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Dr M: Govt had to pay more for PKFZ project

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KUALA LUMPUR: Tun Dr Mahathir Mohamad maintained that the government had to pay an additional interest on top of the RM25.82 per square foot (psf) purchase price to buy a piece of land for the Port Klang Free Zone (PKFZ) project.

Dr Mahathir, who is the fourth defence witness, said this in response to a question during cross-examination by deputy public prosecutor Tun Majid Tun Hamzah.

The Valuation and Property Services Department had proposed in September 2000 that the property could be bought for cash at RM21 psf and more than RM25 psf could be considered for the purpose of issuing bonds, but over a 15-year period.

Tun Majid: Did you have to pay additional interest over and above the RM25.82 psf purchase price?

Dr Mahathir: Yes.

Tun Majid: Do you agree it was double interest?

Dr Mahathir: Yes.

The former prime minister was testifying in the cheating trial of former transport minister Tun Dr Ling Liong Sik who is charged with cheating the cabinet by concealing that a 7.5 per cent interest rate per year was an additional interest to purchase the 404.4ha land for the project.

The public prosecutor contended that Dr Ling knew that the Valuation and Property Services Department's proposals had determined the price at RM25 psf and Dr Ling had dishonestly induced the cabinet to give its consent to Port Klang Authority (PKA) to buy the property from Kuala Dimensi Sdn Bhd (KDSB).

As a result, PKA paid KDSB RM1.808 billion for the property, in excess of RM720 million due to double interest.

The offence was allegedly committed in the Prime Minister's Department between Sept 22, 2002, and Nov 6, 2002.

Dr Ling served in Dr Mahathir's cabinet as transport minister between 1986 and 2003. Dr Mahathir was prime minister between 1981 and 2003.

Earlier, Dr Mahathir said his understanding of RM25 psf was that it was merely a contract price due to terms of payment.

"That was the term worked out for a certain period."

The defence is contending that RM25 psf is for a 10-year bond period while RM25.82 psf was for a 15-year term.

Hearing before High Court judge Datuk Ahmadi Asnawi continues.

The trial resumed yesterday after the public prosecutor rejected Dr Ling's representation to drop charges against him.



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