

Khazanah to sell Proton stake to DRB-Hicom, paper reports
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KUALA LUMPUR, Dec 12 — State investment arm Khazanah Nasional will sell its 42.7 per cent stake in national car maker Proton Holdings Bhd to autos-to-property conglomerate DRB-Hicom, the Star newspaper reported today quoting Proton adviser Tun Dr Mahathir Mohamad.

The paper cited ex-Malaysian prime minister Dr Mahathir (picture) as saying Khazanah wanted to sell its stake as it would not be investing more in Proton which needed funds for research and development of new products such as hybrid cars.

“I worry about the buyer (DRB-Hicom) having enough money to inject into Proton. The shares it will be buying are above market price which will make profitability difficult,” Dr Mahathir was quoted as saying.

“But I believe in DRB-Hicom’s capabilities,” he said, referring to the company controlled by tycoon Tan Sri Syed Mokhtar Al-Bukhary.

Dr Mahathir’s comments come after DRB-Hicom told the stock exchange on Friday that it was unaware of plans to bid for Proton and sell the stake in the national car company to Volkswagen AG.

Proton had no immediate comment while Khazanah Nasional could not be reached.

Local media reported that Khazanah has also approached the motoring unit of Sime Darby as well as local auto firms Naza Group, Hyundai-Berjaya Sdn Bhd and UMW Holdings to buy its stake.

Proton shares were up 4.3 per cent at RM4.16 by 9.12am, compared with the broader market’s 0.5 per cent rise. — Reuters

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