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An unfair deal?

> KTMB gets fraction of value for prime real estate in Bangsar

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KUALA LUMPUR: Is Keretapi Tanah Melayu Berhad (KTMB) getting a raw deal in the development of a piece of railway land in Bangsar?

This is the question on the lips of those concerned with recent developments of the 8ha site behind the former the Unilever headquarters along Jalan Bangsar.

Said to be worth at least RM400 million, the national railway company may be paid only RM50 million for giving up the prime real estate.

The concerns were so great that in 2008, then KTMB chairman Tan Sri Lim Ah Lek raised the matter with then prime minister Datuk Seri Abdullah Ahmad Badawi. He was concerned that KTMB was on the losing end as the RM50 million "compensation" offered by Pelaburan Hartanah Bumiputra Bhd, now known as Pelaburan Hartanah Bhd (PHB), is far less than the market value of the property.

PHB is the subsidiary of Yayasan Amanah Hartanah Bumiputera, a foundation initiated in 2006 with RM2 billion capital, to raise bumiputera property ownership.

In 2007, the Valuation and Property Services Department valued the tract of land at RM299.477 million or roughly RM350 per sq ft. "Today the land is worth at least RM350 million," said a property consultant.

In his Budget speech in 2006, Abdullah, who was finance minister, said the land will be surrendered to PHB to be developed.

Lim, however, had suggested that KTMB and the public interest would be better served by calling for tenders from developers as the hot property could be worth as much as RM500 per sq ft.

The Federal Land Commissioner has approved the disposal of the land. But it is understood that KTMB does not have a say in the sale as this comes

under the Railway Assets Corporation (RAC).

The national railway company could do with a large cash injection, having recorded losses of over RM18 million in 2008. "KTMB could do very well with selling the land at market value but there seems to be other forces out there that want to benefit at a disadvantage to KTMB," said a source.

When contacted, Lim confirmed writing to Abdullah. "I expressed my concerns that the government may be shortchanged and suffer losses especially when the land is worth between RM450 and RM500 million.

► **1949:** Unilever leases the property from KTMB for 60 years

► **2003:** Unilever moves its headquarters to Menara Telekom, Jalan Pantai;

► **2007:** Land returned to RAC;

► **2006:** In Budget speech, prime minister Abdullah Ahmad Badawi announces that land will be surrendered to PHB.

"The deal is unacceptable and my views have not changed," he said, adding that the vested interests of a few could not take precedence over the rakyat's interest.

RAC general manager Abdul Kadir Ab Latiff tried to allay fears by saying that the compensation to KTMB would be more than RM50 million. However, he declined to disclose the land's current value.

"The land title is being transferred to PHB. It all depends on the (speed and efficiency of the) Land Office now," he told *theSun*, adding that PHB is the "only developer". However, it is learned that RAC had received proposals from other developers, including Sunrise Bhd and Mah Sing Group, to develop the land.

Asked if he was happy with the deal, KTMB president Dr Aminuddin Adnan said he was "unaware" of it, explaining that it was RAC's responsibility.

"Under the Railways Act 1991, RAC handles the compensation and the deal. It is its prerogative what to do and how it wants to manage or develop the land," Aminuddin said.

CEO of PHB Kamalul Arifin Othman declined comment. "We do not wish to make any announcement on this issue at this particular time," he said.

Other prime land purchased by PHB includes Dataran Perdana in Jalan Davis and the Rubber Research Institute land in Jalan Ampang.



BERNAMAPIX

SO PATRIOTIC ... Wearing his patriotism on his sleeve, tailor Alex Kong Chee Chin, 33, of George Town models his creation, an outfit which combines the national and Penang flags. His design symbolises 1Malaysia. Kong took one month to complete the outfit which measures 1.5m long and 1m wide and costs RM300. He said he wanted to show his patriotism and to mark the 53rd Merdeka. "I started making different sizes of clothes, songkok and batik with the Jalur Gemilang motif since 2002 to commemorate our independence day," he said, adding that he had spent between RM1,000 and RM3,000 on his patriotic collection.

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