



## MEDIA RELEASE

# LOK ANN HOTEL SOLE OPPONENT TO MUTUAL AGREEMENT

## Owner wants more compensation from MRT Corp

**Kuala Lumpur, 13 June 2013:** Lok Ann Hotel will be acquired by the Government for the Klang Valley MRT Project because its owner, Chip Ann Realty Sdn Bhd (CAR), had rejected the quantum of compensation Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) offered.

MRT Corp's Chief Executive Officer, Dato' Azhar Abdul Hamid, says he could not understand why CAR rejected the compensation offered which was arrived at on the same basis offered to the other land owners.

Dato' Azhar says the owners of seven properties have signed the Mutual Agreement, including Yan Keng Benevolent Dramatic Association, who had originally opposed the MA, and this showed that the compensation and other terms of the MA are fair and equitable.

"I do not see why CAR thinks they are different from the others and that they should be given preferential treatment," he says.

Based on the same valuation basis that was formulated by an independent valuer, the owners negotiating the MA have been offered between RM100,000 and RM800,000 depending on the value of the properties. CAR was offered RM680,000.

"I am offended to hear that CAR is labelling this quantum, which has to come out from the pockets of taxpayers, as being a token sum. They now want RM2 million or three times what they were offered.

"Don't forget that on top of this money, CAR will continue to own the property and carry on its business there, get the structure of the building strengthened at our cost, and ultimately, benefit from the future MRT Station nearby.



"I cannot justify paying them the millions that they are demanding for. Maybe the compensation from the acquisition of their land will match the sum that they are demanding for," he adds.

Dato' Azhar said CAR had always refused to negotiate with MRT Corp on the MA, which if signed, will enable MRT Corp to apply to the Government to stop the land acquisition process and construct the MRT tunnel beneath the properties.

He says it was never MRT Corp's intention for the properties at Jalan Sultan to be acquired. This is because the MRT Project did not need the properties but only a portion of the underground land beneath the buildings for the MRT tunnel.

"What will the Government do with the properties if they had been acquired? This is why we proposed the MA back in 2011. Since then, we have continually engaged with owners of the affected lands in Jalan Sultan and they have been receptive of this approach," he says.

The MA means ownership of the property does not change hands, while it allows MRT to construct a tunnel below the buildings. More importantly, by July 2017, the proximity of the buildings to the MRT station could potentially be a windfall for businesses in the area.

"Our capacity at launch could mean as many as 20,000 people arriving at their doorsteps, in one hour. This will be a boon for the businesses, as locals and tourists alike will be able to come to Chinatown without the worry of traffic jams and parking," explains Dato' Azhar.

"But the owners of Lok Ann Hotel have always opposed any discussion. To prove my point, Tan Seong Chan, who was quoted as a representative of Lok Ann Hotel in a report in *The Malaysian Insider* on 11 May 2012, clearly said that CAR will not agree to sign any MA with MRT Corp," he says.

He adds that CAR did not sign the Points of Agreement (POA), which is the prelude to the MA, while the other owners did, indicating their willingness to negotiate with MRT Corp.

Dato' Azhar says all of a sudden during the land acquisition hearing in May 2013 which was held to conclude the acquisition process, CAR changed its mind and claimed that they now wanted to negotiate for an MA. The Land Administrator allowed them to negotiate with MRT Corp and MRT Corp had several meetings with CAR to discuss the MA.



"Eventually, CAR said the quantum of compensation was not acceptable. Negotiations could not proceed further after that," he says.

Dato' Azhar says MRT Corp had put in a lot of effort in trying to convince the property owners of Jalan Sultan about their intentions, holding engagements with various groups explaining the nature of the works being undertaken at the area.

"Apart from engagements with the property owners, we took out advertisements in the local press to explain our intention. We also organized information sharing sessions with schools in the area to ensure those group of stakeholders are kept up-to-date on the project and the benefits it will bring," he says.

Dato' Azhar says MRT Corp would like to thank the owners who have signed the MA.

"We can now move forward with appointing contractors to carry out strengthening works to the buildings. Not only will the owners continue to own their properties, their buildings will end up being stronger than they are now. The buildings will be safe and well protected," he explains.

A total of 23 properties along Jalan Sultan are located above the tunnel which will be built for the MRT Sungai Buloh – Kajang Line. The properties were originally to be compulsorily acquired under the Land Acquisition Act 1960. However, MRT Corp proposed to avert the acquisition of land through a Mutual Agreement. Under the agreement, the owners will continue to own their properties while allowing the MRT tunnel to be built underneath.

To date, the owners of seven properties have signed the MA while two of the properties have been acquired without opposition from their owners. The remaining owners, with the exception of CAR, are currently finalizing terms of the MA.

***ENDS***



<b>LIST OF ENGAGEMENT SESSIONS WITH JALAN SULTAN PROPERTY OWNERS AND OTHER MILESTONES</b>		
<b>Date</b>	<b>Location</b>	<b>Summary</b>
1 October 2011	Lok Ann Hotel	First meeting between MRT Corp and selected owners on Mutual Agreement (MA) offer
6 October 2011	MRT Corporation	Further explanation on MA to all owners
31 October 2011	MRT Corporation	Majority of landowners sign letter agreeing to pursue MA discussions with MRT Corp
16 November 2011	Yan Keng Benevolent Dramatic Association	Explanation to Yan Keng Benevolent Dramatic Association trustees on terms of the MA
17 November 2011	MRT Corporation	Meeting with lawyers of Jalan Sultan land owners
19 January 2012		Points of Agreement (POA), which forms the basis for the MA, distributed to lawyers of land owners
29 February 2012		First owner signs the POA
19 March 2012	Wisma Sumber Asli, Putrajaya	Briefing session by Ketua Pengarah Tanah dan Galian on terms of the MA
21 March 2012	Parliament House	YAB Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak meet several affected land owners and the Kuala Lumpur and Selangor Chinese Assembly Hall.
12 April 2012		Soil investigation data forwarded to land owners and the Kuala Lumpur and Selangor Chinese Assembly Hall.
26 April 2012	Parliament House	Minister in the Prime Minister's Department YB Dato' Sri Nazri Abdul Aziz meet land owners
7 May 2012		Owners of a total 18 properties sign the POA by this date. Two property owners indicate they will accept compulsory acquisition while three owners publicly oppose MRT Corp's offer.
August 2012	Jalan Sultan	Structural survey on properties carried out on properties whose owner signed the POA
12 October 2012	DBKL	Datuk Bandar Kuala Lumpur meets property owners of Jalan Sultan
February 2013		Structural condition reports distributed to owners
March 2013	Jalan Sultan	Briefing sessions on structural condition held
April 2013	Jalan Sultan	Inspections on properties by contractors for strengthening works
May 2013	Jalan Sultan	Structural survey on Lok Ann Hotel and Yan Keng Benevolent Dramatic Association
28 May 2013		Yan Keng Benevolent Dramatic Association signs the MA
10 June 2013		Owners of six lots sign the MA



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