

Dr M defends YTL payment

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PRIME Minister Datuk Seri Dr Mahathir Mohamad has broken his silence to defend YTL Group for its payment to Colin Skellett, chairman and chief executive of Wessex Water, the *Financial Times* (FT) said.

The London-based newspaper quoted Dr Mahathir as saying in an interview with its Asia and Malaysia correspondents that "of course this man (Skellett) has received some money as a downpayment or an advance payment. But it is something that is done in these circumstances".

Skellett was arrested last month by British police in connection with bribery allegations

arising from the successful acquisition of Wessex Water by YTL Power from Azurix, a subsidiary of the bankrupt US energy company Enron Corp.

He has vigorously denied any wrongdoing, saying that the £1mil he received from YTL was in respect of a five-year consultancy contract agreed with the Malaysian company following the Wessex acquisition.

The FT quoted Dr Mahathir as saying that he did not think that the incident would harm relations between Malaysia and Britain. Malaysian companies would continue to pursue investment opportunities

abroad, including in Britain, Dr Mahathir said.

The YTL group had preferred not to enter into media debate on Skellett and his consultancy contract, with the exception of issuing a statement to the KLSE saying that it had "no knowledge of any illegal payment", and promising to cooperate fully with the police investigations.

The FT also quoted Megat Najmuddin Megat Khas, head of the Malaysia Institute of Corporate Governance, as saying he was confident that the British authorities would get to the bottom of the affair.

"Malaysians have great faith in the British legal system and British institutions. I am sure that justice will prevail," he said.

However, Najmuddin told the paper that there did seem to be some ethical concerns about Skellett's admission that he had accepted a payment for consultancy work from YTL.

But he doubted Skellett would have been in a position to single-handedly sway the bid in YTL's favour in any event.

"I do not think that Skellett could move the acquisition by himself. He had a very strong board of directors at Wessex Water."