

Pension fund invested RM1.4 billion in 1MDB, subsidiaries, says Najib
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By Eileen Ng

Retirement Fund Inc (KWAP) has RM1.4 billion in investments and holdings in 1Malaysia Development Bhd (1MDB) and its subsidiaries, the Finance Ministry said in a parliamentary reply today.

In a written reply to Rafizi Ramli (PKR-Pandan), Finance Minister Datuk Seri Najib Razak said the subsidiaries were Bandar Malaysia Sdn Bhd, 1MDB Energy Limited, 1MDB Global Investment Limited and Jimah Energy Ventures Bhd.

Najib also said the Employees Provident Fund (EPF) has subscribed to 1MDB bonds totalling RM200 million in 2009, which is fully guaranteed by the government.

"EPF also has investment exposure on 1MDB's subsidiaries namely Panglima Power Sdn Bhd (PPSB) and Jimah Energy Ventures Sdn Bhd totalling RM1.52 billion."

But EPF's involvements in these subsidiaries took place in 2003 and 2005 respectively, before 1MDB took over the companies in 2012 and last year, Najib added.

KWAP, the country's pension fund for civil servants, came under fire from opposition lawmakers recently over news that it planned to buy a parcel of land at the Tun Razak Exchange (TRX) financial district at RM2,300 psf. TRX is owned by 1MDB.

Despite KWAP's subsequent statement that no investment commitment had been made, Rafizi yesterday alleged that leaked documents from a Cabinet meeting last week revealed the second finance minister had tabled a list of all agreements signed with 1MDB for the development of TRX, including the deal with KWAP.

He said leaked documents revealed that the 1MDB-KWAP deal involved the development of a new headquarters with 900,000 sq ft space and that while the owner was to be KWAP, 1MDB Real Estate is to be the project manager.

KWAP was also previously criticised by opposition lawmakers after it gave a RM4 billion loan to a former subsidiary of 1MDB, SRC International Sdn Bhd to purchase a mining company in Mongolia. – May 19, 2015.

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