

Prices of NSTP, TV3 shares up on news of management changes

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KUALA LUMPUR: Shares of Malaysian Resources Corp Bhd (MRCB) and its broadcasting and publishing units rose yesterday, buoyed by news of management changes at the diversified group.

With borrowings of more than RM1 billion, MRCB recently stepped up an asset disposal programme, selling its prized banking stake at a loss of RM1.2 billion.

Prime Minister Datuk Seri Dr Mahathir Mohamad denied speculation last month the firm was next on the government's takeover list, after a state bid for control of the United Engineers-Renong group - also politically connected and also heavily in debt.

But late on Wednesday Mahathir announced changes were afoot for MRCB management to take care of its "day-to-day running".

Deputy Premier Datuk Seri Abdullah Ahmad Badawi said

MRCB chairman Datuk Seri Abdul Rahman Maidin would stay on as non-executive chairman while young professionals would be appointed to manage the firm.

"It will lead to greater transparency and good corporate governance," Abdullah told reporters at a news conference.

"There is a separation now between the owner of MRCB and professionals who will run MRCB."

Abdul Rahman owns 25% of MRCB through privately-held Realmild Sdn Bhd.

Similar things are happening at MRCB's 49%-owned television station, TV3, with the broadcaster's vice-chairman Datuk Mohd Ibrahim Mohd Nor resigning on Wednesday.

White knight Simpletech Sdn Bhd, headed by Mohd Ibrahim, withdrew its offer to buy 85 million TV3 shares yesterday, scuttling a debt revamp plan put in place three months ago.

The moves preceded measures taken yesterday by the Corporate

Debt Restructuring Committee to speed up restructuring of RM30 billion in outstanding corporate debts under its jurisdiction by unveiling stricter rules.

Shares of MRCB rose more than 4% in morning trade before profit-taking trimmed gains. The stock closed down three sen at RM1.40 with 8.48 million shares traded. TV3 shares rose 5.8% to 91.5 sen before being suspended.

Investors also turned their attention to MRCB's 44%-owned newspaper firm, NSTP. Its shares jumped as much as 5% to RM4.20 before profit-taking pulled the stock down to close at RM3.98.

Meanwhile, Abdul Rahman Ahmad and Shahril Ridza Ridzuan, both Cambridge University graduates in their 30s, have been appointed chief executive and executive director of MRCB respectively.

Analysts expect the emergence of a new controlling shareholder at TV3 and NSTP, which together are buried under a combined RM2.1 billion of debt. - Reuters