

Daim breaks his silence

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Like



While Daim Zainuddin seems to be liquidating some of his holdings, his known associates also appear to be doing the same. Is there an underlying motive to these corporate moves? In the fourth and final part of our series, KiniBiz looks at some of these deals and then, in an exclusive interview, poses the question to Daim who promptly denied any common concerted moves.

The common theme running through some of Daim's recent corporate activities — as well as those of his known associates — is divestment.

While not all these deals can be easily tracked, the few that can be gleaned raises interesting questions: the biggest question is why the divestment and is the cash accumulation for a common purpose? Former finance minister Daim Zainuddin however denies it in an interview with KiniBiz.

KiniBiz looks at several deals that involve Daim's ICB Financial Holdings Group AG.

Daim's ICB pares down in subsidiaries

After ICB was delisted from the London Alternative Investment Market (AIM) in 2012, industry observers reportedly said that ICB has been paring down its stakes in several subsidiary banks.



Hary Tanoesoedibjo

The most recent divestment appears to be the sale of a 24% block in PT Bank ICB Bumiputera Tbk to PT MNC Kapital Indonesia Tbk, which is controlled by businessman and politician Hary Tanoesoedibjo, on Jan 27, 2014.

Following the sale, ICB still has 45.9% in the relatively small lender listed on the Jakarta Stock Exchange, but media reports speculate that ICB may be looking to pare down further in Bank ICB Bumiputera. It is not immediately known what the 24% shareholding was purchased for.

Prior to that, ICB also reportedly sold its stakes in four African countries — Gambia, Ghana, Guinea and Sierra Leone — to one of Nigeria's biggest financial institutions, First Bank of Nigeria (FBN)

last year. ICB's operations in these four countries span 28 branches with over 600 staff members.

In Ghana, the central bank Bank of Ghana approved the sale on Sept 24, 2013 and the exercise was completed in November 2013 conditional upon 40% of International Commercial Bank Ghana Limited being offloaded to Ghanaians. At least 25% should be offloaded by Dec 31, 2014 with the rest due for offloading by Dec 31, 2016.

The acquisitions of ICB Guinea, Gambia and Sierra Leone were also completed in November 2013, although pricing details are not immediately available. However, the four acquisitions reportedly boosted FBN's total assets from US\$21.3 billion (RM70.4 billion) as at June 30, 2013 by US\$258 million (about RM853.9 million) and is expected to improve FBN's balance sheet by 1.32%.

Also in 2013, ICB sold its operations in Malawi, Mozambique and Zambia to First Merchant Bank Malawi (FMBM), reportedly in a deal worth US\$11.5 million (about RM38 million) encompassing 100% of ICB Malawi, 70% of ICB Mozambique as well as 62% of ICB Zambia.

These acquisitions, completed in June 2013, boosted FMBM's assets by about US\$9.5 million (RM31.36 million).

Notably before its delisting in 2012, ICB had also agreed to sell its entire Bangladesh-based subsidiary ICB Islamic Bank Bangladesh to a consortium comprising Summit Industrial & Mercantile Corp (Pvt) Ltd, Cosmopolitan Traders (Pvt) Ltd, Alliance Holdings Ltd, Summit Alliance Port Ltd and Shore Cap Holdings Ltd for US\$55 million or RM182 million, according to foreign news reports in mid-2010.

However Daim clarified today that he still owns the Bangladesh operations of ICB.

While the total numbers involved in these divestments are difficult to pinpoint, what figures are available add up to RM220 million.

Daim's associates divesting too?

Along with the apparent divestments by ICB, several corporate figures said to be linked to Daim also appear to be liquidating some of their holdings. KiniBiz takes a look at some deals that could be gleaned.

Some figures linked to Daim Zainuddin and their notable links



Wan Azmi Wan Hamzah
Then : Land & General, Cycle and Carriage, Cold Storage, D&C Bank
Now : Aims Asset Management Sdn Bhd



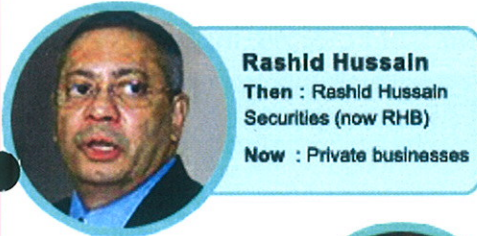
Halim Saad
Then : Renong, UEM, PLUS
Now : Sumatec Resources



Robert Tan Hua Choon
Then : Jasa Kita, Malaysia Aica, PDZ Holdings, Marco Holdings, GPA Holdings, Keladi Maju, FCW Holdings, Goh Ban Jual
Now : Exited Malaysia Aica



Vincent Tan Chee Yioun
Then : Berjaya Group (including BToto)
Now : Berjaya Group



Rashid Hussain
Then : Rashid Hussain Securities (now RHB)
Now : Private businesses



Tajudin Ramli
Then : Technology Resources Industries (TRI), Celcom, Malaysia Airlines
Now : Private businesses



Abdul Rashid Abdul Manaf
Then : SP Setia
Now : Eco World Development Holdings



Chua Ma Yu
Then : Rashid Hussain Securities (now RHB)
Now : Funiweb Industrial Products Berhad (indirectly), Sumatec Resources, CMY Capital



Ting Pek Khing
Then : Ekran Berhad (Bakun dam construction)
Now : Reportedly bankrupt in 2010



Amin Shah Omar Shah
Then : Bolton Properties, Business Focus Sdn Bhd, Perstima, Penang Shipyard Corp
Now : Private businesses



Samsudin Abu Hassan
Then : Bolton Properties, Landmarks, Aokam Perdana, Seacera Tiles
Now : Private businesses



Mohd Razali Abdul Rahman
Then : Focal Aims, Peremba, Landmarks, Kentz Corp (via Kerbet)
Now : Peremba

Source: Various



Making headlines recently was low-key Robert Tan Hua Choon, who exited wooden product manufacturer Malaysia Aica (Maica) late last month. Tan and parties related to him signed a deal to sell 32.39 million shares in Maica to property developer Ter Leong Yap for RM33.39 million in cash.

