

Leaked papers show proof of Tabung Haji support for debt-strapped O&G firm, Rafizi claims
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Yesterday PKR's Rafizi Ramli alleged LTH risks losing at least RM1.4 billion if it continues its commitment to invest in troubled oil-and-gas company THHE. – Picture by Saw Siow Feng

KUALA LUMPUR, Feb 26 – PKR's Rafizi Ramli claimed today to be in possession of leaked official documents which disputed Lembaga Tabung Haji (LTH) chief executive Tan Sri Ismee Ismail's denial that the pilgrimage fund had issued a "corporate guarantee" for troubled oil-and-gas company TH Heavy Engineering Berhad (THHE).

The Pandan MP alleged leaked official documents showed LTH itself had requested for the Ministry of Finance to approve its USD220 million corporate guarantee through a letter dated November 12, 2015.

Rafizi further noted that it was the pilgrimage fund's own risk assessment team whom warned LTH against investing in THHE through a report that was later leaked to the public.

"With this, it proves that the RM1.4 billion risk LTH bears for its investment in THHE is real," he said in a statement issued as a response to Ismee's denial yesterday.

Yesterday Rafizi alleged LTH risks losing at least RM1.4 billion if it continues its commitment to invest in troubled oil-and-gas company THHE.

The Pandan MP said THHE, which was formerly known as Ramunia Holdings Bhd was already facing heavy financial losses and was suspended from Bursa Malaysia back in 2010 when it slipped into Practice Note 17 (PN17) status.

Rafizi had also produced a copy of the risk assessment report done by LTH itself that cited THHE's financial and legal problem, including an outstanding RM101 million debt.

The Pandan MP also noted that immediately after LTH issued the corporate guarantee to THHE, questions about its finances were raised after a warning letter issued by the Malaysian Central Bank was leaked to the public.

"I hope Tan Sri Ismee Ismail can verify if the RM1.4 billion that was initially approved as corporate guarantee had been restructured in share purchases (of THHE)," he said.

THHE has been bleeding red ink for the past five consecutive quarters. It has posted losses since the second quarter ended June 30 in 2014.

According to previous news reports, THHE was in the process of turning around in mid-2014, but those plans were derailed due to lack of jobs coupled with the slump in crude oil price.

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