

'Privatisation was the best approach'

Nst 18 JUL

'Back door listing' for Pos Malaysia

POS Malaysia Berhad has been privatised to Phileo Allied Berhad to allow a "back door listing" of the postal company on the Kuala Lumpur Stock Exchange, Finance Minister Datuk Seri Dr Mahathir Mohamad said.

He said the Government felt this was the best approach as the present situation was not conducive enough for an initial public offering exercise to be implemented.

"As all are aware, most IPOs recently faced the problem of under-subscription. Therefore, after careful consideration of all options, the Government decided on this approach because in the end, it fulfilled the Government's intention of privatising the electricity, telephone and postal services," said Dr Mahathir.

The Prime Minister said this in a written reply on Monday to five MPs who wanted to know the reasons behind Pos Malaysia's privatisation. They were Datuk Yap Pian Hon (BN-Serdang), Dr Syed Azman Syed Ahmad Nawawi (Pas-Kuala Terengganu), Abdul Rahman Yusof (Keadilan-Kemaman), Muhamad Mustafa (Pas-Peringat) and Teresa Kok (DAP-Seputeh). Copies of the reply were made available yesterday.

He said the privatisation of the telephone and electricity services to Telekom Malaysia Berhad in 1990 and Tenaga Nasional Berhad in 1992 respectively had been carried out successfully, with handsome premiums posted following their listings on KLSE. But the same could not be realised for Pos Malaysia although it had been corporatised since 1992.

He said the Government was waiting for the right moment to privatise the service which would provide maximum returns to the Government and also to employees of the postal company. "The golden opportunity came when the Government managed to identify a public listed and cash-rich company capable of taking over Pos Malaysia and got it listed through a 'back door listing'."

Dr Mahathir said although Pos Malaysia had been privatised to Phileo Allied Berhad for RM800 million, the Government was still in control through the Finance Minister Incorporated. "As such, there is no truth to claims the Government has neglected its responsibility in providing postal services or protecting the welfare of Pos Malaysia employees."

Dr Mahathir said the Govern-

ment was confident the privatisation would enhance the quality of postal services. "We have given adequate explanation to the management, employees and the unions on the takeover. From the feedback received, they fully supported the move."

Replying to Muhamad, Dr Mahathir said until Dec 31 2000, Pos Malaysia assets totalled RM1.19 billion while liabilities stood at RM626 million. The company has a paid-up capital of RM390.96 million as of June 20. On profits made by Pos Malaysia, he said it made RM28.9 million in 1995, RM83.3 million (1996), RM29.9 million (1997), RM52.4 million (1998), RM99.3 million (1999) and RM51 million (2000).

He dismissed a claim by Abdul Rahman that Phileo Allied was controlled by Avenue Assets Bhd, a company owned by his children.

"The claim is unfounded, baseless and a total lie. I hope in the future, MPs will check on their facts before accusing someone. In this instance, had he bothered to check with the Registrar of Companies, he will know that no children of the Prime Minister hold any direct or indirect interest in the company, or sit on its board."