

Ferrier Hodgson completes forensic audit on Ageson's suit against its former managing director



KUALA LUMPUR: Ageson Bhd said Ferrier Hodgson MH Sdn Bhd has completed the forensic audit exercise on the costs incurred by Prinsiptek (M) Sdn Bhd (PMSB), a former wholly-owned subsidiary of the group.

Ageson, in a statement said, the audit had further strengthened the basis of Ageson's civil suit against its former managing director and six other individuals for deliberate breach of statutory duty.

The findings were based on a construction contract awarded to PMSB in 2016 for a 44-storey apartment block, together with a 8-storey car park podium and amenities in Sentul, Kuala Lumpur.

The contract, which was awarded by Qaiser Harta PMC, has a value of RM330.3mil.

Based on Ferrier Hodgson's findings, the construction project was awarded on Nov 17, 2016 while development order for the project was obtained on Dec 6, 2016 and revised on Oct 31, 2017.

It noted that drawings and buildings plans were secured by PMSB prior to the incorporation of MH Maju Holdings Sdn Bhd on Aug 29, 2017.

"The letter of awards to MH Maju, dated Sept 14, 2016, Dec 1, 2016 and April 4, 2017, could not have been issued by PMSB as MH Maju and the title of the project were not in existence at that material point in time," it said.

Ferrier Hodgson has found that PMSB only issued one progress billing for the sum of RM11.5mil to Qaiser Harta PMC in FY2018.

PMSB then charged a portion of the costs of RM8.8mil and profit of RM2.6mil in FY2018.

In addition, it noted that the construction cost of RM23.7mil incurred by PMSB as at June 30, 2019 did not commensurate with the progress billing issued by the quantity surveyor of the project. The surveyor had certified preliminaries works of only RM2.8mil and piling works of RM8.6mil for the project as at Nov 22, 2017.

More than 93% of the payments or RM22.6mil made by PMSB as at Oct 31, 2019 were payments for consultancy fees to MH Maju (67.3%) and Rapi Mulia Sdn Bhd (26.0%).

"Other than the 11 invoices issued by MH Maju and the progress work certification issued by PMSB, Ferrier Hodgson has not sighted any other documentary evidence that could substantiate the basis of the invoices issued by MH Maju, and the value of workdone by MH Maju that was certified by PMSB," it said.

Numerous cheques were issued to MH Maju and cleared for payment by the bank on the same day and there were on a few occasions cheque receipts with identical amounts to the cheques issued to MH Maju, deposited into PMSB's bank account immediately after PMSB's cheques to MH Maju were cleared for payment.

MH Maju is a company involved in machinery rental and leasing, and Rapi Mulia is a project contractor.

"We would like to inform that the findings concluded by Ferrier Hodgson cemented our suit against the Datuk Foo Chu Jong (former managing director), Foo Chu Pak (former executive director), and five others for breach of statutory duty and conspiracy to injure the company," Ageson audit committee said.

"It is now clear that Datuk Foo has failed to exercise his duty as a managing director, by paying RM23.7mil in exchange for works done worth RM11.5mil.

"On April 2, 2021, we invited independent personnel to visit the construction site, and photos taken proved that there has been no development since June 2018," it said.

Another finding by Ferrier Hodgson also showed that the profit for the project is estimated at RM22.04mil.