

'Dr Mahathir has nothing to do with Lynas'

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Lynas Corporation Ltd has dismissed the claim that former premier Dr Mahathir Mohamad supports its rare earth processing plant in Pahang because his eldest son Mokzhani has a stake in the project.

"The contract ... is on arm's length terms and its total value of approximately RM9.1 million represents a very small fraction of Kencana Petroluem's group's annual revenues," said Lynas' general counsel Andrew Arnold in a letter today.

"It is highly inappropriate... to suggest that Mahathir would either know or care about a relatively small and unremarkable contract entered into by a subsidiary of Kencana Petroleum Bhd."

Mokzhani (left) is group CEO of Kencana Petroleum Bhd, whose subsidiary Kencana Torsco Sdn Bhd won the contract in an open tender process managed by Lynas' engineering, procurement and construction contractor.

Last Thursday, environmental activist group Save Malaysia Stop Lynas (SMSL) disclosed that the company had obtained the contract to design, fabricate, line, supply, install and commission carbon steel and stainless steel tanks.

Lynas is now demanding an apology for this and other SMSL claims that were reported in news portal Free Malaysia Today.

The other allegation shot down by Lynas was that HSBC Bank Australia had sold its shares in Lynas worth millions of dollars to avoid bad publicity.

It pointed out that the bank had nominee companies that manage investment, which is decided by their clients and not by the bank.

It is also unhappy that its rare earth processing plant has been referred to as "hazardous", describing the statement as "false" and "inflammatory".

The International Atomic Energy Agency has given the green light to the RM700 million plant in Gebeng, near Kuantan, declaring that its operations would comply with global radiation standards.

SMSL is strongly opposed to the plant, fearing a repeat of the Bukit Merah situation in Perak, which led to workers dying of leukaemia and birth defects occurring in the locality.

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