a ruthless and deceitful corporate culture practiced by those at the very top of the Royal Dutch Shell Group. Shell's ethical code was and is not worth listening to unless top management becomes a role model for integrity and transparency. Under current circumstances what is the point of having an annual ritual performed for the CEO at operating companies, where it is a mandatory requirement for staff to sign off their ethical health forms (ie Conflict of Interest) irrespective of compliance with Shell's Statement of General Business Principles".*

*For examples read the Shell Shareholder.org section of the website:*

*"No amount of spin and hype can hide the fact that Shell's claimed core principle of truth and honesty in all*

*of its dealings is unadulterated propaganda. Like Enron and WorldCom executives, Shell senior management obviously feels that it is okay to hide the truth from its shareholders and the public. This has been proven time and time again in our dealings with them – as the gagging agreements drafted by Shell lawyers at the insistence of Shell senior management prove”.*

*Hhttp://www.shell2004.com/2004%20Documents/pressrel ease26april.htm*

*If a company loses the trust and respect of its shareholders, employees, and customers, as Shell Management has done on a truly spectacular basis, then there's only going to be a rather empty shell left. It will obviously be a very long time before Shell could ever again use the famous advertising slogan “you can be sure of Shell”*

*Investors – “You cannot be sure of Shell” growing your funds. Potential employees – do not trust your career and aspirations to Shell until you understand the true inside story. If Shell is unwilling to undergo radical change at every level in the organization for the better, Shell's negative and evil ingrained cultures will ultimately destroy the little which remains of its former reputation.*

*When I started with Shell all those years ago I was proud to be an employee of what I considered to be nothing less than the best company in the world; an internationally respected brand and an equally highly respected management. It is a matter of the deepest*

*regret to me that the company has sunk so low with its management acquiring global notoriety for participating in a disgraceful scandal which ranks alongside the likes of Enron and WorldCom.*

*I am finding it hard to come to terms with the con-artist mentality of a management which thought it could say one thing in speeches and advertising – pledging “Profits and Principles” honesty, openness, integrity etc and actually get away and rewarded with doing the exact opposite.*

#### **Posting of 13.6.04**

29. This webposting contains inter alia, the following statements:

*I have been unable to obtain any redress from this hypocritical Shell management which says one thing yet does another; a bunch of lying and deceitful bunglers, as has been revealed to the whole world by the oil reserves catastrophe which has pulverized Shell's reputation.*

*“It sound preposterous but the facts” reveal the pervasive spread of corrupt practices by this evil multinational. Since Shell operations cover more than 100 countries it must be a matter of great concern that its lack of principles are impacting negatively upon the lives of countless people where they operate. Shell has promoted and therefore encouraged corruption in host governments and government officials. This evil has*

*percolated down through whole societies. We only have to consider the results of a report carried out for Shell in Nigeria which has made news headlines in the last few days e.g.*

*It is very hard for anyone to believe a company with AAA+ rating, endowed with such a high reputation in the past has, due to greed and incompetence, allowed these impossible to value assets to wither away.*

#### ***Shells' reputation***

*Is now an international disgrace and its credit rating has plummeted to a correspondingly all time low.*

*Unfortunately there are many other examples of Shell's empty slogans which have been exposed as pure propaganda eg. "Profits and Principles". They certainly had that one wrong. It should have been "Profits and No Principles". And how about the most famous one of all "You Can Be Sure of Shell". I doubt that Shell management will be using that slogan again for many years after the flood of negative news headlines in the last several months. The Shell brand name has an entirely different connotation these days. It stands for deceit, cover-up, dishonesty, pollution, corruption, undercover spies, class action law suits, defective gasoline, exploitation of the poorest people on the planet; support of a murderous military regime, etc – arrogance and evil on a breathtaking scale. All brought about by a horrendous MANAGEMENT.*

*For now, what do YOU think about Shell Managers, their attitudes towards their host governments, their behaviour to employees and fellow citizens? Should the world imitate Shell cultures and embrace their value systems ultimately making it a norm for the world at large under the pretext of globalization?*

*Should we let  
the worst excesses  
in human nature run rampant,  
a lust for greed and power,  
as has happened at the top of Shell?*

*A message to Shell management: please do not keep treating us all as fools by expecting us to believe your platitudes and your promises to restore Shell's reputation when you continue to display all of the same attitudes which have caused the current indelible stain on a once great brand. You have no credibility left. It is deeds not words which are needed. You have had your opportunity and failed miserably. I repeat that it is time for a fresh start with completely new management.*

**Posting of 16.6.04**

30. This webposting contains inter alia the following statements:

*“Does Shell Management in Malaysia promote and support Injustice, Lies, Deception, Cover-up and Conspiracy in the country they operate?”*

This is a reproduction of the title of a circular dated 14.5.04, which the Defendant disseminated to various people.

