

**PKA cannot repay government loan for PKFZ project, Ling trial told**  
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**By Shazwan Mustafa Kamal**

KUALA LUMPUR, Nov 15 — The Port Klang Authority (PKA) cannot afford to pay back its RM4.6 billion loan for the Port Klang Free Zone (PKFZ) project to the government, a witness told Tun Dr Ling Liong Sik's cheating trial today.

The prosecution's 21st witness, Adnan Abidin, said that PKA could only afford to repay the loan owed to the Finance Ministry for the first two years — this year and the next.

The PKA financial manager said the loan was to be paid over a period of 17 years from this year onwards.

PKA was supposed to have made the first payment of RM82.4 million on June 30 this year.

"We did not pay ... in our view we can only make repayments for the first two years. We have made an appeal to the MOF to review the terms of the loan agreement.

"It is not settled yet, we are still waiting for it to go through," Adnan told the court today.

The development cost of the scandal-hit PKFZ project ballooned from RM1.088 billion to RM4.6 billion in 2007, which Dr Ling's lawyers claimed yesterday the Cabinet had given their retrospective approval for.

Defence lawyer Wong Kian Kheong cited the approval of the cost increase to RM4,632,732,000 from Cabinet meeting minutes dated June 24, 2007.

In 2002, the Cabinet was told that RM1.088 billion was the total cost of the project on the 999.5-acre piece of land in Pulau Indah that comprised the land value, infrastructure cost and a six per cent interest rate.

Dr Ling, a former transport minister, is charged with deceiving the government by concealing the fact that the interest rate of 7.5 per cent per annum was surplus to the purchase of Lot 67894 at RM25 psf — amounting to a total of RM1,088,456,000 — despite knowing that the government's Valuation and Property Service Department's (JPPH) had already taken that interest into account when it valued the land at RM25 psf.

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

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

The trial resumes tomorrow morning.

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