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Fund manager set up to protect govt investments: PM

Azran Aziz; Sulaiman Jaafar

PRIME Minister Datuk Seri Dr Mahathir Mohamad said fund manager Valuecap Sdn Bhd was formed to protect investment in Government-owned companies.

Dr Mahathir said previously some investors sold their shares to push down the price.

He said the action also caused the Kuala Lumpur Composite Index to drop drastically, and led to problems for many companies.

"We know that the value of these shares are much lower than the asset and profitability of the companies. So, we have the right to buy the shares that are in the market," he told reporters at the Pengkalan Chepa airport before leaving for Kuala Lumpur after a two-day visit to Kelantan yesterday.

Dr Mahathir, who is also Finance Minister, said if the forced selling leads to the decrease in values of shares owned by Khazanah Nasional, Permodalan Nasional Bhd and Tabung Haji, then the Government has the right to defend them.

"Valuecap was started to protect the interest of the companies which we have invested in," he said.

On some parties questioning the lack of transparency in the management of Valuecap's fund, the Prime Minister said nobody questioned who was responsible for the fall in value of the shares.

"We always criticise ourselves just because other people criticise us and we think that they are right," he said.

Dr Mahathir said the country will go bankrupt if we follow this line of thinking.