

NST editor calls Tabung Haji land deal 'profitable', says Malays acting hysterical
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A New Straits Times' (NST) editor today defended Lembaga Tabung Haji's land transaction with debt-ridden 1Malaysia Development Berhad (1MDB) as a profitable venture for the pilgrims' fund, and described Malays who were unhappy with the RM188.5 million deal as "melatah" (acting wildly or deliriously).

NST group managing editor Datuk A. Jalil Hamid said Tabung Haji, a savings funds for Muslim pilgrims to perform the haj in Mecca, had planned to redevelop the land into a high-end residential tower that would boost the group's future earnings.

"The episode has created a near-hysterical situation for Malays in this country after the deal was first leaked about four days ago," wrote Jalil in a column in the New Sunday Times, the paper's Sunday edition.

Jalil said Tabung Haji depositors were ignoring the fact that it was an "arms-length deal" first proposed in 2013 and cleared by the board and investment panel.

"The moment you mention 1MDB, it suddenly becomes a less kosher deal for depositors of Tabung Haji, whose assets now total RM56 billion and that their annual pilgrimage is heavily-subsidised by the pilgrim's fund.

"Malays suddenly melatah (to speak or act wildly, or deliriously) on hearing the link, even without getting the full picture or verifying the story."

He noted that several senior Umno ministers had also "suddenly become so concerned about 1MDB", and that one minister even "dared reporters to write about his frustration in the government's handling of the 1MDB issue".

Their reaction came in spite of the fact that the transacted price was still below some of the recent deals in the Golden Triangle, Jalil said.

He also reminded the Malays that "Bumiputera ownership of prime properties in the Golden Triangle is still less than 30% compared with the dominant Chinese".

"Just take a walk along upper Bukit Bintang. You are lucky if you find the sleek shopping malls there are owned by Bumis," wrote Jalil.

Jalil said the problem lay in how people perceived 1MDB as making money at the expense of Tabung Haji, by selling the 0.63 hectare land "at the so-called very 'inflated price'".

"But Tabung Haji would also be making money, maybe lots of money, from its returns on investments on that prime piece of property. Is that the case of a missed opportunity?"

"But right now, the general sentiment is that it is not 'politically correct to be in the vicinity of the Tun Razak Exchange (TRX) and 1MDB," said Jalil.

He added that at least a few foreign investors had agreed or were looking into investing into TRX, including an Australian property firm and an Indonesian group.

"How can Tun Dr Mahathir Mohamad classify this as a 'bailout' when Tabung Haji will make a profit from the sale of the land, which it decided yesterday to let go despite what would be a sound investment?" wrote Jalil.

Tabung Haji's purchase of the plot in the TRX project for the purpose of building a residential tower has created uproar among its depositors, some of whom withdrew their savings at its branch in Shah Alam on Thursday.

Opposition politicians were quick to note that Tabung Haji was paying far more per square feet (psf) than what 1MDB paid at RM64 psf, when it first bought the land from the government, leading some to call the deal a "bailout" given 1MDB's massive debts.

Umno leaders, the highest being Deputy Prime Minister Tan Sri Muhyiddin Yassin, have also criticised the deal as 1MDB's RM42 billion debt was a well-known fact. Reports also said that Tabung Haji's risk management committee had also stated that the purchase was a high-risk one.

Yesterday, the fund announced it was selling the land it purchased from 1MDB, following public outcry over the transaction.

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

The land will be sold to a buyer at a profit of at least RM5 million and will be concluded within the next few weeks, Azeez said. – May 10, 2015.

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