

## **Gov't admits mistake on Cayman Islands funds**

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**By Kow Gah Chie**

Second Finance Minister Ahmad Husni Hanadzlah (photo) has admitted the government made a mistake on the facts relating to the US\$1.1 billion (RM3.97 billion) redeemed from Cayman Islands by 1Malaysia Development Bhd (1MDB).

"I think this is a mistake.

"Mistake in the sense of interpretation, when they said they had redeemed and saved at a Singapore Bank. So, the impression we had is that it is (in) cash (form).

"But actually, that is a saving in units," Husni said.

Asked about the nature of the units, whether it is in trust, bond, or stock form, he just answered, "It's units."

However, Husni defended 1MDB by insisting the units savings really existed and was meant for the repayment of specific loans.

"That (i.e. the saving) is being backed by a sovereign wealth fund. We do hope that we can bring it back as soon as possible.

"The most important (thing) is that there will be the end of the story. So, we wait for the end of the story," he said.

In a parliamentary reply dated May 19, the ministry corrected its parliamentary written reply in March that said the US\$1.1 billion transferred by 1MDB from Cayman Islands to Singapore was in cash.

### **Land deals with TRX**

Meanwhile, Husni declined to verify claims by Rafizi Ramli (PKR-Pandan) that he had tabled documents on deals by the Retirement Fund Incorporated (KWAP) related to the Tun Razak Exchange (TRX) property.

Rafizi said KWAP has signed a sales and leaseback agreement with 1MDB Real Estate (1MDB RE) for the purchase of 900,000 square feet of commercial office tower at TRX.

"KWAP has already confirmed that there's no investment linked with 1MDB," Ahmad Husni said.

On May 11, the Star reported that KWAP was planning to buy land in TRX at RM2,300 per square foot to build its new headquarters.

KWAP had confirmed that it is eyeing land in the TRX zone owned by 1MDB, but stressed any decision would be based on commercial considerations.

KWAP has signed a non-binding head of terms with 1MDB RE last year, according to Azmar Talib, chief executive officer of 1MDB RE.

The controversial land deal between 1MDB's TRX and Lembaga Tabung Haji (Pilgrims' Fund Board) has caused the latter to sell what it had purchased.

Tabung Haji had paid RM188.5 million for 1.56 acres from the 70-acre TRX land.

1MDB had purchased the entire 70 acres from the government for a mere RM194.1 million.

This meant Tabung Haji paid RM2,773 per square foot of land, compared to 1MDB which paid only RM64 per square foot to the government.

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