

Solution sought over Renong

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PM: Decision will be announced soon

By SA'ODAH ELIAS

PUTRAJAYA: Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday declined to confirm market speculation that the Government would take over debt-strapped Renong Bhd and United Engineers (M) Bhd but strongly hinted the exercise was under way.

"I should not talk about this because it involves the market, but I suppose the Government is looking for a solution.

"Renong shares are doing very badly and this is pulling down the market," he said when asked about speculation on the Government's possible

takeover of the Renong group. He said any decision on the matter would be announced soon.

He said any decision made would not just be profit-driven, but based on public interest because Renong and its subsidiaries were involved in many infrastructural projects.

"What we are hoping for is a win-win situation where whoever takes over Renong will not lose too much but there must also be some gain for the general public," he told reporters after chairing a National Technology Council meeting at his office.

Asked about a newspaper

report that Pengurusan Dana-harta Nasional Bhd managing director Datuk Azman Yahya was supervising the exercise to pave the way for the Government to take over control of the group from Tan Sri Halim Saad, Dr Mahathir said:

"Anything is possible, but I don't know who (is involved). They (Renong and UEM) had suspended trading in the stock exchange, so it must be because something is happening; otherwise they would not have done that."

On the group's reported RM13bil debt, not accounting for the eventual payout on its RM8.4bil seven-year bonds is-

sued in 1999, the Prime Minister said the matter would surely be taken into consideration by any party interested in taking over the group.

"But when you talk about debt, you must also talk about assets.

"If the debts exceed the assets, then it will be foolish for anyone to consider.

"However, in most cases, the market value for most of the local companies today is very much below their asset value," he added.

On Wednesday, Renong and UEM requested a four-day suspension from the Kuala Lumpur Stock Exchange.