

## HOME

## COLUMNS

- [Khairy spans the monkeys](#)
- [Merdekakah kita?](#)
- [Alatas' legacy - fear of fools](#)
- [A mind is a terrible thing to waste](#)

## NEWS

- [Blood runs deep in troubled RM4.6b PKFZ](#)
- [Anwar: Raja Nazrin 'advocate extraordinaire'](#)
- ['Beckhams' can't be waiting forever in Umno](#)
- [Mega-smelter plant runs into controversy](#)
- [Net clampdown ahead of polls](#)
- [Circular on contracts for bumis under fire](#)
- [Politician hits back, mulls RM20 mil suit against cop](#)
- [Academicians reply to varsity's attack](#)
- [Indigenous people: The forgotten minority](#)
- [Witness fails to explain contentious documents](#)

## LETTERS

- [Our obsession with religion and ethnicity](#)
- [Shortsighted politicians have created this mess](#)
- [Judgment didn't say syariah courts were 'inferior'](#)
- [The private and public dimensions of our dismissal](#)
- [No place for 'goblok' politicians](#)
- [Taib Mahmud won't repeat Tun Mustapha's mistake](#)
- [What don't they haul in YouTube and Google?](#)

## Blood runs deep in troubled RM4.6b PKFZ

Fauwaz Abdul Aziz  
Aug 9, 07 12:48pm

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The purchase of even a modest property like a small house costing RM100,000 requires separate lawyers working on behalf of the seller and buyer, each striving to get the best deal for their own clients.



However, this was not the case with the Port Klang Free Zone (PKFZ), as documents procured by *malaysiakini* indicate.

Those parties who were supposed to have acted either in the best interests of the buyer of PKFZ - Port Klang Authority (PKA) -

or that of its seller and developer Kuala Dimensi Sdn Bhd (KDSB) - were, in fact, one and the same.

Consider, for example, the legal firm which had drafted the March 2004 land development agreement between PKA and KDSB.

A pertinent question to be asked is how PKFZ - whose price tag has [skyrocketed](#) from RM2.32 billion in 2003 to the current RM4.63 billion - could be expected to come up with the best deal in the public interest when the lawyer engaged to draft the agreement works for 'the other side.'

### On legal panel

PKA could have chosen for the task of drafting the agreement lawyers that would best represent PKA's interests (and, thereby, tax-payers' interests) by ensuring these interests are enshrined.

PKA, however, chose to appoint Rashid Asari & Co, the firm that was, and remains today, on KDSB's legal panel.

Abdul Rashid Asari who heads the firm did not answer calls by *malaysiakini* to his mobile.



However, an officer of Wijaya Baru Global Bhd (WBGB) - the property developer and investment firm behind the sale and development of PKFZ - made the corroboration when contacted today.

Rashid also happens to be the vice-chief of the Kapar Umno division.

Among Rashid's fellow excos in the Kapar division is its

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permanent chairman Onn Ismail, who formerly headed the Pulau Lumut

Development Cooperative Bhd (PLDCB).

PLDCB had, in the 1990s, [sold](#) the 1000 acres of land on which PKFZ now sits to KDSB.

Present PLDCB chairperson Abdul Rahman Palil, who is a Selangor executive councillor and Sementa state assembly person, is the Kapar division head. Onn's son-in-law, Faizal Abdullah is the division's youth chief.

Faizal also happens to be the deputy-chief executive officer of WBGB

Other documents, meanwhile, suggest the [conflict of interests](#) issue (which *malysiakini* had earlier raised in relation to PKA chairperson Chor Chee Heung who is also WBGB director) goes even deeper.

In order to monitor the development of PKFZ - as well as to be the final arbiter between PKA and KDSB in the event of disputes over development 'cost variations' - an independent quantity surveyor (IQS) was to have been appointed by the Ministry of Finance (MOF).

Records of the official correspondence that occurred on the matter, however, indicate that the exercise of appointing an 'independent' quantity surveyor was perhaps less than genuine.

### Appeal to finance minister

On Nov 3, 2003, PKA's general manager OC Phang had written to the MOF's procurement management division recommending that one Damansara-based Syarikat Perunding BE Sdn Bhd be appointed the project's IQS.

What was not mentioned - but attested to in an earlier letter dated Dec 10, 2002, to Phang from KDSB - was that this same company had been under WBGB's employ as a development consultant for the PKFZ.

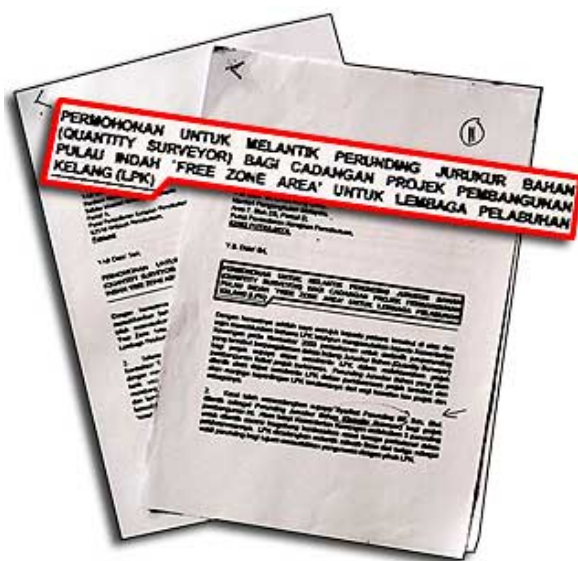
The intrigue goes deeper when, following the MOF's rejection of her recommendation, she went on to press Transport Minister Chan Kong Choy in a letter dated Apr 7, 2004.

She requested Chan to lobby Finance Minister Abdullah Ahmad Badawi in order to appoint Syarikat Perunding BE as the IQS.

"In view of this project's importance, this project needs to be expedited. We respectfully request your help in appealing to the Finance Minister so that Syarikat

Perunding BE is appointed as IQS for the development project on Pulau Indah," said Phang in her letter.

"To facilitate the proper action, a copy of a draft letter to the Finance Minister is herewith attached," reads the letter, which



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dutifully includes the draft letter, minus Chan's signature, to Abdullah.

When contacted, a Syarikat Perunding BE official confirmed it is still engaged as the IQS for PKFZ.

Phang, who has previously declined to entertain questions from *malaysiakini*, did not answer calls to her mobile phone.



Do you have something to say about the above report? Share it with other Malaysiakini readers. Send your comments to [voxpopuli@malaysiakini.com](mailto:voxpopuli@malaysiakini.com) and it may be published in Malaysiakinis Vox Populi (Voice of the People) section. Please keep your comments brief and do let us know if you wish to remain anonymous.

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