

# SAPURA ENERGY FACES EXTRA DUE DILIGENCE

RM1.1 billion capital injection part of firm's restructuring efforts, says Anwar

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**S**APURA Energy Bhd will undergo an additional due diligence process as a pre-requisite for the government's RM1.1 billion capital injection, said Prime Minister Datuk Seri Anwar Ibrahim.

Anwar, who is also finance minister, said: "An audit process has been conducted and further due diligence will be carried out before finalising (Sapura Energy's) financial restructuring and the RM1.1 billion capital injection.

"The results of this due diligence will be shared with enforcement agencies, such as the Securities Commission, to determine if any action is necessary."

He said this in a statement after the Finance Ministry's monthly assembly in Putrajaya.

Anwar said Sapura Energy's re-

structuring had received creditor and court approval, with the government's capital injection designed to revive the oil and gas (O&G) ecosystem, which was important to the national economy.

"This capital injection is part of Sapura Energy's restructuring efforts, aimed at supporting and safeguarding domestic employees who have not been paid for an extended period.

"It is important to emphasise that this capital injection will in no way benefit Sapura Energy's shareholders or management."

He said the funds were not intended to bail out people or the company's management but rather aimed at assisting vendors impacted by the company's financial troubles.

"The chairman and senior management must step down, which was our condition. They must be replaced with a new management.

"If there are issues requiring investigation, it will proceed. This was our consideration."

Anwar said the funds were allocated for settling Sapura Energy's debts with vendors, which included 2,000 small and medium enterprises, the majority of

which were Bumiputera-owned businesses.

He also said as part of Sapura Energy's restructuring, its former major shareholders were no longer involved in the company's management, and a new professional management team had been appointed.

He reiterated that the RM1.1 billion was not a grant, but rather an investment aimed at revitalising the O&G sector.

He said the funds would be structured as a loan, with Sapura Energy needing to repay it once profits were generated.

On Monday, Sapura Energy secured RM1.1 billion in investment from Malaysia Development Holding Sdn Bhd (MDH) through the latter's subscription to the company's redeemable convertible loan stocks.

Sapura Energy said it had entered into a conditional funding agreement with MDH, a special-purpose vehicle of the Ministry of Finance (Incorporated), as part of its financial restructuring.

On Wednesday, government spokesman Datuk Fahmi Fadzil said the funding was not a bailout, but rather a strategic investment.