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MAHB to focus more on core activity

MALAYSIA Airports Holdings Bhd can be expected to be more focused on its core business activity - operating and managing airports in the country - once it disposes its two non-core assets.

Analysts have been upgrading their recommendations on the airport manager since it announced its plans to sell off Sepang Formula One Circuit and the proposed National Exhibition and Convention Centre (NECC).

MAHB announced last week that it had begun negotiations with Petronas Bhd on the sale of the Sepang Formula One Circuit.

It also announced to the Kuala Lumpur Stock Exchange that it is in talks with an interested party on the sale of NECC Sdn Bhd, originally intended to develop the RM1 billion NECC project.

It is said to be talking to a joint-venture company to sell NECC for less than RM200 million.

Prime Minister Datuk Seri Dr Mahathir Mohamad said on Sunday that MAHB's proposed disposal of the Sepang F1 Circuit was not a bail-out.

He also said the Government had yet to decide on whether to give it to Petronas or "other people".

One stockbroking firm said the recent divestment of non-core assets by the group is related to MAHB's current tail-end talks with Dutch airport operator, Schiphol International BV.

Schiphol is currently negotiating with the Malaysian Government to buy a 30 per cent interest in MAHB.

A Memorandum of Understanding on the proposed acquisition was extended to Dec 31 this year, upon its expiry last month.

The controlling shareholders are the MOF and Khazanah Nasional Bhd with 49.26 per cent and 23.48 per cent stake respectively.

It is not known what the price tag for the proposed acquisition of the stake would be although there has been speculation that it could range between RM2.60 and RM3.00 per share.

Analysts have also indicated that Schiphol, operator of four airports in the Netherlands, may have requested MAHB to dispose of its non-core businesses prior to its investment.

Malaysia Airports, which was set up in 1991, manages and operates 37 airports.

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