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Mahathir-Tajudin

TAJUDIN'S PROBLEMS WON'T LEAD TO COLLAPSE OF OTHER MALAY ENTREPRENEURS

KUALA LUMPUR, May 1 (Bernama) -- Tan Sri Tajudin Ramli's loss of equity control over Technology Resources Industries Bhd (TRI) does not reflect the fall of other Malay entrepreneurs, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

"Not all are collapsing, there are some who are making progress. They are those who don't have too much debts," he told a press conference after addressing a public sector Workers' Day gathering at the National Institute of Public Administration (Intan) here.

Those who exercised prudence and undertook wise financial management continued to survive despite the recent economic downturn and some even flourished by making their living overseas, he said.

Dr Mahathir also said that he did not consider Telekom Malaysia Bhd's acquisition of TRI shares from Danaharta on Monday as a sign of collapse of Tajudin's business empire.

Any company which incurred losses as a result of the country slipping into recession would surely face problems, said Dr Mahathir, who is also Finance Minister.

On Monday, Telekom bought over 13.2 per cent of TRI's equity disposed by Pengurusan Danaharta Nasional Bhd following the failure of Tajudin, the TRI executive chairman, to pay RM130.44 million to take up the rights entitlement in TRI's rights issue exercise.

Danaharta did so to foreclose on the shares pledged for loans made by Tajudin.

Together with its previous stake in TRI, Telekom now controls 15.6 per cent of TRI, which owns Cellular Communications or Celcom, Malaysia's second biggest cellular phone operator.

"When the economy is good, many businessmen take loans without considering the risk factor. When there is an economic downturn, many companies with huge debts face problems," said Dr Mahathir.

He said if not for Danaharta, the asset management company responsible for removing and managing troubled loans from banks, taking over loans taken by Tajudin, the latter would have lost control of TRI much earlier.

"Otherwise, the bank would have foreclosed much earlier for failing to repay the loan, and the bank would sell as it pleases to recover the loan," he said.

Dr Mahathir also said that by right, TRI was owned by the bank when Tajudin took the loan.

"Actually, it (TRI) belongs to the bank because when we owe the bank, part of our assets becomes the bank's assets," he added.

"If he can't pay back the loan, the bank has to sell, he has to declare that he can't afford (to repay)," he added.

-- BERNAMA

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