

I have no links to Daim, says Selangor MB

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Selangor Menteri Besar Tan Sri Abdul Khalid Ibrahim (pic) today addressed roiling speculation over his surprising out-of-court settlement with Bank Islam, saying that he had no links to former finance minister Tun Daim Zainuddin.

News portal Malaysiakini quoted Khalid as saying that those who are speculating that he is now in cahoots with Daim, should pose the question to Daim themselves.

Umno's involvement in the out-of-court settlement arose after it was established that a lawyer linked to the ruling party played a key role in facilitating the settlement between Khalid and Bank Islam.

PKR's Kapar MP G. Manivanan today also issued a press statement urging Khalid to disclose if the person who brokered the out-of-court settlement is close to Daim, as speculated.

"The people who say I'm being used by Daim will need to ask Daim if he's indeed using me. I have absolutely no links to him," he was quoted as saying in Malaysiakini.

Khalid, however, declined to say how the out-of-court settlement was brokered saying instead he has a relationship with the bank and it is an internal negotiation which cannot be disclosed.

Khalid was reported to be embroiled in a dispute over a purchase of 20% of Guthrie Group Bhd's shares, while he was chief executive officer there.

Bank Islam Malaysia took the matter to court in 2007, a year before Khalid was named Selangor menteri besar. He was then the PKR treasurer.

Bank Islam Malaysia is a 100%-owned unit of BIMB Holdings Bhd (BHB), whose majority shareholder is the national pilgrims' management fund Lembaga Urusan Tabung Haji with a 54% stake. The other shareholders are the government-linked Employees Provident Fund, Permodalan Nasional Bhd and Amanah Saham Bumiputera.

The Court of Appeal had ruled in March 2010 that Khalid need not pay RM66.67 million to Bank Islam when it set aside the summary judgment obtained by the bank against him for failure to settle an Islamic loan facility.

On August 21, 2009, the Kuala Lumpur High Court granted the bank's application to enter summary judgment against Khalid and ordered him to pay RM66.67 million.

But the Court of Appeal had unanimously allowed Khalid's appeal with costs.

They also sent the case back to the High Court as they ruled that the issues in the case must get a full trial.

There were two suits filed related to the matter, one by Khalid against the bank and the second was the bank's counter-suit against the menteri besar.

Khalid, in his suit, is seeking declaratory relief and general damages, claiming that there was a wrongful sale of his shares under the Al-Bai Bithaman Ajil (BBA) facility.

As the then chief executive officer of Guthrie Bhd, he claimed that there existed a collateral contract between him and the bank with the said loan agreement dated April 30, 2001.

He wanted the court to declare that the BBA facility, in isolation and without the collateral contract, is null and void and that Bank Islam had breached the collateral contract and the BBA facility.

In its counter-claim suit, Bank Islam Malaysia claimed that Khalid had breached its contract in the BBA loan agreement following his failure to repay the loan. – February 21, 2014.

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