

Tee Yong: S'gor used state funds to bail out Talam
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By Aidila Razak

MCA today released documents which allegedly indicate that Selangor had used more than RM260 million to bail out ailing construction firm Talam Corporation Bhd through complicated accounting.

Making good his threat to expose a recent scandal in Selangor, MCA central committee member Chua Tee Yong said the Pakatan Rakyat administration had not been forthcoming in debt recovery exercise involving Talam.

However, he stressed that the amount of the bailout is not the RM1 billion scandal he had previously hinted at, but that the RM1 billion refers to the total amount circulating in the "questionable deal".

Chua said that while the state had collected all debts which Talam owed state companies or agencies, the facts showed that the state had also paid cash to Talam for the company's assets.

"We have been taken for a ride," he said during a press conference at the party headquarters today.

Talam got cash

Referring to Talam's 2010 financial statements, Chua said that the state had received RM392 million worth of assets from Talam in an offset deal for payment of the debt.

The Labis MP pointed out that instead of just collecting the RM392 million debt in the form of assets, the state also entered into a settlement whereby Talam disposed of RM676 million worth of assets.

This would mean that the state had paid the differential amount of more than RM260 million for the additional assets, he said.

"They say they collected money from Talam, but from what I see it is Talam getting the cash," he said, pointing out that Talam's annual general report shows that Talam received RM266.26 million to pay its lenders following the deal with the state.

Supporting the bailout argument, he added that Talam had prior to the settlement with the state been listed as PN17 company on Bursa Malaysia, to indicate that it is ailing and in danger of de-listing.

"After the deal, Talam is no longer under PN17...This is a clear cut case of bailout whereby the Pakatan government used the rakyat's money to help a listed company by buying a lot of its assets," he said.

'State companies still owed money'

Talam had owed state companies Universiti Selangor (Unisel), Permodalan Nasional Selangor Berhad (PNSB) and Kumpulan Hartanah Selangor Berhad (KHSB) a total RM392 million, with RM115 million owed to KHSB.

However, Chua noted that the KSHB's financial statement as of Mar 31, 2012, shows that the company is still owed the RM115 million.

Additionally, he said, the Selangor government must explain what had happened to the RM392 million it obtained through a supplementary budget in 2009 to facilitate the debt recovery exercise.

"We don't know if it was used to pay the RM266 million. They should answer... A white paper on this was supposed to be tabled by the end of 2010. It is now 2012," he said.

The amount given in the supplementary budget and the value of the Talam settlement would thus amount to about RM1 billion, he said.

He noted that questions also arise over the RM300 million used in Geran Selangorku community development grants which the Selangor government purports is funded by the Talam debt recovery.

Chua said that he has seen no records indicating that the assets obtained from Talam were developed, liquidated or sold off, so it is illogical that the RM300 million came from these assets.

"What happened to these assets? Are they sound assets?" he asked, hinting of more exposes on the acquired assets.