

Attempts to justify Mara, 1MDB and Tabung Haji asset buys hogwash, says DAP
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DAP has described as hogwash, any attempts to justify Majlis Amanah Rakyat (Mara), 1Malaysia Development Berhad (1MDB) and Lembaga Tabung Haji's controversial property purchases, by claiming the assets were acquired below market value.

"If no one is willing to pay a higher price for the Melbourne, Pulau Indah and TRX properties, then at the very best what was paid was fair valuation," said national publicity secretary Tony Pua in referring to the government-linked companies' recent asset acquisitions.

"At worse, as we fear, these over-the-top prices are merely well-disguised bailout attempts to save financially stricken companies like 1MDB, or as cover of illegal kickbacks for corrupt officials," he said in a statement today.

Australian daily The Age had revealed that "a group of super-rich Malaysian officials" overpaid by A\$4.75 million (RM13.8 million) for a Melbourne property in 2013.

The trio had allegedly "overbid" for Dudley International House, from A\$17.8 million to A\$22.5 million (RM65.3 million), with the difference pocketed as bribes back home.

It was reported that Australian developers of the property received sham invoices for fake services, such as "consultancy and advisory", from Malaysian firms, the paper had said.

Following the report, Mara chairman Tan Sri Annuar Musa had said Mara began investigations into the multi-million ringgit purchase of the building by one of its subsidiaries two months ago, way before the matter was highlighted by the Australian newspaper.

However, Annuar now said the agency purchased the property for RM63.6 million, lower than the market valuation of RM71 million.

On the other controversial purchases, a subsidiary of 1MDB bought a 125ha land on Pulau Indah from Tadmax Resources Bhd for RM294.37 million, which Pua had accused of overpaying and further alleged was a form of "double bailout" although the company and Finance Ministry had denied this.

Similarly, Tabung Haji was accused of bailing out 1MDB by acquiring a 0.64ha land in Tun Razak Exchange (TRX) for RM2,774 psf, which the former justified as saying that it was acquired at a discounted price.

Fallout from the purchase forced the pilgrims' fund chairman Datuk Seri Abdul Azeez Abdul Rahim to say it would sell off the land and that there were interested buyers but seven weeks later, there was no news of whether the land has been sold.

Pua (pic, left) said the market value of properties should be on the actual transaction price instead of valuation prices.

"Just as the proof of the pudding is in the eating, the proof of market value is in the actual money transacted," said the Petaling Jaya Uara MP.

On the Mara property, he questioned Annuar for saying that the building was bought at a price lower than its valuation, and asked if this was to exonerate those who cheated Mara.

"However, more importantly, was the valuation really RM71 million as alleged?

"If it was really RM71 million, it begs the question as to why would the vendor be willing to sell for a significantly lower price and yet still have to pay kickbacks to the purchasers? Was the vendor-developer stupid or astoundingly kindhearted?" he asked.

On 1MDB's Pulau Indah land purchase, he asked why Tadmax sold the land for RM21.80 psf if surrounding sites were transacted at between RM55 to RM66 psf, as claimed by Chua.

"If indeed it is worth as much as RM55 psf, wouldn't Tadmax directors be failing their fiduciary duties to their shareholders to ensure that the latter receives maximum returns and value from the approved transactions?

"Would not the Securities Commission have red-flagged the transaction as against the interest of minority shareholders?" he asked.

On Tabung Haji's purchase of TRX land, Pua said the fact that it has yet to be sold or even anyone putting the 1% earnest deposit indicated that the Azeez was making an "empty boast".

"If it been so easy to secure a buyer for the property, 1MDB would have sold it to them long before Tabung Haji got its chance. After all, 1MDB is in severe financial crisis and is in need of all the cash it can lay its hands on," he added. – June 28, 2015.

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