

Counsel: Umno owns all shares in firm controlling MRCB
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All shares in Realmild Sdn Bhd, which has a controlling stake in conglomerate Malaysia Resources Corporation Bhd (MRCB) are held in trust for Umno, a lawyer submitted today.

MRCB was given a huge chunk of government contracts which among others included the KL Sentral project, and also once had held a stake in media powerhouse New Straits Times Press (M) Bhd (NSTP) as well as in Sistem Televisyen (M) Bhd, or more popularly known as TV3.

Alex de Silva, representing defendant and former Realmild director, Abdul Rahman Maidin, said the plaintiff's witness Ahmad Nazri Abdullah, had testified former prime minister Dr Mahathir Mohamad hold a 70 percent stake in the company.

"However, the 'trust deed' was never produced and hence the claim that the 70 percent stake was held in trust for Mahathir cannot be verified," he said.

He added that the inevitable conclusion from this is that all the shares in Realmild were being held in trust for Umno or the 'top leadership' of Umno at all material times.

De Silva said this in his submission in the RM10 million suit brought by the plaintiff former Realmild director Khalid Ahmad against Rahman for non-payment of the balance to pay for Realmild shares while the latter had counter-claimed for the return of RM5 million which he had paid for that company's shares.

Khalid claimed Rahman and him entered into an agreement to purchase his five percent stake in Realmild share for RM30 million.

He said his client Abdul Rahman had testified that after he purchased the Realmild shares, sometime in early 2002, he had been asked by Mahathir to transfer all the shares in his name to one Syed Anwar Jamalullail, who is the brother of the Raja of Perlis.

He had told the court that he was shocked to learn from Mahathir that 100 percent shares which he bought on instructions from former finance minister Daim Zainuddin were held in trust for Umno.

Rahman the defendant had testified he paid RM40 million to own a stake in Realmild.

De Silva also submitted that Syed Anwar, who was brought in as one of the defence witnesses, had also testified that he was asked by the then prime minister Abdullah Ahmad Badawi to transfer his entire stake in Realmild to a person by the name of Abdul Latif, who held the shares in trust for Umno.

"The shares in Realmild were always transferred out on instruction from the 'top leadership' of Umno," the lawyer said.

Plaintiff no control of company

"This showed that all the shares are held in trust for Umno and that the portions claimed by the plaintiff or the other previous directors were incorrect.

"Khalid Ahmad and the other three initial directors Ahmad Nazri and Abdul Kadir Jasin were not corporate players capable of raising the huge sums required for the deal.

"This showed that Khalid and the three other directors had no control over Realmild shares," he said.

Khalid, who was director of Realmild and former managing director of NSTP, who was present in court today, had claimed that he owns five percent of the Realmild and had accepted Rahman's offer to buy them.

He alleged Rahman had paid RM5 million, and that both sides had agreed to the total selling price of the shares at RM15 million, which had been reduced from the initial RM30 million.

On his part, Rahman had filed a counter-claim against Khalid to demand the return of the RM5 million which he had paid, claiming that the shares he had purchased from Realmild were owned by Umno.

In an attempt to dent Khalid's credibility, De Silva said the former's willingness to transfer the Realmild shares to someone he barely knew and the fact that there was no written agreement over the sale of the shares, showed the said shares were held in trust.

"The shares were transferred from the defendant even before the plaintiff was paid a sen. This showed the shares were transferred out in a hurry and the plaintiff had no control over the same.

"This clearly supports my client's contentions that the plaintiff had no control over the shares and he was merely a nominee holding the shares for others.

Rahman tried to discharge burden

Lawyer Ahmad Fadzil Mohd Perdaus for the plaintiff submitted that Rahman had tried to discharge the burden from paying the remaining amount by claiming that his client had held to hold the shares in "trust", by raising such an interference.

"The defendant disposed his entire shareholding in Realmild to Syed Anwar was without with consideration.

"Furthermore, the business nature of Realmild, in particular the financing it obtained, indicates the influence of the alleged 'beneficiary' of the trust," he said.

Ahmad Fadzil said Rahman is obliged to demonstrate the existence of the "trust" as alleged.

"The disposal of Rahman's shares to Syed Anwar and his acquisition of the shares in question 'on good faith', had fall short of proving the contemperoneous evidence that the shares sold by the plaintiff were subject to a trust in favour of Umno," he said.

The lawyer also denied Rahman's lawyers claim of misrepresentation on the part of his client in disposing his portion of the shares.

He said it was incumbent on the defendant to prove this.

Ahmad Fadzil said the existence of a letter dated July 17, 2002, from his client to the defendant was consistent that the purchase price for the Realmild shares in question was

RM15 million, with the remaining RM10 million, yet to be paid.

He told the court that if the court found the claim of RM10 million was to be in dispute, the defence was willing to lower the amount at RM5 million.

"Following this, I pray that the judgment is to be entered for the plaintiff," he submitted.

High Court (Commercial division) judge Mary Lim has fixed Dec 10 for her decision in the case.

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