*Mr Lompoh and Mr kandiahpillai, no matter how much you like to talk about defamation, be it slander or libel about Shell management (including the Malaysian henchman) there's no way for you to stop the continuous avalanche of bad news. You were the first to sour a wonderful and cordial communal relationship built up around Miri since 1910 and for the last years the inheritance built by our fore-fathers were destroyed and have come to a grinding halt; you just have to listen to the coffee shop talk. I now feel ashamed being identify with Shell.*

31. I would like to draw this Honourable Court's attention to the following:

- (a) In the web posting of 16.6.04, the Defendant reproduced the circular which he had earlier disseminated dated 24.5.03, entitled "**Does Shell Management in Malaysia promote and support Injustice, Lies, Deception, Cover-up and Conspiracy in the country they operate?**" This shows the Defendant's malicious intention to continue with his publication of the serious allegations of criminal conduct against the Plaintiffs and the Shell name.
- (b) The scurrilous and unwarranted allegations constitute direct attacks against the Plaintiffs and convey the following imputations:
  - ◆ The Plaintiffs practise deception and therefore are dishonest in their dealings, including dealings with employees.

- ◆ The Plaintiffs engage in corrupt practices, such practices being done in liaison with Government and Government officials.
- ◆ The Plaintiffs engage in lies, deceit and corrupt practices to further their own greed and to the detriment of their employees and the community as a whole.
- ◆ The Plaintiffs engage in such criminal and corrupt practices as evil multinational corporations, for their own gain, regardless of the welfare of its employees and society.
- ◆ The Plaintiffs engage in conspiracy with its senior management staff in victimising employees and thereby are guilty of further criminal conduct.
- ◆ The Plaintiffs, although multinational corporations of international repute and standing are untrustworthy, unethical, corrupted etc.

32. These various imputations have caused and continue to cause the Plaintiffs severe distress, damage/injury, and their reputation has been substantially tarnished. The statements contained in the webpostings are not only totally false, but constitute grave libel on the Plaintiffs.

33. I am advised by the Plaintiffs' solicitors and verily believe that there is absolutely no evidence that the Plaintiffs were even remotely connected to or associated with any criminal or corrupted practice. The substantial allegations in the website, charging the Plaintiffs with criminal, unethical conduct and corruption, are therefore totally false and without any factual foundation at all. All that the Defendant relies on is his own perception that his dismissal from the Plaintiffs' employment was wrongful.

34. I am further advised and verily believe that even if the Defendant feels that the dismissal was wrongful, he has the right to pursue the proper avenues for relief and which he has in fact done by filing the complaint under Section 20 of the Industrial Relation Act 1967.

It is certainly stepping well out of the boundaries of law to make substantial allegations of criminal and corrupt conduct on the part of the Plaintiffs, simply because he felt that he had been wrongly dismissed.

35. I respectfully refer to exhibit "TKP-4", containing the record of testimony of the Domestic Inquiry. It is clear from the record of the Inquiry that the only issue which the panel had to determine, was whether the Defendant had obtained leave from the Plaintiffs, or the necessary consent or permission, to absent himself from work on the various occasions in February and March 2003 as whether true and given instructions in failing to attend meeting's as per his duties. If there was any improper conduct on the part of the panel in conducting the Inquiry, again, it is for the Defendant to take up this issue in his complaint, instead of launching into the various false, scurrilous and defamatory attacks against the Plaintiffs in the internet. I refer to Domestic Inquiry because that appears to have precipitated the defamatory tirades from the Defendant, and as part of the Plaintiffs' duty to provide full and frank disclosure to support this application.

### **No Defence**

36. I am further advised by the Plaintiffs' solicitors and verily believe that under the circumstances, there is no prima facie viable or credible defence which the Defendant can rely on.

