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Mahathir-KUB

RM1.3 BILLION WORTH OF SHARES FOR 137,000 KUB MEMBERS

KUALA LUMPUR, Oct 12 (Bernama) -- The Umno-sponsored Koperasi Usaha Bersatu (KUB) will be listed on the main board of the Kuala Lumpur Stock Exchange (KLSE) soon with its 137,000 members getting shares worth a total of RM1.3 billion, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

The Securities Commission had approved the KUB corporatisation scheme and its listing by way of Permodalan Perak Berhad (PPB) through a reverse takeover, he said when winding up the debate on the final day of the four-day Umno General Assembly at the Putra World Trade Centre (PWTC) here.

PPB will be renamed KUB Malaysia Berhad.

"Fifty individuals are expected to become millionaires following the listing of KUB," said Dr Mahathir who is Umno president.

KUB, which in the early 1990s was close to bankruptcy with debts running into hundreds of millions of ringgit and its shareholders funds in deficit, is expected to have shareholders funds worth RM972 million next year.

Dr Mahathir said KUB Malaysia Berhad's market capitalisation is expected to top RM2.14 billion on listing.

However, he said, the distribution of shares owned by KUB to its members was dependent on their agreement to dissolve the cooperative.

The Cooperative Development Department today began sending out notices in writing to KUB members on its proposed dissolution to enable them to vote on it by post.

Dr Mahathir asked Umno delegates, many of whom are KUB members, to agree to the dissolution and restructuring of KUB and to keep their KUB Malaysia Berhad shares as it would continue to expand its business and implement several corporate schemes in the future.

"The paid-up capital of KUB members amounted to RM131 million. I believe many of the members invested in KUB with their own money. Even if they had taken loans, the total did not exceed RM50 million.

"Hence, KUB members need not sell their shares for quick profits," he said.

He was confident that through the corporatisation of KUB, it would become a truly successful Bumiputera business concern to serve the interest of its members.

Dr Mahathir said 250 million shares would be offered with each unit expected to be priced at between RM2 and RM4.

Each share held by members in KUB is expected to be exchangeable for not less than 1.5 shares in KUB Malaysia Bhd.

He said the successful rehabilitation of KUB and changing it from a cooperative into a corporate body proved that if a particular task was done earnestly by those with the expertise, it would eventually be a success.

He said at one time KUB experienced huge losses because the leadership used it as an alternative political party.

He was referring to the KUB board of directors which at one time was controlled by some leaders of the Parti Melayu Semangat 46. -- BERNAMA

AU AAM