

Khazanah to sell Proton stake
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By HAMISAH HAMID

DRB-Hicom has to make general offer, says Dr Mahathir

PROTON Holdings Bhd adviser Tun Dr Mahathir Mohamad confirmed that Khazanah Nasional Bhd will sell its 42.7 per cent stake in the national carmaker to DRB-Hicom Bhd, controlled by Tan Sri Syed Mokhtar Al Bukhary.

"I understand Khazanah will sell shares to DRB-Hicom although it hasn't been announced yet.

"The stakes that DRB-Hicom will acquire will be more than 30 per cent, so it has to make a general offer," he said when asked to comment on the management buyout of Proton.

Asked how he felt about the share sale by Khazanah, Dr Mahathir said: "They have my blessings. DRB-Hicom belongs to AlBukhary Group, which can run port and automotive businesses successfully."

Earlier, a party directly involved in the bidding process told Business Times that the bids were in the range of between RM6 and RM7 a share.

Proton managing director Datuk Seri Syed Zainal Abidin Syed Mohamed Tahir had said last month that he and other senior company executives would be keen to buy over the national carmaker if offered.

Last week, sources told Business Times that of the initial four bidders, only two had been shortlisted for the sale. They are key shareholders of the Naza Group and DRB-Hicom.

Dr Mahathir said DRB-Hicom group had a proven track record in handling large projects, yet he was concerned about the group's ability to come out with funds for Proton's needs.

"DRB-Hicom has to invest a lot of money. This is a very big deal.

"I'm worried if the buyer doesn't have enough money to pump into Proton. Since there are three bidders, the buying price is very high; higher than the market price.

"So, making a profit would be difficult," he said after delivering a keynote address at the MIDF Investment Forum here on Saturday.

On whether Khazanah should sell its stake in Proton, he said it was Khazanah's right to do so.

"Khazanah doesn't pump money into Proton and Proton needs to introduce new products like hybrid cars," he said, adding that the government funds for Proton's research and development were not enough.

Proton has been on the lookout for a partner to help compete with bigger automakers such as Toyota, Volkswagen and Honda.

Read more: [Khazanah to sell Proton stake - General - New Straits Times](http://www.nst.com.my/local/general/khazanah-to-sell-proton-stake-1.18153#ixzz1gaM6dUD9)
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