

Pua: Kong misled cabinet to settle PKFZ payments

MalaysiaKini.com

April 27, 2012

By S Pathmawathy

The DAP has called on the police and the Malaysian Anti-Corruption Commission (MACC) to investigate Transport Minister Kong Cho Ha for allegedly misleading the cabinet into making payment to Kuala Dimensi Sdn Bhd (KDSB) for uncompleted work on the Port Klang Free Zone (PKFZ).

This was despite letters of undertaking from KDSB to bondholders stating that it will cover the shortfalls in the event work on PKFZ is not completed.

“This means that if KDSB doesn’t do the work it is for the bondholders to chase KDSB to pay, not the Port Klang Authority (PKA),” said DAP publicity chief Tony Pua.

“So all that Kong and PKA chairperson Teh Kim Poh have been telling us is a pack of lies, a complete pack of lies,” he charged.

lim kit siang parliament pc 201008 kong cho haKong (right) had told The Malaysian Insider that he had used his ministerial influence to compel PKA to pay the special purpose vehicles (SPVs) representing KDSB’s bondholders.

Teh, on the other hand, who took over PKA, the statutory body overseeing PKFZ, in 2011, stressed that they have been paying the bondholders since 2009 but “assured” that the payments did not go through KDSB.

Pua, however countered, saying that PKA is “not obliged” to pay if work was not carried out.

“What they have done is, they have made payment despite KDSB not doing the work amounting to RM1.6 billion,” he explained.

PKA is currently engaged in a legal battle with KDSB, accusing the latter of overcharging the statutory body for RM1.6 billion for uncompleted work.

‘Overlooking his fiduciary duties?’

He urged the police and anti-graft authorities to unearth what transpired as Kong could have overlooked his fiduciary duties in “misleading the cabinet to force PKA to make payments”.

“We want to know if he (Kong) had told the cabinet - ‘We have no choice but to pay the bondholders’ - because it is not what is stated in the letters of undertaking to the bondholders,” said Pua.

NONEPua (left) had distributed three letters by KDSB to three out of four of its bondholders - Free Zone Capital Berhad, Transshipment Megahub Berhad and Valid Ventures Berhad.

This, Pua said, is because KDSB has undertaken to guarantee that it would be liable to bondholders should there be a disruption in the payments from the PKA for uncompleted works.

It is very clear that PKA is not legally bound to pay the bondholders, he said, as the letters only suggest that KDSB has to pay.

“The letters indicate two possibilities - criminal negligence and criminal breach of trust and whether Kong misled the cabinet,” he added.

Another aspect to probe, said Pua, is whether Prime Minister Najib Abdul Razak, who is also the Finance Minister, ordered the payments “knowingly, or on Kong’s advice”.

At the launch of a book entitled ‘PKFZ: A Nation’s Trust Betrayed’ by Lee Hwa Beng, who served as PKA chairperson prior to Teh, former transport minister Ong Tee Keat said that KDSB had been paid nearly RM3.04 billion to date, and another RM733.37 million will be due on June 20 this year.

The payments contradicted advice from legal firm Skrine that PKA engaged to study the problem, who told the port authority to suspend payments pending their legal claim.

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