

**Explain high price of Pulau Indah land, 1MDB told
MalaysiaKini.com
Feb 25, 2014**

The government-owned 1Malaysia Development Bhd must explain why it paid an inflated price of RM317 million for a plot of land in Pulau Indah, a DAP parliamentarian said today.

With the acquisition of the 310-acre site on Feb 20, Pua said, 1MDB may have further strayed from its original goal of making strategic investments in new industries, said Petaling Jaya Utara MP Tony Pua.

"Is 1MDB aware that the same piece of land it purchased at RM23.50 per square feet (psf) was last valued at RM9.93psf in August 2011?" Pua asked at a press conference at the DAP headquarters today.

He noted that, given the high purchase price, the vacant land near Port Klang had increased in value by 136.7 percent in less than two-and-a-half years.

Questioning 1MDB's purchase of Tadmax Power Sdn Bhd (TPSB), which listed the land as its main asset, Pua said this could put the Finance Ministry further in debt and for no good reason.

TPSB had held the land for Bursa-listed Tadmax Resources Bhd. The chairperson, Abdul Azim Zabidi, is a former Umno treasurer, while the chief executive officer is Faizal Abdullah, the Umno Kapar deputy chairperson.

Shares of loss-making Tadmax rallied sharply after the deal was sealed.

"1MDB must immediately assure taxpayers that this is not a bailout for Tadmax and its shareholders," Pua said.

Malaysiakini has contacted 1MDB and Tadmax officials for comments.

Tadmax was formerly known as Wijaya Baru Global Bhd. Its subsidiary Kuala Dimensi Sdn Bhd was the construction company engulfed in the Port Klang Free Zone scandal.

Pua produced a page from Tadmax's 2012 annual report to show that the company had valued the Pulau Indah land at RM163.8 million in August 2011. The entire plot is approximately 379 acres in size.

According to company's mandatory filings to Bursa Malaysia, 1MDB had bought the land through its wholly-owned subsidiary Ivory Merge Sdn Bhd, said to be a dormant company before the purchase.

Tadmax's share price had traded around 35 sen per share for most of December last year. It shot up to a closing trade at 60.5 sen on Feb 21 after the land sale to 1MDB was announced.

Stock research analysts had noted that Tadmax pocketed a net gain of RM138.4 million from the land sale to 1MDB, useful for paying its debt, which stood at RM220 million as at last September.

'Reason for concern'

Pua, a member of the parliamentary Public Accounts Committee, said he has tried using the body to call 1MDB to account, but has found it "hard to schedule such a meeting".

He also questioned other 1MDB investments, including its mysterious US\$2.32 billion 'investment' in Cayman Islands and a delay in its financial accounts report.

According to its website, 1MDB has a mission 'to drive sustainable economic development by forging strategic global partnerships and promoting foreign direct investment'.

Pua said he has raised many issues involving 1MDB because he fears that the company, if left unchecked, could turn into "the single biggest corporate financial scandal in Malaysian history".

By his estimation, 1MDB - which has been buying over private sector assets through loans - has accumulated a debt burden of more than RM30 billion.

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