

What Tabung Haji's buyback is really telling us

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Bangunan Menara Tabung Haji.

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WHEN Lembaga Tabung Haji (TH) announced in July 2026 that it had reclaimed two assets from Urusharta Jamaah Sdn Bhd (UJSB), a parcel of land at the Tun Razak Exchange and the oil palm plantation now known as UJ Estates (Holdings), the reaction split along predictable lines.

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For some, it was proof that the 2018 rescue plan was finally working, eight years on.

For others, the fact that only two assets out of the entire pool transferred to UJSB have come home is proof of the opposite: that TH failed to protect the assets it handed over, and that whatever remains inside UJSB is effectively lost.

Both readings miss what the numbers are actually saying.

The facts of the return are not in dispute. TH bought back the TRX land at

In both cases, the repurchase price was lower than the original transfer price, even though TRX itself has since become one of the most actively developed districts in Kuala Lumpur and the plantation was cited by TH as having recovered its income and stabilised its cash flow.

That combination, rising land values around it and a still-lower buyback price after eight years, is worth sitting with, because it tells a story that is easy to miss in the celebration of a “successful reacquisition”.

What the 2018 transfer actually did

The restructuring exercise itself is well documented. Facing a widening gap between assets and liabilities that first surfaced in 2017, one that risked breaching the Tabung Haji Act 1995 and jeopardising continued dividend payouts, the government set up UJSB as a special purpose vehicle (“SPV”) under the Minister of Finance (Incorporated).

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UJSB took over TH’s underperforming and non-core assets, paying approximately RM19.9 billion, RM19.6 billion in sukuk and RM300 million in cash, for assets subsequently valued at closer to RM9.7 to RM10 billion. The gap between what UJSB paid and what the assets were later found to be worth was, in effect, the price of keeping TH solvent on paper at the moment the accounting problem was discovered.

That gap is the part of the story that gets lost when the conversation shifts to “TH getting its assets back.” UJSB was never simply a warehouse holding TH’s property in trust. It was a vehicle designed to absorb assets that had already been acquired, often at inflated valuations, by TH’s own management in the years before 2018.

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The mandate given to UJSB was to rehabilitate those assets over ten years and eventually redeem the sukuk used to fund the exercise.

Eight years into that mandate, UJSB’s own balance sheet tells a sobering story: total assets of roughly RM11.44 billion against total liabilities of roughly RM23.86 billion at the end of 2024, alongside accumulated losses in the order of RM12.42 billion, notwithstanding a single profitable year in 2024.

Liabilities more than double the value of the assets meant to cover them is not a picture of a rehabilitation nearing completion. It is a picture of an entity still working through the consequences of what it inherited.

The transfer itself has also become a point of political dispute in recent weeks, with a former Treasury secretary-general accused of having sold off TH’s strategic assets.

The government has pushed back on that characterisation, with the minister in charge of religious affairs at the Prime Minister’s Department describing the

Whichever framing proves more accurate once the RCI report is public, the underlying fact does not change: the assets moved into UJSB because they were already a problem, not because UJSB or the 2018 Cabinet created one.

Reading the buyback correctly

The complaint that TH “failed to safeguard” the assets transferred to UJSB assumes those assets were healthy when they left TH’s books, and that something went wrong in UJSB’s custody.

The buyback data suggests close to the reverse. The two assets that did come back were the ones that had visibly recovered, a plantation with stabilised cash flow, a land parcel sitting in a now-thriving development corridor, and even then, TH paid less for them than the price at which they were originally sold.

If the strongest performers in the UJSB pool are still changing hands below their 2018 valuation, the remaining assets, the ones not yet judged strong enough to reacquire, were very likely overvalued to begin with. Eight years of dedicated rehabilitation under an SPV, and the bulk of the pool has still not earned its way back onto TH’s books.

That is not evidence of UJSB mismanaging sound assets. It is evidence that the assets themselves were compromised well before UJSB ever took them on, a period that falls squarely within the tenure of TH’s pre-2018 management.

In other words, lack of prudent judgement and poor risk appetite resulted in TH purchasing “sick” assets, despite the ‘excellent’ marketing, analysis and justifications to sugarcoat the purchase,.

Framed this way, the sukuk maturity that triggered this debate becomes less a story about custody and more a story about origination.

Malaysia’s discussion of TH’s asset troubles has tended to focus on the 2018 rescue itself, treating it as the point where things went wrong. The buyback numbers point further upstream, to the acquisitions that made the 2018 rescue necessary in the first place.

The report that could complete the picture

This is precisely the territory the long-awaited Royal Commission of Inquiry report on TH was meant to cover. According to the Prime Minister, the inquiry itself was conducted roughly three years ago, but its findings were withheld out of concern that publishing them could trigger a loss of depositor confidence at a time when TH’s finances were still fragile.

With the institution now reporting a stronger balance sheet, the government has signalled the report could be tabled and potentially released in the coming days, though the precise timing and the extent of what will be made public both remain subject to Cabinet decision. Until that report surfaces, any account of why TH ended up holding a portfolio significant enough to require an RM19.9 billion rescue remains necessarily incomplete.

What can be said now, on the strength of the buyback figures alone, is that the narrative of institutional failure needs redirecting. The failure, if that is the right word, does not sit with TH’s handling of the 2018 restructuring, nor with UJSB’s stewardship since.

place. Legally and commercially speaking, the accountability of purchasing the “sick” assets lies at the pre-2018 management, Board Committees and ultimately the Board of TH.

The RCI report should have investigated this root cause and accordingly, identified those who are responsible for the “poor taste of asset purchase”.

Whether the RCI report names that failure explicitly or simply supplies the paper trail for others to draw the same conclusion the buyback prices already suggest, is the question worth watching for once it lands.

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