

'Normal' for Cabinet to dither on land purchase, Ling's trial told
The Malaysian Insider
October 13, 2011
By Shazwan Mustafa Kamal

KUALA LUMPUR, Oct 13 — A former federal minister told the High Court today that it was "normal" for the Cabinet to change its decisions on any major land purchase, saying he did not find the government's dithering on the RM1.088 billion land buy for the scandal-hit Port Klang Free Zone (PKFZ) project as odd.

Senator Datuk Seri Mohd Effendi Norwawi, who was agriculture minister from 1999 to 2004, told the cheating trial of Tun Dr Ling Liong Sik that the Cabinet had on October 2, 2002, after its weekly meeting agreed to buy the said land.

But when asked by deputy public prosecutor Manoj Kurup whether the government went ahead with the purchase, Mohd Effendi said there were "some" delays.

He said Cabinet had on October 9, 2002 postponed the purchase pending the Finance Ministry's presentation of a report from the Attorney-General's chambers.

"There was postponement because it needed further study," he said.

"But the prime minister (or minister) can come back the next week and renew any decision based on advice from other officials, in this case the MoF (Finance Ministry)."

Mohd Effendi said the Cabinet had only later decided on the purchase on November 6, 2002.

Retired senior Transport Ministry official Datuk Seri Zakaria Bahari testified that on September 15, 2002 Dr Ling had approved the purchase for the PKFZ project before the Cabinet's decision was out in black and white.

He said Dr Ling approved the sale-and-purchase agreement (SPA) to buy 1,000 acres of Pulau Indah land from owner Kuala Dimensi Sdn Bhd (KDSB) immediately after a Cabinet meeting on November 6, 2002.

Today, Mohd Effendi said ministers did not receive any prior notice or memorandum before the Cabinet's meeting on October 2 regarding the purchase of the PKFZ land.

He said that ministers usually received a memorandum on urgent matters to be deliberated among Cabinet members a week before such meetings.

Former Transport Minister Dr Ling was charged in July last year with knowingly deceiving the Cabinet into approving the land purchase for the Port Klang Free Zone (PKFZ), which resulted in wrongful losses for the government.

The prosecution has argued that the additional interest of 7.5 per cent per annum, amounting to some RM720 million, had pushed PKA's land purchase from RM1.09 billion to RM1.88 billion for the port project.

This was despite knowing that the government's Valuation and Property Services

Department (JPPH) had already taken the interest into account when it valued the land at RM25 psf.

Dr Ling, a 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 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.

The trial before Justice Datuk Ahmadi Asnawi resumes tomorrow morning

The Malaysian Insider

Hakcipta © 2011 The Malaysian Insider

Source:

<http://www.themalaysianinsider.com/malaysia/article/normal-for-cabinet-to-dither-on-land-purchase-lings-trial-told/>