

DAP: KLIA2 share issue will dilute public stake
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Despite Malaysia Airports Holdings Bhd's (MAHB) claim that public funds will not be used to manage the ballooning cost of KL International Airport 2 (KLIA2), the airport's move to raise RM598 million from new shares will compromise public interest, the DAP says.

tony pua pc on klia2 issue 141211 01MAHB's move to issue 110 million new shares, constituting 10 percent of the company's share capital, would effectively dilute the public's stake in the company, DAP publicity chief Tony Pua (left) explained.

"The action by MAHB to raise additional funds from the market proves that public financial interest has been compromised as a result of the RM2.2 billion increase in the cost of building KLIA2.

"Existing major shareholders of MAHB, which act indirectly as trustees to government and public funds, are forced to dilute their shareholding by 10 percent as a result of the exercise.

"Khazanah, which owns a majority stake of 54 percent in MAHB, will have its stake reduced to 49.1 percent.

NONE "Similarly, the Employees' Provident Fund (EPF) and Skim Amanah Saham Bumiputera (ASB) will have their 10.3 percent and 6.8 percent stakes slashed to 9.4 percent and 6.2 percent respectively," Pua said in a statement today.

"Therefore, it is completely ridiculous for MAHB managing director Bashir Ahmad to deny that 'public funds will not be used' when it is clear that the government and public interest in the project held by Khazanah, EPF and ASB will be compromised through a dilution in their stakes as well as a reduction in earnings."

Bashir on Nov 29 last year denied that public funds would be used to fund the "drastic increase" in the cost of the new budget carrier terminal.

Pua, who is also PJ Utara MP, said the cost of KLIA2 had ballooned from RM1.7 billion in 2007 to the present RM3.9 billion and that MAHB was already "RM3.1 billion in debt".

"What is of concern to the public is the fact that MAHB's ability to repay the debt, without future bailout by the government, is by no means assured," he said.

Pua called on the Transport Ministry as well as Khazanah to "initiate an inquiry and investigation into the KLIA2 fiasco" to punish those responsible and to stem further abuses.