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## Creating wealth, the Malaysian way

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THE fabulous wealth of our corporate glitterati, the constant jostling among them to get to the very top of the feeding chain and the sudden appearance or disappearance, as the case may be, of these movers and shakers are testimony to the dynamism of the country's business sector and the robustness of the economy as a whole.

The corporate sector was, perhaps, among the economy's principal components to be the hardest hit by the 1997 regional economic crisis. Many corporate figures, their once coveted empires and their bankers went under.

They were done in by massive depreciation of the values of their stocks and the appreciation of their debts as a result of the fall in the value of the ringgit vis-a-vis the US dollar.

The ensuing policy and political changes precipitated in the departure of more than a handful of corporate personalities, and, in some cases, the collapse of their companies and corporations.

The major post-crisis milestones, which had considerable impact on business, included the introduction of the limited exchange controls, the sacking of the-then Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim, the resignation of his successor, Tun Daim Zainuddin, and the taking over of the finance portfolio by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Despite the Government's best efforts, the recovery of the economy and the corporate sector was rendered difficult by a series of global events, among them the terrorist attacks on the United States, the dotcom meltdown, the accounting fraud of a handful of major US corporations and, more recently, the talk of war by the Bush Administration.

Thus, it is against these uncertainties that the rise and fall of the country's corporate movers and shakers is best viewed. It is encouraging to note that not only is the economy recovering but it is also beginning to produce positive effects for the corporate sector.

This magazine's annual census of the country's 40 richest people, which appeared in the Feb 16th-28th issue, backed this trend. They are wealthier than a year ago. As stated in our report, the wealth of these tycoons rose by nearly 20 per cent despite the lacklustre stock market and a yet-to-fully-recover economy.

An economy back on track

The results of this year's census, which place the generally reclusive media, telecommunications and gaming tycoon Tatparanandam Ananda Krishnan (aka AK) at the top of the feeding chain, offer a number of surprises.

The fact that Ananda, a Brickfields-born boy, could overtake the doyen of the country's corporate world, Robert Kuok Hock Nien, says a lot about the dynamism of the Malaysian corporate sector and the capital market.

Ananda more than doubled his wealth this year, from RM4.2 billion in 2002 to RM8.7 billion, courtesy of the flotation of one of his crown jewels, Maxis Communications Bhd, and the sale of his 49 per cent stake in KLCC Holdings to Petronas for a whopping RM1.2 billion.

We are certainly going to hear a lot more of this enigmatic 64-year-old tycoon although only a selected few can hope to wine and dine with him or catch a glimpse of him.

By the same token, it is premature to think that Kuok, 79, would be satisfied with playing second fiddle. He is not called the 'king' for

nothing.

The group is planning to float its shipping business, the Malaysian Bulk Carriers Sdn Bhd, on the Kuala Lumpur Stock Exchange soon. That, as we had said in our report, should increase his wealth next year.

The group is set to revitalise its Malaysian operations with the appointment, several months ago, of a third-generation Kuok as chairman of the Malaysian holding company, Kuok Brothers Sdn Bhd. He is one Kuok Khoon Ho, better known in the family and business circles as Chye Kuok, the son of Robert's older diplomat brother, Tan Sri Philip Kuok.

Chye Kuok, who has spent almost all of his 25 years with the group in Hong Kong and other overseas locations, is said to be on the fast track in his efforts to revitalise and expand the group's activities in Malaysia. Masters of the game

Comparison between Kuok and Ananda is both interesting and insightful. They represent two distinct categories of the Malaysian corporate scene.

The former is the second-generation builder of an established business empire that predates the nation's independence. Kuok's immigrant father, Keng Kang, initiated his commodity business (sugar, rice and wheat) in the twenties in Johor with the help of the Sultan.

The latter is the originator of his own business. Although he started late in building a corporate empire, he is a seasoned businessman with unsurpassed survival instincts.

A third group that merits acknowledgement is the Bumiputera group, which, in this year's census, did not fare too well. Its membership of the list dropped from nine to seven.

The only saving grace is the continuous success of Tan Sri Syed Mokhtar Albukhary, who, with an estimated wealth of RM1.67 billion, has risen from 10th to 7th position.

While some may consider Ananda's rise to corporate prominence too fast or even objectionable, he is not a novice. He has been around for a long, long time, hobnobbing with the rich, the famous and the powerful in Malaysia and around the world.

He is, to borrow from a movie title, an 'international man of mystery'. At home, he has variously served on the boards of Bank Negara Malaysia and the national oil corporation Petronas - a fact observers attribute to his closeness to former Finance Minister Tengku Razaleigh Hamzah.

But like most non-Malay businessmen, Ananda successfully steered clear of the political battle between Tengku Razaleigh and Dr Mahathir for the leadership of Umno in 1987.

Instead of suffering a fallout, Ananda developed a productive relationship with Dr Mahathir and benefited greatly from the latter's privatisation policy and push towards information and communications technology (ICT).

He was awarded the privatisation of the Jalan Ampang racecourse and the Totalisator Board, the organiser of Social Welfare Lottery draws, in 1989. Prior to that, he had been involved in such businesses as petroleum trading and the sponsorship of global entertainment. He was behind Sir Bob Geldof's globally telecast Live Aid concert in the 1980s.

But it was the privatisation of the racecourse and Totalisator Board that gave him his break into the big-time corporate game. The commercialisation of the racecourse land would go down in history as a classic example of corporate value creation.

Whatever one's feelings are, Ananda should be credited for pulling it off. Sources say he paid RM110 million for the land and spent another RM300 million converting the site to the KLCC and its landmark Petronas Twin Towers.

He sold 51 per cent of the development to Petronas for RM600 million. At

the end of last year, he sold his 49-per cent share in the project, again to Petronas, for RM1.2 billion.

He became even more prominent and influential with the launching of the Measat communication satellites and the Astro television and radio network. He now has two geo-stationary satellites and is in the process of launching the third.

While some observers say Ananda is playing the wait-and-see game in light of the ongoing power transition from Dr Mahathir to Datuk Seri Abdullah Ahmad Badawi, others believe that with control of the media and telecommunications sector, his position is unshakable.

The same applies to the Kuoks. The third-generation Kuoks appear to be as interested and committed to their Malaysian operations as their predecessors were.

When this writer met him a few weeks ago at the group's landmark property, the Kuala Lumpur Shangri-La, Chye Kuok said the group is expanding and upgrading its existing businesses and is looking out for new opportunities.

We will certainly be seeing a lot more of these two giants in the years to come. One will continue to influence us on what we eat while the other will do the same in what we see and hear.