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Sapura's proposal received: Anwar (HL)

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THE Government has confirmed that it has received a proposal from Sapura Group to acquire a substantial stake in UMW Holdings Bhd which it is still studying.

"We have yet to make a decision," Datuk Seri Anwar Ibrahim told reporters yesterday. The Deputy Prime Minister and Finance Minister was responding to a question on whether Sapura had submitted a proposal to Permodalan Nasional Bhd (PNB) for the acquisition of a stake in UMW.

"Sapura submitted the proposal to the Government and not to PNB," he said after opening the Dewan Bahasa dan Pustaka's 1997 annual gathering in Kuala Lumpur yesterday.

In a news report yesterday, PNB group chief executive Datuk Mohd Hilmey Mohd Taib said he was not aware of any deal to sell PNB's stake in UMW. Earlier, Sapura Group managing director Shahril Shamsuddin had said the group had submitted a proposal last October to buy a stake in UMW.

"I have read the statement which Sapura submitted to the Government," Anwar said. He declined to elaborate, saying the Government is still studying the proposal.

Sapura Group executive chairman Tan Sri Shamsuddin Abdul Kadir was quoted in news reports as saying the company had yet to receive any feedback on the proposal from the Government.

On Monday, UMW external board member Md Yusof Hussin said the proposal was highly unlikely to go through as PNB had no good reason to sell the stake. In fact, he said, PNB's unitholders might be disappointed should the stake be sold as it is a very profitable counter and has tremendous earnings potential.

Meanwhile, PNB chairman Tan Sri Ahmad Sarji Abdul Hamid, approached at a Malaysian Institute of Islamic Understanding (Ikim) function in Kuala Lumpur yesterday, said: "No comment... I have been away for three days."

Sapura's Shamsuddin on the other hand dismissed as "purely market rumours" that the company had set an offer price for the UMW stake.

He said Sapura has merely submitted a proposal to the Government for the acquisition of a 32 per cent stake in UMW, and no negotiation on the price has taken place.

"It is only rumours. We have not suggested any price," he told reporters in Kuala Lumpur yesterday when asked about market talk that Sapura had offered to buy the UMW shares at between RM14 and RM16 each.

A senior official of the company said Sapura is not acting like a corporate raider or "predator" when it submitted the proposal.

Saying that the company prefers to have good relationships with all parties in business, he explained that the submission was merely a show of interest in acquiring the UMW stake. It was not meant to cause any ill feelings to any party, he said.

PNB currently holds single biggest interest of 40 per cent in the motor vehicle company.

UMW shares rose RM1.10 to RM13.50 on Monday. Yesterday, it fell 50 sen to RM13.00

On another development, Anwar said it is possible that the Government will offer part of its 49 per cent stake in the debt-ridden Perwaja Steel to interested parties through a tendering process.

He said the Economic Planning Unit (EPU) in the Prime Minister's Department will evaluate whether there is a need to conduct an open tender

for the sale of interests in Perwaja.

"We don't sell our companies based on tender. In Perwaja's case, it is not an open tender but an exercise based on EPU's assessment.

"Later, if we feel there is a need, we will conduct a tender. As it is now, this is managed by the EPU."

He was asked whether the Government will offer part of the 49 per cent stake in Perwaja through an open tender following the announcement by Prime Minister Datuk Seri Dr Mahathir Mohamad that the Lion Group and other interested parties can still participate in the steel plant's rescue plan.

Anwar said the interested parties can submit their proposals to EPU for evaluation. "We will look at and study the proposals."

Under the rescue plan, Maju Holdings holds a 51 per cent stake in Perwaja, and the Government the remaining 49 per cent following the withdrawal of Lion Group, which was initially given a 31 per cent stake.

Asked whether Maju will be able to turn around Perwaja, Anwar said the Government believes the company is capable of doing so.

However, he said the Government has yet to see the proposal from Maju because the company is still working out the details.

"They will come up with the detailed package. Now, they are commenting based on scanty information. We have to look at the details of the rescue plan," he added.

On the sources of funds to pay off the debts, Anwar said the Government is looking into it.

"I have also explained in Parliament that the steel industry is a strategic one.

"You name me one country that has ventured into a massive steel project without government involvement or incurring major losses.

"You have to look at it as a learning experience. The nation has benefited but we have also to look at some of the problems such as mismanagement.

"This needs to be corrected. That is why Maju Holdings has come in," he said when asked if the Government will ensure that the taxpayers are not burdened by the Government's decision to absorb Perwaja's debts.

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