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Abrar confident of meeting year-end revamp deadline

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CONSTRUCTION-based Abrar Corp Bhd expects to meet the deadline set by the Government for undercapitalised companies to announce their proposed restructuring exercise by year-end.

Special administrator Lim San Peen said the exercise is on track with 20 bidders interested to submit offers to acquire 100 per cent of the RM32 million issued capital of Abrar.

He said the bidders are given two weeks to submit their tenders, with the last day for submission on January 23.

Lim, however, refused to disclose the identities of the interested bidders.

"We could meet the the year-end deadline if emphasis is given on speed, which very much depends on the quality and the weight of the assets of the bidders," Lim told reporters in Kuala Lumpur yesterday.

"The tenders will be evaluated by the special administrators and will be submitted to Danaharta (Pengurusan Danaharta Nasional Bhd) for consideration," he added.

Lim had earlier given the third tender briefing on Abrar to interested bidders, a process which first started in June 2000.

Lim is also the executive director of PriceWaterhouseCoopers, which has been appointed by Danaharta to assist in the restructuring of Abrar.

Abrar is one of the 95 listed companies under Practice Note 4 of the Kuala Lumpur Stock Exchange Listing Requirements, which are saddled with some RM200 million debt. It is an investment holding company and provides management services to its subsidiaries.

The invitation to tender for Abrar follows the expiry of a memorandum of understanding (MOU) between the company and its white knight, property developer Asia Pacific Land Bhd (AP Land).

The MOU between Abrar Corp and AP Land and its subsidiaries - City Square Properties Sdn Bhd, City Square Centre Sdn Bhd, APL Hotel Sdn Bhd, Mount Pleasure Corp Sdn Bhd and United Well Investment Ltd - expired on June 27 last year.

"I would like to stress here that the termination of AP Land as the white knight was not because of our lack of confidence in the property-based company, but due to the expiry of the period given," Lim said.

Abrar has a total debt of about RM200 million, of which the majority is unsecured with the group net shareholders' deficit at RM179.621 million.

For its financial year ended March 31 2001, the group plunged deeper in the red with a pre-tax loss of RM27.3 million, down by 31.5 per cent from that of the previous year.

On May 27 last year, Danaharta appointed Gong Wee Ning and Lim as special administrators.

A moratorium period of 12 months, which took effect on the same date of the appointment, has been subsequently extended for another 12 months until May 26 this year.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also the Finance Minister, included in Budget 2002 an extension up to December 31 2002 for listed companies with an unsatisfactory financial position to comply with the Kuala Lumpur Stock Exchange Listing Requirements.

There was also an extension up to December 31 2002 for listed companies to comply with the minimum issued and paid-up capital requirements of RM60 million and RM40 million for main board and second board companies,

respectively.

Currently, 44 companies face the risk of being delisted as they have yet to take action to regularise their financial positions as stipulated by the listing requirements.

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