

DAP wants SC action over Tajuddin suits

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KUALA LUMPUR, Aug 15 — The DAP has called on the Securities Commission (SC) to act against GLCs which have been ordered to drop billion-ringgit civil suits against Tan Sri Tajuddin Ramli for failing to reveal all material developments in their claims against the former Malaysia Airlines (MAS) chairman.

Party publicity chief Tony Pua said in a statement today that Putrajaya's directive to withdraw their claims should have been immediately disclosed on Bursa Malaysia as "the litigations involved billions of ringgit in claims and counter-claims which are surely material to the finances of these companies."

"The board of directors of these companies must also immediately state their immediate position vis-à-vis the letter from Nazri to allow investors, particularly the minority shareholders, to weigh their investment options," the Petaling Jaya Utara MP said.

The Malaysian Insider had reported that Minister in the Prime Minister's Department Datuk Seri Nazri Aziz issued a letter earlier this month telling all GLCs that the government was settling their claims with Tajuddin out of court.

Tajuddin is presently facing billions in legal claims against him, following accusations by MAS in 2002 that he had caused the carrier to suffer losses in excess of RM8 billion.

Nazri's letter had called for "all civil claims against Tan Sri Dato Tajuddin Ramli and others to be withdrawn immediately in view of the fact that the government and the Finance Ministry have agreed that the said cases will be settled out of court."

"For your information the government has given me the mandate to act for the government in this matter," it added, directing these companies to hand over their cases to Datuk Hafarizam Harun, who has handled other high-profile cases for Umno such as the constitutional crisis over its takeover of Perak in 2009.

But after his letter surfaced, Nazri defended the administration's move, saying it would not spell a debt bailout for Tajuddin but was merely a suggestion to the GLCs to work out an out-of-court settlement with the former MAS chairman.

When responding to the matter on Friday, Prime Minister Datuk Seri Najib Razak appeared to play down the issue, describing the intervention as an "off-site" solution.

But Pua said today that all the GLCs, including Telekom Malaysia, Axiata Group, CIMB Bank, Atlan Holdings and MAS, have failed to make any public announcement on the matter a week since news of the Nazri's letter broke.

He added that Bursa rules said the failure to disclose material developments on a timely basis may subject the company and its director and officers to penalties under the Listing Requirements and the Securities Industry Act of a fine not more than RM1 million, a suspension of trading or the delisting of its securities.

Pua also said that "the blatant interference by the government will rock investors'

confidence in our stock markets" if GLC directors did not act in the best interest of these companies but complied with "arbitrary government decrees."

He reminded the SC that it has had to work hard to reverse Malaysia's reputation for poor corporate governance since the 1997 Asian financial crisis, pointing to the RM3.2 billion bailout of Tan Sri Halim Saad in 2001, then a director of both Renong and UEM.

Both Halim and Tajuddin were poster boys of former Finance Minister Tun Daim Zainuddin's now discredited policy of nurturing a class of Malay corporate captains on government largesse during the Mahathir administration.

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