

16 MAY 2000

MAHATHIR-KHAZANAH

KHAZANAH NOT BAILING OUT TIME, SAYS MAHATHIR

IPOH, May 16 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today the move by the government investment arm, Khazanah Nasional Bhd, to purchase a 30-percent stake in Time dotCom Bhd was "not a bailout" since the company had good potential and assets.

He said Time dotCom, the operator of one of Malaysia's largest fibre optic networks, not only had a cellular phone licence but had in place a good network of fibre optics which was "a solid asset".

"That is why even SingTel was quite prepared to pay and from what I was told, SingTel was prepared to overvalue Time dotCom's price so that it will not be acceptable to others who are interested. But SingTel is prepared to overvalue it and take 20 percent of the overvalued Time dotCom," he told reporters after launching the Teachers' Day national level celebration here today.

Dr Mahathir said he was quite sure westerners would say this was a bail out by the government. "They can say what they like but what they do is no different from what we do."

"When the LTCM (Long Term Credit Management) lost money, the people who had invested in LCTM used their position to influence banks to give money to LTCM, and that is the worst possible thing to do. You are actually using public money to bail yourself out," he said.

"We are not bailing ourselves out... actually I am not involved in this but our policy is that we cannot allow big companies to go under because if we allow that, a lot of people would suffer.

"So it is not a bail out. I think it (Khazanah) will do due diligence and will pay a price that is commensurate with the value of the company," he said.

Asked whether the Khazanah move was a short-term measure, Dr Mahathir said since it was acting in the interest of a lot of people, including the government, it was not going to put money in the company and stay put with it.

"If it pays for Khazanah to sell off, it will, like everybody else," he said. - BERNAMA

HK LPS SHY