

23 JUL 2001

MAHATHIR-UEM

PUBLIC MONEY NOT GOING TO BE WASTED IN PURCHASE OF UEM

KUALA LUMPUR, July 23 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today reiterated that the government would not waste public money in using the national Treasury corporation, Khazanah Nasional Bhd for taking over the ownership and control of the debt-ridden company, United Engineers (Malaysia) Bhd (UEM) from Renong Bhd.

"We don't do something for nothing," he said when asked to comment on the RM3.8 billion takeover of UEM by Syarikat Danasaham Sdn Bhd which today served a notice of conditional voluntary offer to the board of directors of UEM. Danasaham is a wholly-owned subsidiary of Khazanah Nasional, an investment arm of the government.

Danasaham is offering to buy 99.78 percent of UEM shares or 815,303,483 shares of 50 sen each at RM4.50 a piece cash and 98.84 percent of UEM warrants or 98,053,203 warrants at 40 sen per warrant cash.

A special purpose vehicle to take over UEM, Danasaham is also offering to acquire all new ordinary shares of 50 sen each in UEM that may be issued pursuant to the exercise of any offer warrants in UEM.

Khazanah already owns around 0.22 percent or 1.773 million 50 sen ordinary shares in UEM and about 1.16 percent or 1,151,600 UEM warrants.

News broke last week that the government would be taking over the Renong group.

Shares of UEM and Renong, suspended since July 18 pending an announcement, were last quoted at RM3.56 and 80.5 sen respectively.

Danasaham's takeover offer is at a 26.4 percent premium above UEM's shares pre-suspension price and a 52 percent discount over UEM's warrants price of 83 sen.

Asked whether, after Danasaham had succeeded in taking over the ownership and control of UEM from Renong, the company's former vice-chairman, Tan Sri Halim Saad, needed to still pay up whatever he owed UEM, Dr Mahathir said: "If we take over, I think we take over the debts as well.

"We can't take over the assets and not take over the debts," he said.

-- BERNAMA

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