

'Final proposal after Hari Raya'

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Puas Emas going through the finer details on IWK takeover

SUBANG JAYA: Puas Emas Sdn Bhd will send its final proposal to take over the water treatment and sewerage company Indah Water Konsortium Sdn Bhd (IWK) from the government immediately after the Hari Raya holidays.

Puas Emas is a joint venture between plantation-based Multi-Vest Resources Berhad (MVRB), UK-based Thames Water Overseas and investment firm Nilamas Corporation Sdn Bhd.

MVRB chairman Tan Sri Megat Junid Megat Ayob said the company is going through the finer details of the proposal before sending it to the government as it wants the proposal to be thorough.

"Once the government decides to give it to us, we want to ensure that the company is well managed and without problems so that there is no longer any need for the government to rescue it again," he said.

Megat Junid said the company is expected to allocate RM25 billion which will be spread over

a period of 33 years for the operation, management and infrastructure development of IWK.

MVRB has increased its shareholding in Puas Emas to 35% from the previous 30% through a subscription of 5,000 ordinary shares at par for cash, he said.

On whether the government will award it on a concession basis, Megat Junid said the company is not seeking for a re-privatisation of the IWK.

"This will be more of acquiring the shares in the company," he told reporters after the MVRB AGM yesterday.

He said Puas Emas wants to take over IWK as it sees it as a viable industry.

"We are confident with this business as we have the technical know-how and financial backing to turn around IWK's operations," he said.

As long as the proper infrastructure, equipment and technology to collect the waste, treat it and reproduce it into other products are in place, Megat Junid said it will

local authorities was set up in 1994.

Since then, it has changed hands three times.

Prime Minister Datuk Seri Dr Mahathir Mohamad has stated that any company wanting to invest in IWK must have its own money and not expect any government handout.

IWK has been plagued with debts of RM700 million while its net losses for 2000 were reported at RM332.86 million.

Meanwhile on MVRB, group managing director Datuk Kenneth Eswaran said the company expects to improve its profits for the current financial year as the prices of palm oil have been improving.

He said the company is also studying the prospects of diversifying into downstream activities in the future.

The company recorded a net profit of RM294.885 or 0.2 sen earnings per share for the financial year ended June 30, 2001 compared to a net profit of RM105 million or 70.7 sen earnings per share the previous year.

benefit the company and the country

"We can convert the waste into fertilisers for the plantation sector in the country and save on the costs of imports," he said.

Another product is pavement tile which is popular now in London.

IWK, the national sewerage concessionaire, was last managed by Prime Utilities Bhd before it was sold to the Ministry of Finance Inc for RM192.54 million in March, 2000.

The company which currently operates the sewerage system in 144