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## **RM33mil loan poser**

*By ANN TAN*

CHIEF Minister Lim Guan Eng is baffled over a RM33.18mil loan extended by the previous state government to the developer of the Jelutong Expressway to build the coastal highway when it has already offered 130 ha of land.

Lim said he understood that the loan, to be given over five years to the developer, was to settle all squatter and land acquisition issues related to the construction of JE.

An agreement was signed between the former state government and IJM Properties Sdn Bhd in 1997 to build the RM672.2mil coastal highway linking Weld Quay to Jalan Tunku Kudin.

The agreement, he added, stated that the state would give the developer an advance of RM7mil yearly from 2005 to 2008 and RM5.18mil in 2009.

"I do not understand why the state has to make the advance payments," he said, adding that IJM had yet to settle a RM21mil loan. "Why can't the amount be contra off? This does not make sense," Lim told a press conference.

Lim was commenting on a Chinese daily's report on the agreement between the state government and IJM which was highlighted in the Auditor-General's 2007 Report for Penang. The AG's report had mentioned that the developer still owed the state RM21mil.

Lim said he would get more details on the matter after Hari Raya.

A spokesman for IJM, when contacted, said they had met State Local Government, Traffic Management and Environment Committee chairman Chow Kon Yeow earlier yesterday to explain the issue.

"The repayment term in the agreement is not due yet and the whole issue has been misrepresented. "However, we have asked our lawyer to issue a press release as soon as possible to clarify the issue," he said.