

Bayan Mutiara deal: 'Umno leaders lying, here's proof'

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The Penang chief minister has produced a copy of an 'open tender' advertisement placed in newspapers, inviting bids for the purchase of 103 acres of land in Bayan Mutiara.

With this, Lim Guan Eng also hinted that two Umno leaders should leave politics, as he himself had pledged to do if they could show proof that the transaction was concluded by anything less than an open tender exercise.

The duo are state Umno liaison committee chief Zainal Abidin Osman and Kota Belud MP Abdul Rahman Dahlan.

Lim criticised them for lacking comprehension of the English language, but also asked if they were pretending not to understand the details of the deal.

"Since the duo cannot prove (their claim that) it was a negotiated tender, you all know who should retire from politics," he told a press conference in Komtar.

Datuk Zainal Abidin Osman, penang umno chief Last week, Zainal Abidin (right) had produced the developer's application letter to Bursa Malaysia written in March, to purchase the land from the state-owned Penang Development Corporation. The open tender exercise was closed on Dec 31, 2010.

However, the developer, Ivory Properties Group Bhd, has since confirmed in a press statement that the deal was struck via an "open competitive tender".

Commenting on this, Lim said: "That is true. One cannot lie about this as it involves Bursa Malaysia. In this respect, it is very clear that Zainal Abidin and Abdul Rahman are the ones who are lying.

"Zainal got his facts and dates wrong. Everything is wrong, only his lies were right. You all know who should retire from politics. I stick to the facts and would be the first to admit it if these were wrong. The facts are with me.

"If you do not have the facts, you are twisting and turning. Now Ivory (Properties) has come out with the truth, what have you (the Umno leaders) got to say?"

Only two companies had put in a bid for the land, which was sold at RM240 psf of the land to Ivory Properties. The other bidder was the Umno-linked SP Setia Bhd.

The parcel, close to the commercial area of Queensbay Mall, is considered prime land as it is surrounded by a growing business community. Some plots had previously been sold at RM420 per square foot.

'Nothing to hide'

Lim agreed to reveal more details of the contract in the coming days, saying the matter is an "open book".

An independent observer and consultant - Reinhorne - had been appointed to ensure that the open tender process and briefing to all interested parties had been conducted properly, he explained.

"What evidence do they, Zainal Abidin and Abdul Rahman (right), rely on to say there was no open tender? From those who responded to our advertisement, we picked the one who submitted the highest price," said Lim.

"That is the meaning of an open tender. Anyone can submit a proposal, but we choose the best one. A company may have a good proposal but not the highest price. There is no dispute here.

"After we picked the highest bidder, we asked if we could sweeten the deal, to reduce the tenure of payment from eight to five years, and the developer agreed."

The last point was a reference to Penang Umno Youth's claim yesterday that the terms of the transaction had been changed and that this was proof that the exercise comprised a negotiated tender.

Lim countered that this was not a negotiated tender as the state had merely tried to get a better deal from the developer by asking for the payment period to be shortened.

Citing an example of how changes are made to deals, he said the 33-year payment period had been expanded to 60 years in the case of the RM7 billion West Coast Highway project.

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