Bernama - TH Posts RM1.3 Bln Profit In First Nine Months Of 2019 Amid Restructuring Process

Thursday, Feb 20 2020

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KUALA LUMPUR, Feb 20 -- Lembaga Tabung Haji (TH) has demonstrated the seeds of recovery by registering a profit of RM1.3 billion for the first nine months of 2019, as a result of its restructuring exercise. Urusharta Jamaah Sdn Bhd (UJ) said for the same period, its total assets had also improved, exceeding its liabilities by RM2.3 billion.

"With this rescue package to protect the interest of TH contributors and to help nurse TH back to health, it will no longer need to bear the RM10.3

billion of losses on the value of these assets, as the losses are borne by UJ and the Malaysian government. TH will also no longer need to be burdened with the risk of further losses on these transferred assets," UJ said in a statement today.

Explaining further, UJ, a wholly-owned subsidiary of the Minister of Finance (Incorporated), said after the change of government in 2018, PricewaterhouseCoopers (PwC), which was appointed to conduct a financial position review on TH, had discovered various steps taken by the previous administration to artificially inflate and manipulate the profitability of the fund.

The findings included not prudently recording the impairment of assets and suspicious financial transactions to book inflated profits in order to pay dividends. The PwC report also noted that TH's liabilities exceeded its assets and hence required a rescue and restructuring plan by the government to ensure the fund remains a going concern.

A rescue package was proposed by TH and tabled by the Minister in the Prime Minister's Department, Datuk Seri Dr Mujahid Yusof which was approved by the Cabinet.

"This package was subsequently presented in Parliament on Dec 10, 2018. As proposed in the rescue plan, UJ acquired RM9.63 billion worth of assets from TH for the sum of RM19.9 billion via issuance of two series sukuk and cash to TH.

"This means that the Government effectively paid RM10.3 billion more to rescue TH," it said.

The assets transferred to UJ consisted of a mix of listed equity holdings, 29 properties and one unlisted asset, including four operating hotels, namely TH Hotel Kota Kinabalu; TH Hotel Bayan Lepas; TH Hotel &

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Convention Centre Alor Setar; and TH Hotel & Convention Centre Kuala Terengganu.

However, the transfers do not include land or assets under TH Plantations Bhd (in which the shares remain under the ownership of TH).

As part of the plan to revitalise and improve the financial performance of the acquired assets, UJ created a wholly-owned subsidiary, UJ Property Management Sdn Bhd (UJPM), to assume the operations of the four hotels.

UJ stressed that this exercise will not involve redundancies at TH Hotel & Residence Sdn Bhd (THHR) as approximately 90 per cent of its existing staff will be absorbed into UJPM, with the remaining 10 per cent to be absorbed by THHR Kelana Jaya.

Under the new management, the hotels will operate and remain Shariah-compliant under the new name of Raia Hotel from April 1, 2020. UJ has further approved funds to improve the hotel facilities and service quality.

UJ also strongly denied all malicious and false allegations by certain parties that the Ministry of Finance or Finance Minister Lim Guan Eng has irresponsibly shut down TH Hotels and subsequently dismissed the affected hotel staff.

UJ also condemned all irresponsible and false allegations including various viral social media posts maligning the Minister of Finance, including one which carried a death threat.

"The Minister of Finance was not involved in the decision-making for the above restructuring exercise or any decision that pertains to UJ and he did not even attend any meetings on any of the matters relating to UJ," it added.

The management of UJ and its assets are governed by the Board of UJ, which is chaired by Treasury Secretary-General Tan Sri Ahmad Badri Mohd Zahir. All the Board of Directors, chief executive officer Izad Sallehuddin, and the senior management of UJ are Muslim professionals.

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- MSC Malaysia
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- MyTradeLink
- Official Website of KSN
- Open Data Portal
- Public Sector Data Dictionary
- Portal Registrar Office Of Credit Reporting Agencies (PPK)
- Agency
- Accountant General's Department of Malaysia (JANM)
- Bank Simpanan Nasional (BSN)
- Bursa Malaysia Berhad
- Employees Provident Fund (KWSP)
- Inland Revenue Board Of Malaysia (LHDNM)
- Labuan Financial

- Labuan Financial Services Authority (Labuan FSA)
- Public Private Partnership Unit
- Public Sector Home Financing Board (LPPSA)
- Retirement Fund (Incorporated) (KWAP)
- Royal Malaysian Customs Department (JKDM)
- Sabah Federal Treasury
- Sarawak Federal Treasury
- Securities Commission Malaysia
- The Central Bank of Malaysia (BNM)
- Valuation and Property Services Department Of Malaysia (JPPHM)
- Yayasan Tun Razak

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