

PM: RM1.1 bil must be repaid

Structured loan given to aid local vendors and only after Sapura shake-up



Specially for you: Anwar at a murtabak stall in the Section 2 Shah Alam Ramadan bazaar as Selangor Menteri Besar Datuk Seri Amirudin Shari (second from right) looks on. - IZZRAFIQ ALIAS/The Star

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PUTRAJAYA: Debt-laden Sapura Energy Bhd (SEB) was only given a RM1.1bil capital injection after it was restructured, with a new professional management appointed, says Datuk Seri Anwar Ibrahim.

The restructuring effort is also aimed at saving local vendors, most of whom are bumiputra companies, the Prime Minister said. Besides that, a forensic audit has been conducted, with further due diligence carried out.

Anwar, who is also Finance Minister, said the capital injection was also crucial to save the local oil and gas industry ecosystem, clarifying that the RM1.1bil was actually a structured loan.

He stressed that the capital injection did not in any way benefit the SEB's shareholders or management.

"The previous major shareholders are no longer involved," he said in a statement.

He also noted that SEB's restructuring had already received creditor approval and undergone judicial processes.

"The findings of the due diligence will be shared with enforcement agencies, such as the Securities Commission, to determine if any action is necessary against any parties involved," he added.

The statement was issued after the Finance Ministry's joint-assembly here yesterday.

In his speech earlier, Anwar said the capital injection was not about rescuing a large company or its top management.

"We will ensure that all investigations, including those of possible malpractice and abuse of power, continue.

"What matters is that vendors receive what they are owed," he said.

He further explained that the RM1.1bil was a loan capital, not a sunk cost, and must be repaid.

"Is this a sunk cost? The answer is 'No'.

"This injection serves as loan capital, enabling the new management, hopefully to operate more effectively, turn a profit, and repay the RM1.1bil. It is a structured loan."

Anwar said the decision came after a rigorous process, including

the forensic audit by Ernst & Young (E&Y) to assess the company's real challenges.

He chided critics, saying: "We did not give the RM1.1bil to the company; it was specifically for the vendors who had worked for a long time.

"From a total of 2,000, 80% of them are bumiputra vendors. Should they be punished?

"If I don't help them, my critics will say Anwar is a traitor, he never champions the plight of the bumiputra, he is just DAP's mouthpiece.

"If I help them, they will say we (government) are helping the company."

Permodalan Nasional Berhad (PNB), the existing significant shareholder of Sapura Energy, said on Wednesday that RM1.1bil would be used exclusively to repay the oil and gas (O&G) firm's local vendors.

It said this was crucial to ensure the financial survival of Malaysian service providers within the O&G ecosystem.

Many of its 2,000 vendors were small and medium enterprises and had up to 59,000 workers, it added.