

24/02/2005

Court-Perwaja

FINANCE MINISTRY BELIEVED IN CHIA'S ABILITY, COURT TOLD

KUALA LUMPUR, Feb 24 (Bernama) -- The Finance Ministry fully believed in former Perwaja Steel Sdn Bhd managing director Tan Sri Eric Chia's ability to run the Perwaja group, the Sessions Court here was told today.

Former Perwaja group director Datuk Nik Mohamed Affandi Nik Yusoff said that personally he too believed in Chia's ability and had made a proposal on the matter in his memorandum to the then finance minister, Datuk Seri Anwar Ibrahim.

In the memorandum dated June 12, 1993, Nik Affandi informed Anwar that Chia's services were needed for at least three more years and that if Chia resigned, it was feared that Perwaja's position would be affected.

"At that time, I totally believed in Chia's sincerity. That's why the Perwaja board did not suspect that he had personal interest in the award of contracts to contractors," he said.

He was testifying at the trial of Chia, 73, who is also former managing director of Perwaja Rolling Mill and Development Sdn Bhd, charged with committing criminal breach of trust involving RM76.4 million at his office at Menara UBN, Jalan P.Ramlee, here, between Nov 4, 1993 and Feb 22, 1994.

Alternatively, he is charged with approving payment of the amount without the approval of the Perwaja Rolling Mill and Development Sdn Bhd board of directors or tender committee at the same place and time.

Cross-examined by defence counsel Datuk Muhammad Shafee Abdullah, Nik Affandi said that although the board of directors had full trust in Chia, the latter was not given full authority to choose the contractors.

However, the board left him to do his work and if Chia needed to report anything to it, he would do so, he said.

He also agreed that Chia was brought into Perwaja to revive the company by former prime minister Tun Dr Mahathir Mohamad, who believed that Perwaja could be revived and that Chia could do it.

The trial before judge Akhtar Tahir continues tomorrow.

-- BERNAMA

CS ISA JK