

13/02/1997

Transwater set to reshape itself (HL)

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TRANSWATER Corp Bhd is set to undergo a restructuring exercise that will see it divided into four main business areas, with the possibility of a fifth new business activity eventually being incorporated into the group's structure.

Transwater executive chairman Datuk Wan Adli Wan Ibrahim said the four main areas will be property, utilities, infrastructure and industry.

Wan Adli, who bought a majority stake in Transwater through his company Angsana Embun Sdn Bhd last year, said the restructuring will make the group a diversified and more competitive corporate entity.

Under property, Transwater already owns Tioman Island Resort, Kota Raya Complex, and 1,550ha of land in Selangor. A new company, Transwater Resort Sdn Bhd, is expected to be incorporated to group together the property activities.

Investments in utilities, meanwhile, cover the water, sewerage, and power sectors.

Transwater and Lyonnaise (South East Asia) Sdn Bhd have made a joint bid for a water privatization project in Negri Sembilan as well as another water related project in Perak. The two projects would involve an expenditure of RM500 million and RM550 million respectively during the first five years of operation.

The jewel in the utilities division has to be Indah Water Konsortium Sdn Bhd, the concessionaire for the national sewerage system. IWK is 100 per cent owned by Prime Utilities Bhd, in which Transwater has a controlling stake.

Relatively new to Transwater is its infrastructure and construction business, which resulted from two acquisitions undertaken soon after Wan Adli took over the helm of the company.

Transwater subscribed for the entire share capital of Detik Nagasari Sdn Bhd which plans to submit a privatization proposal known as The Integrated Development of Iskandar Petri International Gateway to replace the causeway linking Johor Baru and Singapore with a road and railway bridge. It will also develop the waterfront area in the vicinity of the new gateway, and to rebuild the Customs, Immigration and Quarantine complex.

In addition, Transwater subscribed for shares representing 60 per cent of Sejati Avenue Sdn Bhd (Sejati), which has presented to the Economic Planning Unit a proposal to redevelop the Sekolah Menengah Perempuan Seri Puteri site at the intersection of Jalan Mahameru and Jalan Kuching in Kuala Lumpur.

Under the proposal, Sejati will undertake at its own cost to relocate and rebuild the existing school at a new site to be identified by the Education Ministry. The land will then be developed into a mixed development consisting of office blocks, service apartments and a shopping complex.

Transwater's wide range of engineering services will be placed under the industry division, Wan Adli said, with a view to playing a bigger role in projects where local expertise is encouraged.

"Transwater's engineering business has been progressing steadily, and the shareholders are contented. But the question is do you want it to grow bigger? The market is already there. We want to expand the facilities we have and to compete," he said.

Transwater has made a name for itself as an engineering specialist

involved in the business of water supply and environmental systems, factory and plant automation, and metal and machinery fabrication. Other activities include pumps and pumping systems, control valves, cooling systems, oil and gas equipment and management of construction projects.

Asked if Transwater will venture into any new business activities besides property, utilities, infrastructure and industry, Wan Adli said he would like to add just one more business area - Information Technology (IT).

He said recent developments like the Multimedia Super Corridor (MSC) and the growth of the Internet present tremendous opportunities for IT and IT-related businesses.

Transwater's investment in IT will probably be through a joint venture with or acquisition of an existing IT business, Wan Adli added.

"The shortcut is through an acquisition, of course. To start up an IT company from scratch now would be very difficult," he said.

One of the reasons for his interest in IT, Wan Adli admitted, is Prime Minister Datuk Seri Dr Mahathir Mohamad's recent visit to the US to promote the MSC.

Big plans are being drawn up for the MSC project which boasts an advisory panel comprising some of the most prominent names and individuals in the global IT industry.

They include Microsoft chief executive Bill Gates, Sony Corp president Nobuyuki Idei, IBM CEO Louis Gerstner, Oracle Corp president Larry Ellison and the heads of major IT players like Netscape Communications Corp, Apple Computers, Silicon Graphics, Sun Microsystems, Compaq, Siemens, Hewlett Packard and Acer.

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