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'Dr M allowed re-negotiation'

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Witness: Transport Ministry given go-ahead to talk on the purchase of Pulau Indah land

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KUALA LUMPUR: Former prime minister Tun Dr Mahathir Mohamad gave the green light to the Transport Ministry to re-negotiate the terms for the purchase of a 405ha piece of land in Pulau Indah for the Port Klang Free Zone (PKFZ) project from landowner Kuala Dimensi Sdn Bhd (KDSB).

Former Transport Ministry planning division deputy secretary-general Abdul Rahman Noor, 63, told the High Court yesterday that Dr Mahathir agreed to a re-negotiation in a letter dated April 8, 2002.

Questioned by Deputy Public Prosecutor Tun Abdul Majid Hamzah,

Abdul Rahman said this was in response to a letter written by former transport minister Tun Dr Ling Liong Sik to the former premier on April 3.

In his letter, Dr Ling had urged Dr Mahathir to reconsider purchasing the land directly from KDSB on the condition that the price should be re-negotiated based on the valuation by the Valuation and Property Services Department (JPPH).

Dr Ling had also suggested that KDSB be awarded the PKFZ development contract with its cost to be negotiated between the Government and the company.

Upon approval, the ministry or the Port Klang Authority (PKA) would handle the negotiations with

its outcome submitted to the Treasury for endorsement before an official offer was made to KDSB.

"The (former) prime minister had agreed with the (then) transport minister on a willing buyer-willing seller proposition," Abdul Rahman said.

He said that in a meeting on April 12, 2002, with KDSB chief executive officer Datuk Seri Tiong King Sing and PKA general manager Datin O.C. Phang, he had told them of the Prime Minister's decision to re-negotiate.

However, he added, Tiong was not agreeable because he wanted the revised terms made with PKA on Dec 26, 2001, to stand.

It was previously reported that the revised terms included the sale

at RM25psf (at special valuation) with a 10% deposit and a yearly 7.5% interest rate for 15 years.

JPPH deputy director-general Datuk Mani Usilappan had testified earlier that a RM25psf price consideration could be used when read together with the 10-year repayment period with a yearly 6% interest and a 5% deposit.

Abdul Rahman said that on Oct 2, 2002, the Cabinet decided to postpone its decision to purchase the 405ha land following Finance Ministry objections.

"The Treasury still held the decision that the land should be obtained via acquisition (at RM10.16psf)," he said.

Dr Ling has claimed trial to an

amended principal charge of deceiving the Government by not exposing to the Cabinet an additional interest rate of 7.5% annually in the land purchase for the PKFZ project.

He faces two optional charges of cheating the Government by not exposing to the Cabinet facts pertaining to the interest rate, and deceiving it into believing that facts on the land purchase at RM25psf and 7.5% interest were certified and agreed to by the Finance Ministry's Valuation and Property Services Department when he knew that there was no such consent.

He is said to have committed the offences at the Prime Minister's office in Putrajaya between Sept 25 and Nov 6, 2002.