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MAHATHIR-KHAZANAH

DR MAHATHIR NOT AWARE OF KHAZANAH'S PLAN TO TAKE UP STAKE IN TIME ENGINEERING

KUALA LUMPUR, May 11 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said he was not aware of Khazanah Nasional Bhd's interest to take up a stake in Time Engineering Bhd.

"I don't know. That is the business deal of the board of Khazanah. If they find it worthwhile, they are welcome to do whatever they think is good," he said.

He was asked by newsmen at the end of the first day of the 54th Umno general assembly on reports today that speculated the talks between Time Engineering and Singapore Telecommunications Ltd (Singtel) had been aborted and that Khazanah, the government's investment arm, had come into the picture.

Khazanah's entry is seen as breaking the impasse between one group of creditors led by Sapura intent on pushing an alternative debt restructuring proposal.

Had the Singtel deal gone through, it would see the Singapore company taking a 20.59 percent stake in Time's subsidiary Time dotCom and 14.5 percent stake in Time.

SingTel had proposed to acquire 14.48 percent in Time and 20 percent each in Time dotCom and Time Online respectively in a deal worth about RM2.2 billion.

Time, which has debts totalling RM4.8 billion, has proposed a RM3 billion deal in the form of RM1.465 billion in cash settlement to its creditors and RM1.5 billion in zero coupon notes.

But the Time-Singtel deal was countered by Sapura Holdings Bhd, a substantial creditor of Time's massive debts, which was keen to have for itself a 40 percent interest in Time dotCom under an alternative debt restructuring proposal.

Sapura reportedly has 26 percent voting rights, which is enough to get creditors' support to reject the debt restructuring of Time should the latter agree to a tie-up with SingTel.

Sapura, Telekom Malaysia and the Employees' Provident Fund (EPF) are understood to be Time's major creditors. Time owes Sapura alone some RM440 million.

Earlier today Finance Minister Tun Daim Zainuddin also denied having any knowledge on the Khazanah's eyeing a stake in Time.

Speaking to reporters on the sidelines of the assembly here, he said that any decision taken on any deal would be made collectively by the Khazanah board and the decision later made known to the Finance Ministry.

Asked on reports the Singtel's bid for Time was unwelcome locally, Dr Mahathir said, "I don't know about that. It is a business deal."

As for the government, the prime minister said, "We have received a lot of investment from Singapore." Singtel is majority-owned by the Singapore government.

Dr Mahathir also pointed out that when Singtel previously made a bid for Hong Kong's Cable and Wireless, it was outfoxed by a dot.com company which blocked the bid.

"It seems to me that a lot of people are worrying about Singtel. I don't know why. Maybe because they sing and tell. That's why..that's why," he said in jest.--BERNAMA

AD SHY

