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MRCB-CHANGES
NEW FACES AT MRCB SOON?

By: Yong Soo Heong

KUALA LUMPUR, Aug 8 (Bernama) -- Two business consultants who were formerly with Pengurusan Danaharta Nasional Bhd are expected to run debt-ridden Malaysian Resources Corporation Bhd (MRCB) soon, sources said today.

Abdul Rahman Ahmad, 31 and Shahril Ridza Ridzuan, 30, both Cambridge-trained, are likely to become chief executive and executive director of the company respectively.

Both of them left Danaharta about one and a half years ago to form their own consulting firm. It is not known whose interest they represent at the moment.

Their entry into MRCB is expected to see Datuk Seri Abdul Rahman Maidin, currently its president, becoming non-executive chairman. Abdul Rahman has a 25 percent stake in MRCB through a company known as Realmild Sdn Bhd.

The latest developments surrounding MRCB is seen as a determined attempt by the authorities to be tough in resolving problems faced by debt-laden companies which are deemed strategic to the country.

Datuk Azman Yahya, who took over as chairman of the Corporate Debt Restructuring Committee while remaining as non executive chairman of Pengurusan Danaharta on Aug 1, has indicated that deadlines would be set for such companies to make decisions to tackle their financial woes.

MRCB, which closed six sen higher at RM1.43 with 6.982 million shares changing hands on the Kuala Lumpur Stock Exchange today, has interest in property development, power generation and The New Straits Times and TV3.

It is estimated that MRCB's debts amount to RM1.5 billion at the end of May this year.

MRCB has in the meantime initiated a series of asset sales to reduce its debts.

Yesterday Rahman said MRCB hoped to complete its proposed disposal of a 22.7 percent in Rashid Hussain Bhd to Utama Banking Group Bhd by Aug 31.

"We hope to complete as soon as possible," he told reporters after the handing over ceremony of Plaza Sentral Block B building to the purchaser, Lembaga Tabung Haji, which was bought for RM80 million.

On July 24, Sarawak-based UBG disclosed that it would pay RM399.48 million to purchase 105,127,000 RHB shares from MRCB, thus pricing the shares at RM3.80 each. Through this purchase, UBG will become the largest shareholder in RHB after its founder, Tan Sri Rashid Hussain, who has a 23.9 percent stake in RHB.

But MRCB's disposal of its stake to UBG at RM3.80 a share is a far cry from the average price of RM15.80 it had paid for them in 1997 but still higher than its present prevailing prices.

The asset disposal by MRCB is seen by market watchers as a "fire sale" in an attempt to stave off intervention by the authorities.

MRCB has been trying hard to sell off its investment in RHB but had been unable to do so because of the poor market conditions.

Over the past few months, the government, through its investment arm, Khazanah Nasional, has intervened in loss-making companies like Malaysian Airline System Bhd and United Engineers Malaysia Bhd/Renong Bhd.

When reporters recently asked Prime Minister Datuk Seri Dr Mahathir Mohamad whether the government would intervene in MRCB, he replied, "Not at the moment."

The latest moves at MRCB are still sketchy pending an official announcement from the company but it appears that CDRC's Azman has decided to speed things up as far as restructuring of problem companies are concerned, say industry observers. -- BERNAMA

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