

Dr M: Buyer should have deep pockets

> His concern is for Proton to be well managed and successful

KUALA LUMPUR Proton Holdings Bhd's adviser Tun Dr Mahathir Mohamad said he would like to see "the company with the biggest amount of money" buy the stake that Khazanah Nasional Bhd plans to sell.

"At the moment, Proton cannot make progress, introduce new vehicles and all that, because of shortage of funds," he told a press conference after launching Sahara Run Gold Dinar here yesterday.

Mahathir said Khazanah should make a decision because the shares belonged to the company.

"I heard it (Khazanah) wants to sell but has not made an announcement. It can be good, depends on who is taking over and

how much they are paying," he added.

Mahathir's worry is that if Proton's share price is too high, turning around the company may be difficult. "Like everything else, if the capital cost is very high, it's very difficult to make a profit," he said.

Mahathir said his concern was for Proton to be well managed and be a successful company, adding that he will not "make any money from that".

He also said the buyer of the stake will have to make a general offer (GO) if it buys more than 30% equity interest.

"I understand that Khazanah has 42% to sell, so whether DRB-HICOM Bhd or whoever the buyer, has to make a GO for the

rest of the shares."

Asked his opinion on a GO for Proton, he said he was "not okay with it", not because the buyer would be taking Proton away but because the cost will be very high and that would make turning it around very difficult.

"The buyer will have to inject more money into Proton, maybe another RM2 billion more," he explained.

Therefore, the company that buys the stake must be financially strong and know how to manage or it may result in the company losing and that will hurt Proton.

"I don't want Proton to be hurt, I don't care if others are hurt, but not Proton," he added. — Bernama