

DAP slams new PKA chief for dropping PKFZ suit

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Newly-appointed Port of Klang Authority (PKA) chairperson Kong Cho Ha has been asked to explain why he has dropped the authority's RM720 million suit over the PKFZ scandal.

DAP Serdang MP Ong Kian Ming called the decision to drop one of PKA's lawsuits against Kuala Dimensi Sdn Bhd (KDSB) "shocking".

According to The Edge Financial Daily today, the PKA board unanimously made the decision during a special meeting in Putrajaya last Friday.

Ong (right) in a statement today said the MCA leader and former transport minister owed the public an explanation because the matter involved taxpayer's funds.

The lawsuit concerns the RM720 million in interest payments on the land bought from KDSB to develop the controversial Port Klang Free Zone (PKFZ).

The suit filed in 2009 is the largest of the four suits filed in relation to the RM12.5 billion PKFZ scandal.

AG and ministry kept mum

According to The Edge, the PKA board also decided it will begin negotiations with KDSB to withdraw the latter's suit against PKA.

The report cited sources saying the board weighed the cost of continuing the legal suit and losing the case after lawyers Skrine & Co allegedly informed them the case was weak.

It added PKA had then written to both the attorney-general and the Transport Ministry for their advice, but both parties did not make a stand and said the decision was PKA's to make.

Ong pointed out that PKA incurred a loss of RM201 million for the financial year 2013 and has accumulated losses of RM674 million since 2010.

"If not for the continued assistance of the federal government via a long term government loan at a low interest rate of 4 percent per annum and deferred interest payments until 2018, the ability of PKA to survive as a going concern would be very much in doubt, as stated by the Auditor General's office in PKA's 2013 annual report.

"If PKA was able to recoup some of the RM720 million in disputed interest payments from KDSB, it would help in decreasing the financial burden of PKA and allow it to pay back some of its long term debt to the government," said the DAP lawmaker.

He added that PKA's 2013 annual report indicated RM1.82 billion had been set aside as a contingent asset which it could claim back if the outstanding civil suits taken up against KDSB were successful.

No one responsible for scandal?

Ong also slammed the absence of the Ministry of Finance representative on the board Mohd Isa Hussain from the critical Friday PKA board meeting.

"All current and future financial assistance and support given to PKA must ultimately come from the Ministry of Finance, and to be absent when such an important decision is made is mind-boggling," said Ong.

He asked if this was the beginning of the end of all PKA's legal suits over the scandal.

These he said include the suit against KDSB and the architect BTA Architect to recover RM920 million in disputed charges over the development agreement to build PKFZ, and against former PKA General Manager OC Phang for the breach of fiduciary duties.

Critics had earlier expressed outrage over the failure of the Attorney-General's Chambers to successfully have Ling and Chan convicted of the massive PKFZ scandal.

"And now with the dropping of the lawsuit against KDSB, will we see a situation where all those involved in the PKFZ scandal are let off leaving only the taxpayer to pick up the bill?" asked Ong.