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KONSORTIUM-LOANS

KONSORTIUM PERKAPALAN'S LOANS AT COMPANY LEVEL TO BE CUT TO US\$50 MLN

PETALING JAYA, June 29 (Bernama) --Konsortium Perkapalan Bhd's total loans at company level would be reduced to US\$50 million (about RM200 million) from US\$230 million (about RM920 million) this year, following disposal of its shipping business and assets to Malaysian International Shipping Corporation Bhd (MISC) for US\$220 million (around RM880 million) cash.

Speaking to newsmen after the company's annual general meeting here today, group executive chairman Mirzan Mahathir said 70 percent to 80 percent of the sales proceeds will be used to repay the loans.

The loans would also be lower because the loans associated with the shipping business would "move out" of the consolidated balance sheet of the company as a result of the disposal to MISC, he explained.

"At the end of the day our debt equity ratio would be less than one percent," he said.

The disposal, expected to be concluded on Aug 31, 1998 comprised the entire issued and paid-up capital of PNSL Limited, 51 percent of the issued and paid-up capital of both Asia LNG Transport Sdn Bhd and Asia LNG Transport Dua Sdn Bhd, and the nine vessels and two new shipbuilding contracts of PNSL Bhd.

However, the sale excluded three companies in PNSL Limited Group, namely Rydex Industries Corporation, PNSL Agencies Ltd and Anglo Eastern Ship Management Limited.

The group senior vice-president of finance, Muhammad Fauzi Abdul Ghani said group total loans meanwhile would fall to RM240 million from RM\$2.5 billion this year.

Mirzan said part of the proceeds from the shipping business disposal would go towards US\$20 million (about RM80 million) capital expenditure planned for this year.

On revenue collection, he said it was still reasonable, adding that the company's major customers were multinational companies which continued to be good payers.

Mirzan said most of the problems faced in terms of revenue collection were from the smaller companies which are facing liquidity problems and are trying to stretch their payment period.

To a question, Mirzan said to-date the company had remained profitable and is taking steps to ensure this would continue for the whole financial period ending Dec 31, 1998.

Regarding plans for its land based-logistics business, he said Konsortium Perkapalan was working at forming a very focus division in different segments of the logistics business for the region.

"We are looking at putting together all our container logistics business so that they will work in a co-ordinated manner and offer services on a regional basis," he said.

He also said that Konsortium Perkapalan would actively pursue container logistic business of moving vehicles for car manufacturers in the region.

-- BERNAMA

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