

PM regrets attempt to politicise Multi-Purpose takeover issue

Hume's..bid

is commercial

KUALA LUMPUR, Tues. — Datuk Seri Dr Mahathir Mohamad expressed regret that certain quarters were trying to make the takeover bid by Hume Industries Malaysia Berhad for Multi-Purpose Holdings Berhad (MPHB) into a Malay-Chinese racial issue.

The Prime Minister said current rumours regarding the bid may have serious implications for racial harmony in Malaysia. Stating the Government's stand on the matter, he said the bid is a commercial matter and does not contravene the Code on Takeovers and Mergers.

As long as a bid serves the interests of shareholders and is made in accordance with relevant laws and regulations, the Government shall not stand in the way of such a bid, he said.

The Prime Minister added that the Government would be only too glad if other parties were prepared to make a good offer and the offer was in the interest of shareholders.

Furthermore, bids are nothing unusual, Dr Mahathir said in a statement. Last Wednesday, Hume made a bid for MPHB, the MCA's investment arm. Under its part-cash, part-share offer for the entire 751.3 million MPHB shares, Hume is offering \$500 cash coupled with \$1,000 worth of convertible unsecured loan stocks for every 1,000 MPHB shares.

Dr Mahathir said he made the statement in view of the interest generated by Hume's bid. He said the keen interest on the bid made it necessary for him to clarify the Government's views on the matter. Some quarters have also alleged that the bid is politically motivated.

The Prime Minister said: "I regret very much that certain quarters are trying to make the offer by Hume to take over MPHB into a Malay-Chinese racial issue. In the past I have ignored rumours emanating from the share market.

"However, the spate of rumours regarding Hume and MPHB have serious implications for racial harmony in Malaysia. It is ridiculous to say that Umno or the Finance Minister or the Government is behind Hume's offer to take over MPHB."

He said that Umno has been deprived of all its funds and assets by the court's decision that it is an illegal organisation. As such, all Umno's assets are now with the Official Assignee.

The i-e-registered Umno has no right to these assets

and is in no position to indulge in purchases of massive amounts of shares purportedly costing more than \$1 billion, nor is it backing anyone to do so.

Dr Mahathir, who is also the Umno president, said party interest cannot override Government duty to the public and the nation.

"As far as the Government is concerned, anyone who has a legal right to mount such a takeover can do so. The Government will be only too glad if other parties are prepared to make a good offer and the offer is in the interest of shareholders.

"To safeguard the interest of shareholders, the Government is confident that the receivers will not dispose of the shares held by them at a price that they feel is not justified."

Bank Negara Malaysia's role was to ensure that the necessary approval was obtained as required under section 23A of the Banking Act and section 28A of the Fi-

nance Companies Act respectively.

Hume did seek the necessary approval before making the general offer as required under the law, and such approval was granted.

As far as the Koperasi Serbaguna (Malaysia) Berhad (KSM) is concerned, Bank Negara has an interest in the takeover bid. It has so far approved loans amounting to \$400 million to KSM out of the \$1 billion approved to all deposit-taking co-operatives (DTCs).

He added that the Finance Minister and the Government's sole interest is to see that public funds are well administered in the interest of the nation as a whole. The idea of spending \$400 million to rescue a company some people mismanaged can only be undertaken if there is no other means of returning to the shareholders the money they lost through bad management.