

MEX takeover: Will RM977mil of public funds be returned?

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The taxpayers' money granted to Maju Holdings Sdn Bhd to construct the 26km Kuala Lumpur-Putrajaya Highway, better known as the Maju Expressway (MEX) must be returned, said PKR strategy director Rafizi Ramli, following the sale of the concession to EP Manufacturing Berhad (EPMB) for RM1.7 billion.

NONERafizi (right) said a government grant of RM976.7 million was given to Maju Holdings during the construction of MEX, prior to its completion in 2007. The entire project had approximately cost RM1.32 billion.

Business daily, The Edge reported on Friday that EPMB will finance the acquisition by issuing RM1.2 billion in sukuk (Islamic bonds) while the rest will be sourced from bank borrowings.

"Besides the grant, according to my estimates, Maju Holdings had only injected about RM60 million of funds (which is about 4.5 percent of the total cost) and it also borrowed RM370 million from financial institutions," said Rafizi, in a statement today.

Hence, Maju Holdings will make a windfall revenue from the RM1.7 billion takeover by EPMB if the RM976.7 million of public funds are not paid back, he pointed out.

najib putrajaya 280212"In case that happens, after settling the RM370 million loan to the financial institutions, Maju Holding will profit around RM1.33 billion when it had only invested RM60 million," said Rafizi.

He urged Prime Minister and Finance Minister Najib Abdul Razak (left) to state whether Maju Holdings is required to returned the RM976.7 million of public funds borrowed.

"If Maju Holdings decide to keep the RM1.33 billion profit, what kind of agreement was signed between the concessionaire, which is widely known to be a strong Umno supporter, and the government?" he asked.

Rafizi added that Najib's green light to business deals worth billions of ringgit "involving BN-Umno cronies" has strengthened conviction that the arrangement are only at the disadvantage to the people.

"In addition, the transactions are all made in secrecy and the lack of transparency strengthens the suspicions," he said.

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