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Ling-MAS

MAS' RESTRUCTURING PROPOSAL NEEDS BOARD'S APPROVAL FIRST

KUALA LUMPUR, April 22 (Bernama) -- Any proposal or programme to restructure Malaysia Airlines (MAS) has to be presented to the company's board first, Transport Minister Datuk Seri Dr Ling Liong Sik said today today.

After the board had given its agreement, the proposal had to be referred to and approved by the golden share holder, in this case the Treasury which holds the majority stake through the Minister of Finance Incorporated, he said.

"It must get the approval from the golden share holder which has the power to either accept or turn down the proposal. This is to safeguard the interests of shareholders," he told reporters at his office, here.

"This is one of the steps that the airline has to take besides the Security Commission having to look into the equity restructure," he said.

He was responding to a report on MAS' proposed restructuring programme. The report said that under the restructuring programme, MAS chairman Tan Sri Tajudin Ramli planned to sell MAS' aircraft to a new company, to be called MAS Capital, which he would ultimately control.

The restructuring plan is believed to enable Tajudin to raise funds to settle personal debts totalling RM800 million.

Tajudin holds 52 per cent equity in Malaysian Helicopter Services Bhd (MHS), which in turn holds 32 per cent in MAS. He also created corporate history in July 1994 when he became the recipient of the largest loan facility, amounting to RM1.792 billion, ever given to an individual in the country.

Prime Minister Datuk Seri Dr Mahathir Mohamad said last Thursday that the government would not stop the airline from undertaking a restructuring programme as there was nothing wrong about it.

On whether it was right for Tajudin to restructure the company to repay his personal debts, Dr Mahathir said he did not think so but if there was anything wrong with it, the government would look into the matter.

-- BERNAMA

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