37. First, on the prospects of the defence of justification, I respectfully say that this must doom to fail. The Defendant's assertion in the website postings containing criminal and unethical practices and involving wide scale corruption, greed and evil corporate practices simply cannot be true or even substantially true. It is telling that because the Defendant was terminated from his employment, he launched into these grave and unwarranted attacks against the Plaintiffs.
38. As for the possible defence of qualified privilege, this requires the Defendant to show that he had a duty or interest to disseminate the statements complained of, and to a party or parties, with a corresponding duty or interest to receive such statements. I am advised and verily believe that this dichotomy of duty/interest cannot be established. It is clear at the outset that as the Defendant has no more than a private dispute with the Plaintiffs on the matter of his termination, he has no right to make assertions of criminal conduct and corrupt practices etc, against the Plaintiff, to the whole world!!

In any event, the statements were actuated by **malice** and as such, the qualified privilege defence will fail. I will address the issue of malice below.

39. Finally, on the possible defence of fair comment on a matter of public interest, I say as follows:
- (a) For this defence to apply, the statements complained of, must be comments and not factual assertions. The various assertions by the Defendant are put across as factual assertions, not comments. As such, for this reason alone, this Honourable Court can see that this defence has no application.
  - (b) Further, even if the defamatory statements are comments and not facts (which I deny); there is no **public interest** in a private dispute

relating to the Defendant's dismissal from the Plaintiff's employment. Without the element of public interest, this defence will fail.

- (c) In any case, the substantial allegations of criminal and unethical conduct and corruption, rest on no factual basis at all.
- (d) The statements containing the grave and serious allegations of criminal and unethical conduct and wide scale corruption involving greed and evil corporate culture are not statements that a reasonably fair minded person will make, given the circumstances (where he was terminated from his employment and nothing else).
- (e) Finally, I reiterate that the statements are actuated by malice and this defeats the defence of fair comment, even if it applies, which I deny.

### **Malice**

40. I am advised and verily believe that the various defamatory statements published by the Defendant are actuated by malice. I say this for the following reasons:

- (a) First, the wide ranging and pervasive attacks made by the Defendant in the defamatory statements, containing allegations of severe criminal conduct, corruption and evil corporate culture via the Internet, and therefore accessible worldwide, by themselves is evidence of malice. This is particularly so when looked at in the context of his private dispute with the Plaintiffs i.e. he was terminated (wrongly as he alleges). For him to rely on the alleged wrongful termination to launch into all the grave and serious allegations against the Plaintiffs to a worldwide audience, is malice.

- (b) Next, the tone of the language used by the Defendant in the defamatory statements – (they are unrestrained, hard hitting etc) – is further evidence of malice.
- (c) The extensive dissemination constitute further evidence of malice. The Defendant launched into internet postings, and expressly direct them to, amongst others his “international friends” and “global audience” to vent his anger, ostensibly because he had been allegedly wrongly dismissed.
- (d) The express reference to the problems allegedly faced by the Plaintiffs (or the Shell Group) in other countries is totally unnecessary and clearly shows the ulterior motive of the Defendant to cause maximum embarrassment and injury to the Plaintiffs’ name, and not honestly addressing his dispute relating to this termination from service.

41. For these reasons, I respectfully say that from the outset, the possible defences of qualified privilege and fair comment on a matter of public interest clearly have no application.

**Defendant’s intention to continue with publication**

42. There is more than sufficient evidence to show that unless restrained, the Defendant will continue with publication on the internet, even more serious and pervasive allegations. In his posting of 16.6.04, he said that as of now, he has only served the “appetizer”. He then demands a resolution by 22.6.04, failing which, he will serve the “main course”.

- 43. He also expressly states (in the posting of 16.6.04) that he will "continue to post" the various "questions" which I expect, will include the further defamatory assertions.
- 44. The Plaintiffs have obtained an ex-parte injunction against the Defendant on 24.6.2004.

**Undertaking as to Damages**

- 45. I hereby undertake, on behalf of the Plaintiffs, that the Plaintiffs will compensate the Defendant for all loss/damage he may suffer by reason of the grant of interim injunction to restrain further publication, if this Honourable Court should hold subsequently that the injunction ought not to have been granted.
- 46. I respectfully and humbly ask for an Order in terms of this application.

To an Affidavit affirmed by deponent )  
**THAVAKUMAR KANDIAH PILLAI** )  
 on this 8 day of July 2004 )  
 at Kuala Lumpur )



Before Me



No. 66 Jalan Tun Perak  
 50050 Kuala Lumpur