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RHB-UBG

RHB OFFICIALLY STILL IN NEGOTIATIONS WITH UBG

KUALA LUMPUR, Jan 22 (Bernama) -- RHB Banking Group executive chairman Tan Sri Rashid Hussain said today that he is officially still in negotiations with Utama Banking Group of Sarawak on the sale of his 23.9 percent stake in RHB to Utama as part of a plan to merge the respective units, RHB Bank and Bank Utama.

"I have done all my job, and done what has to be done. I am just officially waiting for the formal agreement to our terms," he told reporters on the sidelines of a seminar organised by RHB here today.

When asked if pricing was the stumbling block for both parties to come to an agreement, Rashid said that was what "people have been talking all this while."

"People are talking about price. I really don't know, I know for certain it was, I mean I have hinted in fact, they have agreed, UBG board have agreed but they said it was subject to their Cahya Mata Sarawak board (the parent company)," he said.

Asked whether he felt that the deal was fair, Rashid said: "The deal that I've asked for is fair and professional and if others think it is expensive, thank you."

"I am not obsessed with control. I have been diluting the expansion that I have done at my expense and that doesn't bother me," Rashid said.

He said that although the price he put up might not reflect the market price, he did not depart from his professional basis of valuation.

On Jan 15, Dr Mahathir had said that he hoped there would be a decision within that week on the proposed merger.

Yesterday, Dr Mahathir, who is also finance minister, said that an extension of six months until end June had been given to Utama to find the merger partner.

However, Rashid hinted that he was not willing to wait much longer as the initial deadline has already passed.

"Frankly, not much more longer (to wait), the deadline has already passed and I think the prime minister's (last week's) deadline is reasonable. I have been waiting for one year, how long more do I have to wait," he asked.

When asked whether he was willing to change the terms and conditions in order to conclude the deal, Rashid said that he would not do so because on his part, "everything has been very clear."

"I don't think at my level of understanding of the methodology of negotiations and valuations, that I will depart from the professional norm.

"There must be a professional basis of valuation, and I believe if that basis of methodology was not clear in the first place, we should not have waited until about nine months. I would have called it off immediately," he said.

He reminded that RHB was already an anchor bank and "we don't need to do anything, we've done more mergers than anybody else and therefore I think if you want to control, there's a price," he said.

Rashid also clarified that he was not seeking any merger partner at the moment.

Asked whether he has any plans to step down once the deal was concluded, he said: "When I sell out, I have no right to stay on, I will leave in totality."

Rashid is the single largest shareholder of RHB with a 23.9 percent

stake followed by Malaysian Resources Corporation Bhd (MRCB) with 22.7 percent. -- BERNAMA

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