

# My stake in MAS will not be sold: Tajudin <sup>10</sup>

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People tend to zero in on MAS when Naluri said it will need to sell some assets, says its chairman

By **FATIMAH HASHIM**

NALURI Bhd chairman Tan Sri Tajudin Ramli said his stake in Malaysian Airlines Systems Bhd (MAS) is not part of assets that will be sold to pay off Naluri's debts under an approved restructuring scheme.

Naluri owes RM890 million to creditors who agreed last month to extend the repayment deadline to mid-2002 but ever since it was announced that the group would have to sell some assets, the market assumed that this meant some of the 29.09 per cent stake in the national carrier.

The holding company, which has interests in helicopter operations, property development, hotels and construction, owes RM600 million in redeemable bank guaranteed bonds that matured on June 12.

Its subsidiaries account for the remaining RM290 million of the total debt. The company had pledged its investments, including the stake in MAS, as collateral for its borrowings.

Under the debt restructuring scheme brokered by the Cor-

porate Debt Restructuring Committee, Naluri has agreed to sell off some of its assets over the next two years to pay down its debts by half, and will extend the repayment period of the remaining debt by five years.

Tajudin said it is only natural for people to zero in on MAS when Naluri said it will need to sell some assets to pay off debts, as the national carrier is the biggest asset in the group.

"They forget we also have landed property and other assets. If we cannot settle the debt, we also have shares in

public listed companies. The speculation (of a MAS sale) can go on," Tajudin said after Naluri's annual general meeting in Kuala Lumpur yesterday.

Asked if he will part with MAS as a last resort, Tajudin said he will need to check with Prime Minister Datuk Seri Dr Mahathir Mohamed on that.

"When I first bought Malaysia Airline, I had to get the approval from the Prime Minister. To sell it, I must also go back to him. There is no need for me to do that at the moment," he said.

Tajudin said Naluri has not decided yet which asset it will dispose of, but the breathing space of two years will allow Naluri to carry out some of the things it has set out to do.

"It might not even be necessary to sell any of our assets, if our business can start bringing in money," Tajudin said.

Among the projects on Naluri's plate are the development of the Subang Airport into an international aviation and aerospace park, getting MAS into an airlines alliance, and getting its new e-company Trifiniti Networks Sdn Bhd rolling.

An analyst with a local stockbroking company said Naluri's position is very similar to that of Technology Resources Bhd (TRI), another

company controlled by Tajudin.

"TRI, the holding company, is a bomb because of its Eurobond debt, but it has a great subsidiary in Celcom," he said.

The analyst said Tajudin's ability to settle his debts without having to sell his stake in MAS depends on what the other assets are worth and on the performance of the national carrier.

Naluri has the advantage over TRI in that MAS is listed, while Celcom is not. However, TRI owns 100 per cent of Celcom, while Naluri only controls 29.09 per cent of MAS, the analyst said.

Like Celcom, whose operations have been cleaned up after a debt restructuring exercise, the worst is over for MAS thanks to the regional economic recovery, he said.

"MAS is cleaning up by selling its planes and leasing them back. This way, it managed to pay down its debts," he said.

MAS, which has a gearing of more than 200 per cent and low interest coverage, is also seeing its yield factors the revenue generated per unit capacity going up.

"It is now one of the cheapest airlines in the region," said the analyst who recommends a "buy" for the counter.