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Rashid Hussain leaving options open

RASHID Hussain Bhd executive chairman Tan Sri Abdul Rashid Hussain said he is leaving the options open for new merger talks after negotiations with Utama Banking Group were called off.

"I am willing to let go (RHB Bank) but at the right price. For now we will go on and do the things we do best," he said.

Abdul Rashid, who had said that he would step down from RHB group once the merger went through, said his plans would now have to be postponed.

"It will take some time but for now I will just continue doing my work," he said at the sidelines of The 2002 RHB Investors Conference on Malaysia in Kuala Lumpur yesterday.

Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday said the merger talks between the two parties had broken down.

He said Utama has been given six months to find a new partner or risk losing its operating licence, adding that the bank would not be given any more extension.

"That's the limit. If not, we will unfortunately then have to cancel their licence," he said after launching Universiti Kebangsaan Malaysia's Career Day at its main campus in Bangi.

On whether it was really necessary to cancel Utama's licence, Dr Mahathir replied: "Maybe it is necessary for us to do that ... we will look into it, but we have decided there will be only 10 banking groups in Malaysia. In fact, we expect the 10 to merge further."

On why Utama was given the extension whereas other banks had to complete their mergers before the deadline set by Bank Negara, he said the bank could be facing some special problem.

Abdul Rashid had earlier said that he was waiting for a reply from Utama Banking's parent, Cahya Mata Sarawak Bhd, after they last met two weeks ago.

"Two weeks ago, Utama agreed with us on the pricing. But then they said they needed to get board approval from CMSB. Officially I am waiting for the formal agreement.

"Frankly, we can't wait much longer. It has been going on for so long. I have been very patient. I have been waiting for one year, how long more do I have to wait."

RHB controls 55 per cent of RHB Capital Bhd which in turns own 70 per cent in RHB Bank Bhd. CMSB owns 51.8 per cent in Utama.

Abdul Rashid said he saw no reason to renegotiate as he felt that the deal was fair and professional, adding control was not the issue.

"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," he added.

On whether he was willing to change the terms and conditions, he said he would not do so.

"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."

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