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Maju takes over Perwaja (HL)

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KUALA TERENGGANU, Wed. - Maju Holdings Sdn Bhd has been given 51 per cent stake in Perwaja Steel Sdn Bhd, sealing the rescue of the ailing steel company.

Prime Minister Datuk Seri Dr Mahathir Mohamad, announcing this tonight, said the Terengganu Government would continue to hold 19 per cent with the remaining 30 per cent by the Federal Government.

Asked whether the Government shares would be held by Khazanah Nasional Berhad or the Minister of Finance Incorporated, Dr Mahathir said: "By the Government."

In addition to holding 51 per cent share of Perwaja, Maju Holdings will also be managing the steel company.

Dr Mahathir said the Government would also take over Perwaja's debts to enable the company to operate on a clean slate. The steel firm's accumulated debts and losses amounted to RM6 billion.

He said the Government would try to recoup the losses from other sources but did not elaborate.

However, Dr Mahathir said the Government would not pump in any more funds into Perwaja.

The Government, he added, had decided to hold the minority share as there was no other party which was interested in the rescue plan.

"It has to start (the rescue plan) with Maju free of any debts and losses.

"If Maju starts off while being saddled with huge debts, it will never be able to operate," he said when asked by reporters to comment on the interim measure to revive Perwaja led by Maju Holdings whose mandate expired yesterday.

He was approached by reporters after a dinner with Terengganu Menteri Besar, Tan Sri Wan Mokhtar Ahmad and State Executive Councillor's at Seri Iman tonight. Dr Mahathir later launched the Visit Terengganu Year 1997 at the Sultan Ismail Nasiruddin Shah stadium.

On whether the Anti-Corruption Agency would proceed with its plan to question Selangor Menteri Besar Tan Sri Muhammad Taib who was charged with bringing undeclared money out of Australia, Dr Mahathir said it was up to the agency to do so as it was its right.

Asked if he was satisfied with Muhammad's explanation, the Prime Minister said there was no reason for him to reject Muhammad's claim that the money was not his.

He said Muhammad also showed proof by showing all the documents, including the lawyer's letter, that he wanted to purchase properties (in Australia).

On the Pulai Chondong by-election in Kelantan, he said there was no reason for the Barisan Nasional to be confident as it was not easy to win.

He said all parties including former Parti Melayu Semangat 46 members had been directed to co-operate to ensure BN's victory.

"I do not know why the parties concerned did not participate in the campaign," he said when told that deputy Kelantan Umno liaison chief Datuk Annuar Musa was the only one leading the BN's campaign in the by-election.

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