

# Tajudin trying to stay lucky

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## Tries to keep control of TRI after being ejected from MAS

**KUALA LUMPUR:** Tycoon Tan Sri Tajudin Ramli, once the exemplar of the successful "son of the soil" businessman, is fighting to hang on to his last significant foothold in the local corporate arena.

After being ejected from the pilot's seat at Malaysian Airline System a year ago, Tajudin is scrambling to keep control of the country's number two cellular firm, Technology Resources Industries (TRI).

The son of a rice farmer, who began a career in investment banking, parlayed his good political connections to become one of the country's top bumiputra businessmen.

Tajudin's tendency was to think big opened doors and the government was looking for ambitious bumiputras with business skills to take over projects.

### Open to merger

But his aggressive expansion plans at TRI and MAS, which he chaired for six years, landed both in a heap of debt after the Asian crisis struck in 1997.

Tajudin said in an interview this week that his RM3.8 billion recapitalisation plan for TRI, in which he holds a 24% stake, is going "very smoothly".

The company owes RM4 billion.

But he also said that the local telecoms market is overcrowded and firms must consolidate to compete - so a merger could be in the wind once the recapitalisation goes through.

State-owned Telekom Malaysia has said it wants TRI, but only at the right price.

Last February, Tajudin was bailed out of loss-making MAS with RM1.8 billion of government money - more than most Malaysians thought he deserved for the 29% stake - in a deal sanctioned by his mentor and patron, former finance minister Daim Zainuddin.

Soon after, Tajudin told a news agency that his fortunate career was not just a matter of whom he knew.

On Wednesday, just prior to TRI's news conference to announce it had 16 underwriters for a RM755 million

rights issue intended to keep creditors from the door, Tajudin spoke to the news agency again.

"I'm still feeling lucky," the soft-spoken 56-year-old said.

But since Daim's resignation last July, he has suffered a couple of setbacks.

Late last year, the Securities Commission stopped Tajudin's aviation firm Naluri from using its cash from the MAS sale to buy into TRI as a way to push through the restructuring plan.

The government also ordered an audit of the way MAS had been run since Tajudin became executive chairman in mid-1994.

### Durian lover

Prime Minister Datuk Seri Dr Mahathir Mohamad said that any wrongdoings will be punished, and people will be made to pay for their mistakes.

Tajudin, an economics graduate from the University of Malaya, comes from Kedah, the same northern state that Mahathir and Daim hail from.

The father of four lists yachting, golf and growing durians as his hobbies.

The sale of his MAS stake at twice the market price certainly raised a stink.

Cries of cronyism reached embarrassing levels. Daim resigned months later, saying he was too tired to carry on though there were tales to the contrary which was the talk of the town.

### 'Daim's boys'

Since Daim's departure, the government has begun cleaning up the corporate sector, accelerating a long overdue restructuring of Malaysian firms crippled by the 1997 Asian crisis.

Daim and Tajudin were partners in Raleigh Cycles Bhd before Daim became finance minister in 1984.

Tajudin became one of a crop of ethnic Malay entrepreneurs known as "Daim's boys".

Tajudin spied huge opportunities in the telecoms, technology and transport sectors, often referring to them as his "3 Ts".

In 1989 he took over electrical firm Roxy - turning it into his flagship TRI - from which he controlled his telecoms empire.

Then in 1994, Tajudin snared a 32% stake in the government-owned MAS by way of a RM2.63 billion personal loan of which the terms were never revealed.

"The best security is me personally, I suppose," Tajudin had said at the time.

The deal was seen as a vote of confidence from the top leadership and a feather in Tajudin's cap, though the already ailing and inefficient MAS was not considered a prize catch.

Some industry experts say he had tried his best to make MAS profitable, though others blame him for worsening the problems at the carrier, now under a state-directed RM6.1 billion debt restructuring exercise.

"You can blame the Asian financial crisis but basically, he was too aggressive," a MAS employee said. "He threw caution to the wind and expanded too fast. When the crisis hit, there was just no way out but to go back to the government." - Reuters