

PKA ignored PM's advice in haste to seal PKFZ land buy, says witness

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By Debra Chong

KUALA LUMPUR, Sept 15 — Not only did Port Klang Authority (PKA) rush its land purchase to turn Malaysia into a mega distribution hub, it also skipped the then-prime minister's advice in doing so, according to an ex-government official.

Retired transport ministry secretary-general, Datuk Seri Zakaria Bahari was testifying in Tun Dr Ling Liong Sik's cheating trial today.

He said this afternoon that the land price valuation for the 1,000 acres in the sale-and-purchase agreement (SPA) between PKA and Pulau Indah landowner Kuala Dimensi Sdn Bhd (KDSB) was different from the government's Valuation and Property Services Department's (JPPH) calculation even though the terms and conditions were the same.

Zakaria was responding to questioning from the prosecution over documents that showed a disparity between the SPA and what was recorded in a meeting between the Ministry of Transport (MoT) and KDSB on April 17, 2002.

Deputy public prosecutor, Datuk Tun Majid Tun Hamzah, highlighted that records of that particular meeting showed that then-PM, Tun Dr Mahathir Mohamad, had told the MoT to renegotiate the deal with KDSB and follow the government's valuation for the land.

"Jadi, tidak ikut apa yang disarankan oleh perdana menteri pada masa itu [So, it didn't follow what the prime minister-of-the-day had proposed?]" the government lawyer asked.

"Yes," Zakaria replied.

Zakaria had earlier today told the High Court that Dr Ling had on November 6, 2002 after a Cabinet meeting earlier that day, given then-PKA general manager Datin Paduka O.C. Phang his approval to sign the SPA despite not getting the Cabinet's formal decision until some two weeks later.

Phang, together with then-PKA chairman, Tan Sri Ting Chew Peh, had inked the SPA with KDSB on November 12, 2002.

Dr Ling, also a former MCA president, was charged in July last year with knowingly deceiving the Cabinet into approving the land purchase for PKFZ, which resulted in wrongful losses for the government.

The prosecution's argument is that the additional interest of 7.5 per cent per annum amounting to some RM720 million, had pushed the PKA's land purchase from RM1.088 billion to RM1.88 billion for the port project — despite knowing that the JPPH had already taken that interest into account when it valued the land at RM25 per square foot (psf).

The former MCA president also faces two alternative charges of deceiving the Cabinet into believing that the purchase at RM25 psf and the 7.5 per cent interest rate were

acknowledged and agreed to by the JPPH despite knowing that there was no such agreement.

The veteran politician faces up to seven years' jail and a fine if convicted of the principal charge under section 418 of the Penal Code.

Dr Ling's trial will resume at 9am on October 3.

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