

S'gor overpaid Talam by RM42mil, claims Tee Yong
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By Aidila Razak

Unaffected by the flak it received from its Tuesday expose, MCA today alleged that Selangor government had "paid" an astounding RM42 million more for land as part of the debt restructuring deal with Talam Corporation.

According to its central committee member Chua Tee Yong, Talam had given the state 916ha (2,263 acres) land worth RM139 million in exchange for RM181 million from the state.

"Some parts (of the RM181 million) is (offset) for (part of the RM392 million state) debt, some parts cash because this land is charged to financial entities. Portions that I hope Talam can disclose to us," he said.

The land in Bestari Jaya, Selangor is part of the RM676 million worth of assets which the state obtained from Talam in the debt recovery plan.

Referring to a valuation report by Mitra Valuers & Property Consultants Sdn Bhd dated Oct 11, 2010, Chua said the land is worth RM139,090,000.

According to the report, copies of which were distributed to media, the valuers had already taken into account the fact that 44 percent of the land is under water.

The final valuation also took into account that a smaller portion of the land is affected by high voltage cables.

However, its valuation is on the basis that the land is free from encumbrances.

Chua said the land is encumbered and that in usual practice, this would reduce the sale price.

Some 225ha (575 acres) of the land is marked as "ecology" and "forest reserved" zones, which Chua said has "little commercial value".

Mitra Valuers Property Consultants reported that "in accordance with the terms of the titles, the category of land use is 'building'."

The bulk of the land is located in residential, commercial and industrial zones.

'Up to Selangor to confirm'

Asked to back his allegation that the state had paid RM118 million for the land, Chua said it is up to Selangor to confirm.

"That one they can confirm it lah. Ask them to confirm," he said.

Yesterday, Talam said that it had paid for the entire RM392 million state debts by offsetting land worth RM676 million.

It noted that the differential value was to settle encumbrances attached to the land while a

"very small sum" was used for other costs and statutory payments.

This is at variance with Chua's earlier claim that the state had paid at least RM260 million in cash to Talam to buy additional assets, in what appeared to be a bailout.

Asked about this today, the deputy minister insisted that cash was paid to Talam as its annual general report notes that the ailing construction company had used the properties to offset the state debt, while the remainder of about RM266 million was paid to its lenders.

The Selangor government yesterday announced that it is suing MCA for asserting that it was involved in a "RM1 billion questionable deal" with Talam.

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