

Rashid: We're in talks with only Utama .

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But does not rule out discussions with others

By Michelle Liew

KUALA LUMPUR: Rashid Hussain Bhd executive chairman Tan Sri Rashid Hussain said he is in merger talks with only the Utama Banking Group (UBG), but does not rule out the possibility of talking with other parties in the future.

"I don't think that you can negotiate with someone and jump to another party. You have to finish one before you move on to another (party)," he said in response to a question on whether he is in negotiations with other banks on the sale of his 23.9% stake in RHB.

Speaking to reporters at the 2002 RHB Investors' conference here yesterday, he said RHB will have to seek Bank Negara's approval before it can start merger talks with other banking groups.

Speculation has surfaced in the market that RHB may have exploratory talks with Commerce Asset Holdings Bhd, the owner of the country's second biggest bank, Bumiputra-Commerce Bank (BCB).

Rashid said he is 'officially

still in negotiations with Sarawak-based UBG but admitted that the pricing issue could be a stumbling block that is delaying the conclusion of the deal.

"They say they have to take it to the Cahya Mata Sarawak (CMS) board. I don't know what is happening," he said. CMS is the controlling shareholder of UBG.

Rashid stressed that he is not willing to renegotiate on the merger terms, including the pricing because "as far as I am concerned, I have done all the negotiations and whatever that needs to be done. I am just waiting (for their answer)."

Rashid indicated that he will not budge from his stance on the pricing issue as he thinks that "there is a price to pay for control."

He said the price that he had asked for is "fair and professional" and "he will not depart from market norms."

Rashid also said he has waited nearly one year to complete the deal and is not prepared to wait much longer.

Prime Minister Datuk Seri Dr Mahathir Mohamad had earlier given both RHB and UBG until the end of last week to conclude their negotiations but they missed the deadline. On Monday, Mahathir said UBG has until the end of June to find a merger partner.

Rashid said he is willing to relinquish complete control of the bank and brokerage activities because "when I sell out, I have no right to stay on. I have to sell in totality"