Notably of late Tan's shipping firm PDZ Holdings, one among his many listed companies including his flagship industrial manufacturer Jasa Kita, has seen much interest in the market lately, consistently appearing in the top actives list. Earlier this month it was reported that PDZ was planning to venture into oil and gas.

Another figure often linked to Daim, Chua Ma Yu, was said to be selling his Menara CMY, according to people familiar with real estate developments. While details are scarce, the price bandied about was around RM1,000 per square feet (psf) for the building with a total lettable area of about 85,000 square feet. This puts the sale price at around RM85 million.

Sources say Menara CMY had been sold but it is not immediately clear at what price and to whom at press time.

In addition, property developer Plenitude, which is also said to be linked to Daim, sold fifteen parcels of freehold land in Kuala Lumpur measuring 153,839 sq ft for RM49.22 million in cash in mid-2013. The rationale for the sale, based on Plenitude's regulatory filing, was to "unlock land value and to realise the capital gain from investment in the land".



Malaysiakini-Lim Huey Teng

Plenitude had been trading at record levels recently, hitting an all-time high of RM2.74 in late November last year. Today the company ended the trading session at RM2.59, up 2 sen.

Mohd Razali Abdul Rahman, formerly of Landmarks and still chairman Peremba, recently exited Focal Aims Holdings when Eco World initiated a [reverse takeover exercise](#). He was last [reported](#) to have some 7.3% in Focal Aims, which appears to be valued at about RM25 million based on the offer price of RM1.40 per share.

Interestingly Mohd Razali's holding company Kerbet had also reportedly divested some of its interests in Irish oil and gas provider Kentz in a deal worth £64.5 million (about RM355.8 million) in 2012, reducing its stake from 26.5% to 13.64%.

Taken over by Kerbet in 1994, Kentz was listed on London's AIM in 2008 when Kerbet reportedly started reducing its 80% shareholding and has since gone to London's main market. While Kerbet was reportedly owned by Peremba previously, media reports say control of Kerbet was transferred by Peremba to its chairman Mohd Razali and a non-executive Hassan Abas in 2006.

'Sitting on cash'

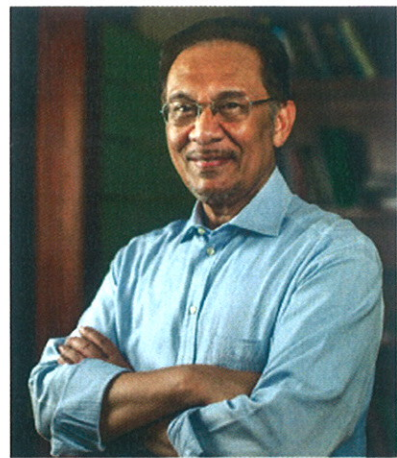
It is very difficult to pinpoint recent corporate activities by most figures linked to Daim, given that many have kept a low profile in recent years.

However the emerging pattern from what can be ascertained is that Daim and those who have been linked to him in the past appear to be raising funds.

When queried by KiniBiz, a source familiar with Daim's corporate circle admitted that his associates are "sitting on cash and waiting for something", but declined to say further.

Market talk speculates that the apparent fund-raising may be linked to political reasons, although details are sketchy. It is notable however that in the recent Kajang by-election saga involving Parti Keadilan Rakyat leader Anwar Ibrahim, one reason that has been thrown about in explanation is that an Umno leadership change is imminent, although this appears unsubstantiated.

Another speculation that has appeared is that Daim and his alleged associates are positioning themselves for a return to Malaysia. However this is unsubstantiated too.



Daim: I am not returning

In an exclusive interview with Daim, KiniBiz asked Daim about market talk saying that his return to corporate Malaysia is imminent. In response, Daim firmly said that he is not.

“I am too old already,” said Daim to KiniBiz. “That should be for the next generation.”



When asked why he is winding down his interests in ICB, Daim again cited his old age. He said that he had offered the stakes to local banks but they were not interested, perhaps due to Africa’s distance.

At present, said Daim, he had sold most of his banking interests apart from those in Bangladesh, Laos and Albania, adding that he had also sold a bit in Indonesia.

Pressed further, Daim said that the cash is “for charity”. When KiniBiz asked whether he is currently cash-rich to look out for investment opportunities, Daim firmly said no.

“It is up to trustees what they do, I am not involved,” said Daim to KiniBiz.

Notably, Daim had previously set-up two foundations, Yayasan Haji Zainuddin and Yayasan Pok Rafeah which were named after his father and mother respectively.

As for the apparent divestments of corporate figures said to be linked to him, Daim denies any knowledge of what they might have in plans.

“No, I have not seen them for a long time,” said Daim. “They do their own business and they decide in which direction they want to take the business.”

As for the title Godfather of Corporate Malaysia, Daim said: “They call me that, that title should go to my friend [Robert Kuok](#).”

Next week’s issue: Daim, the full interview