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PAC: Give statement or face inquiry

FINANCE MINISTRY TOLD TO EXPLAIN WHY ECM LIBRA-AVENUE CAPITAL MERGER SHOULD NOT BE SUBJECT OF INQUIRY

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PETALING JAYA: The Public Accounts Committee (PAC) will summon Finance Minister I Tan Sri Nor Mohamed Yakcop to an inquiry if the ministry fails to submit a written legal opinion within the next few days, on why the merger between ECM Libra Bhd and Avenue Capital Resources Bhd should not be the subject of an inquiry.

"We want the ministry to explain why it is *sub judice* to hold an inquiry on the merger. We will give them a few more days to reply. Otherwise we will summon the finance minister 11 to come (before

us)," PAC chairman Datuk Shahrir Abdul Samad told *theSun*.

He said Finance Minister and Prime Minister Datuk Seri Abdullah Ahmad Badawi had been informed of the committee's proposed next course of action and had no objection.

"Only if the issue is being discussed or debated in Parliament, can you argue *sub judice*. But the (PAC) hearing is held in private, so it is not *sub judice*," he said.

Cases which are *sub judice* - currently being decided in a court of law - cannot be the subject of a public discussion.

Shahrir said the PAC had also studied precedents in other commonwealth countries and come

to the conclusion that it is not *sub judice* for the committee to hold an inquiry on the merger.

"We just want to know why the government wants to become a shareholder in ECM Libra," he

ECM Libra was established in 2002, and was listed on Bursa Malaysia when it executed a reverse takeover of South Peninsular Industries Bhd to become ECM Libra Capital.

Early this year, ECM Libra Capital entered into a merger with Avenue Capital Resources Bhd - a securities company owned by the Finance Minister Incorporated - to become ECM Libra Avenue.

On Aug 25, Finance Ministry officials declined to comment on the merger during the PAC's inquiry into the mailer, saying it was *sub judice* to do so.

One day earlier, the PAC had received a letter from a lawyer representing Tun Dr Mahathir Mohamad's former political secretary Matthias Chang, stating that the committee will be held to have contravened the principle of *sub judice* if it proceeded with the inquiry.

New Straits Times Bhd deputy chairman Datuk Kalimullah Hassan, a shareholder of the merged entity, had slapped a RM50 million defamation suit against Chang.

Chang responded with a RM100 million counter-suit, accusing Kalimullah of defaming him in an article published in the *New Straits Times* on June 11 this year.

On Aug 12, the premier's son-in-law and Umno Youth deputy chief Khairy Jamaluddin sold his 10.2 million stake, or shareholding of 1.23% in ECM Libra Avenue Bhd.

Kalimullah, who is also ECM Libra Avenue chairman, reduced his stake in the company to 40 million shares or 4.8%, while the company's chief operating officer David Chua sold his entire stake of 56.26 million shares to a foreign fund management company.