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MAS-PM

SELECTION OF NEW MAS CHAIRMAN MUST BE DONE PROPERLY, SAYS PM

KUALA LUMPUR, Jan 15 (Bernama) -- The selection of a new chairman for Malaysia Airlines must be done properly, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"We can get into trouble if we do it wrongly," he said when asked by reporters on who would be the next MAS chairman at the Ministry of National Unity and Social Development's Hari Raya gathering here.

"Don't think that buying shares that big does not pose any problems, it posed a lot of problems," he said.

"If we are not careful, we would have to make a general offer (for the rest of the MAS shares)," he said.

The government has proposed to buy a 29.9 percent stake in MAS at RM8.00 per share from Naluri Bhd, a company controlled by MAS executive chairman Tan Sri Tajudin Ramli. This is expected to cost the government RM1.79 billion.

At present, the government is believed to have sizeable holdings in MAS held through various investment agencies.

Under the guidelines on mergers and takeovers in the country, if a single shareholder were to exceed 33.3 percent in terms of shareholding, he would have to make a general offer for the remaining shares he does not own in the company at the last price he paid for the shares.

Dr Mahathir said the process of selecting a new chairman must be done properly.

Asked to confirm speculation that the Bakun Hydro-Electric Dam project in Sarawak would be revived on a full scale basis, he said the government was studying the matter.

Last October, the Prime Minister confirmed that the project in Belaga, Sarawak, would be revived.

However, he said the government had not decided then if the project would be revived to its full scale.

He had said a lot of money had been spent on various requirements for the project and "this must not be wasted and that "demand for electricity is mounting very fast in Malaysia."

The Bakun project was shelved during the economic downturn in late 1997 and was taken over by the Minister of Finance Incorporated from Bakun Hydroelectric Corporation Bhd (BHC) in August last year.

Speculation that the Bakun project would be revived to its full scale had boosted prices in shares of companies controlled by Tan Sri Ting Pek Khiing, who owns BHC. -- BERNAMA

SHO MR SHY