

Motion on Tabung Haji TRX purchase rejected
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By Eileen Ng

A parliamentary motion by Datuk Mahfuz Omar (PAS-Pokok Sena) to debate Lembaga Tabung Haji's purchase of a plot of land in 1Malaysia Development Berhad's (1MDB) Tun Razak Exchange (TRX) was rejected in the Dewan Rakyat today.

Speaker Tan Sri Pandikar Amin Mulia said there was no need to debate the matter as Prime Minister Datuk Seri Najib Razak had already directed the pilgrims' fund to sell off the land after the transaction came under fire from both politicians and the public.

"When you filed in the motion, the government directed Tabung Haji to sell the land, so what else is there to discuss?"

"Moreover, you can raise this issue during the debate after the tabling of the 11th Malaysia Plan," Pandikar told Mahfuz, who demanded to know why the motion was rejected.

Tabung Haji's RM188.5 million purchase of a 0.63ha plot of TRX land from 1MDB created uproar as the strategic investment fund's debts of RM42 billion were a well-known fact.

The purchase also put the price per square foot (psf) at RM2,773 compared with the RM64 psf 1MDB had paid when it bought the land from the government four years ago.

Under fire, Tabung Haji said it would sell the land on the advice of Najib, who is also finance minister and chairman of 1MDB's advisory board.

Tabung Haji chairman Datuk Seri Abdul Azeez Abdul Rahim had said Najib's advice to dispose of the land was so that the fund's reputation would not "tarnished" because of its business transaction with 1MDB, and in order to respect the "sensitivity" of the depositors.

TRX, formerly known as the Kuala Lumpur International Financial District, was first announced in 2010, and had a false start when a ground-breaking the same year was postponed indefinitely.

1MDB's major partner for the project was supposed to be the Abu Dhabi-based Mubadala Development Company, but to date, there has been no official confirmation on the amount of investment made by the Middle-East consortium in TRX.

In 2012, Najib established a task force to oversee the completion of TRX over 15 years.

Only this year did 1MDB's real estate arm, 1MDB RE, announce a joint venture to

develop the Lifestyle Quarter of TRX, after striking a deal with Australian construction giants Lend Lease.

Lend Lease, as per the deal announced in March owns a 60% stake in the joint venture, while 1MDB RE holds the rest.

Though TRX was touted as a financial hub, the current development entails a retail mall, a hotel, and several residential towers.

The estimated completion date for this initial phase has been set at between 2017 and 2018.

Construction of the country's biggest Mass Rapid Transit (MRT) station is also due for completion in 2017.

The gross development value (GDV) of the Lifestyle Quarter is RM8 billion, a small portion of the initial estimate of RM40 billion GDV for the entire TRX project.

Over the years, 1MDB had progressively raised more questions than answers about its dealings.

It currently sits on debts of around RM42 billion, after going on a global bond-raising exercise, and even keeping funds in the Cayman Islands.

It has admitted to cash-flow problems and is undergoing a strategic review, which could include disposing of some of its assets. – May 18, 2015.

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