

Proton: DAP urges royal panel on Dr M's claims of mismanagement
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KUALA LUMPUR, Feb 8 — Putrajaya must investigate claims made by Tun Dr Mahathir Mohamad that national carmaker Proton has incurred a whopping RM3.4 billion loss in its cash reserves due to mismanagement, the DAP said today.

The party's secretary-general Lim Guan Eng urged the Najib administration to set up a royal commission of inquiry (RCI) to find out if the federal government should immediately cut its losses and sell Proton.

He noted that at its height, Proton's cash reserves had stood at RM4 billion.

The inquiry should also look into whether state investment firm, Khazanah Nasional, received a good price when it sold its 42.7 per cent stake in Proton to DRB-Hicom Bhd for RM1.3 billion or RM5.50 per share, which is half of Proton's book value of RM9.81 per share compared to the RM8 per share that they had originally paid.

"This is an important decision that must be studied by the inquiry as the Malaysian public does not want Proton to end up as a sacred cash cow that continues to chew cash," Lim said in a statement today.

He highlighted the MV Agusta deal as a reminder.

In 2005, Proton bought a controlling stake in the debt-ridden Italian motorcycle maker for €70 million (approximately RM300 million) only to sell it off a year later for a token €1.

Dr Mahathir said yesterday that Proton's cash reserves had fallen to a staggering low of RM600 million to help cut company losses. — file pic

Lim, who is also Penang chief minister, suggested that former Proton chief executive, Tengku Tan Sri Mahaleel Ariff, should sit on the inquiry panel as he was among the key persons who helped to raise the national automaker's cash reserves to RM4 billion and "will understand the issues best".

"The inquiry must then suggest the appropriate action to be taken against those responsible for the staggering losses incurred and the recommended steps to prevent such future losses, especially when it involves public funds," he added.

The DAP leader was responding to a news report yesterday that cited former prime minister, Tun Dr Mahathir Mohamad, as saying that Proton Holding Bhd's cash reserves had fallen from a high of RM4 billion to a staggering low of RM600 million to help cut company losses.

He noted that Dr Mahathir said Proton's cash reserves, which stood at RM4 billion during Tengku Mahaleel's time, had plunged to RM600 million after the CEO was replaced by Datuk Mohammed Azlan Hashim.

Lim said, "As Dr Mahathir rightly points out, Proton's downfall is caused by nothing less than

bad management”.

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