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PM: It cannot be a bailout

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1MDB TRANSACTION: No company would offer to buy 0.63ha from Tabung Haji if it was a bailout

KRISTY INUS
KOTA BELUD
kristy@nst.com.my

Prime Minister Datuk Seri Najib Razak at the Solidarity Gathering with the People of Sabah in Tawau yesterday. With him are his wife, Datin Seri Rosmah Mansor, Sabah Chief Minister Datuk Seri Musa Aman (second from right) and Kalabakan member of parliament Datuk Seri Abdul Ghapur Salleh (right). Pic by Datu Ruslan Sulai

TABUNG Haji's decision to sell off a plot of the Tun Razak Hxchange (TRX) land it bought from 1Malaysia Development Berhad, was to prevent the controversy surrounding the deal from prolonging.

Prime Minister Datuk Seri Najib Razak said the move was to allow focus on other development programmes.

He said it was unfortunate that the project, which was "a very good commercial deal for Tabung Haji", had been twisted to make the deal look as if Tabung Haji was using depositors' money to save IMDB from its Hnancial woes.

"People on the ground had the wrong impression that Tabung Haji depositors' money had been used to rescue IMDB.

"It became a controversy... That was why we decided not to let it continue," Najib said when commenting on the decision by Tabung Haji to sell the 0.63ha plot.

He was speaking to reporters after launching the Kota Belud PeopIe's Housing Programme (PPR) in Kampung Pirasan here yesterday.

Najib also said there had been offers by the private sector to buy the land at a higher rate.

"In fact, by flipping it to a private company. Tabung Haji would have made a few million overnight.

"So, it cannot be a bailout because no private company would buy over a project if it was a bailout or if they were going to lose money," Najib said, adding that the deal was "a very good commercial proposition", considering the surrounding planned development there as part of the overall TRX project.

"We don't want to continue wlth the controversy because it will sap away our energy when we can concentrate on other programmes that we have in mind," said Najib.

Tabung Haji chairman Datuk Seri Abdul Azeez Abdul Rahim said on Saturday that there were three bidders lined to purchase the plot.

He, however, noted that had Tabung Haji proceeded with its planned development of the land, it would have raked in a RM174 million profit.

Former prime minister Tun Dr Mahathir Mohamad had described the land purchase as a bailout for 1MDB and called for the land deal to be scrapped.