

# Will TU

We provide you with some insights into

By Gurmeet Kaur

**T**HE movers and shakers of corporate Malaysia are often well liked by the stock market. After all, without their manoeuvres, the market would be a dull place.

While Bursa Malaysia has remained relatively quiet throughout 2005, there was no dearth of significant developments in the corporate sector.

Be it a hostile takeover or the removal of a long-serving chieftain or a sector coming into vogue because of a new technological finding, these developments added spark to an otherwise lethargic market for 2005.

COVER  
STORY

# 2006 In Out?

COVER  
STORY

the people, companies and industries to watch.

The first major corporate battle, which incidentally is still ongoing, first surfaced in May 2005. A handful of new directors were added to the boards of QSR Brands Bhd and its 32.8% subsidiary KFC Holdings Bhd.

From then, a protracted and well publicised corporate tussle began for the prized assets of fast food operator, KFC, with a number of high profiled and seasoned corporate players allegedly involved.

Last year will also go down in history as the year for a major development in the media business. Media Prima Bhd, through a series of acquisitions, had secured a monopoly of free-to-air TV in the country.

Market analysts are still trying to

understand the wide-reaching implications of this deal, while Media Prima says it has a lot of synergies and other advantages to reap from the move.

In the later part of 2005, another massive corporate battle started, namely an attempt by CIMB Bhd to take over Southern Bank Bhd (SBB). This saga has had many twists and turns, with the SBB chairman resigning and the central bank axing a deal by SBB to acquire a Singapore-based insurance firm.

In this fight, the high-profile names are even bigger than those in the KFC battle, and had hogged the business pages of newspapers in the last few weeks of the year.

In what is believed to have been an unavoidable attempt at reengineering the ailing Proton Holdings Bhd, we saw the unceremonious exit of Tengku Tan Sri Mahaleel Tengku Ariff from the helm.

If that wasn't spicy enough, the auto industry was rocked by revelations about the controversial way in which approved permits (APs) for the importation of cars had been dished out in the country.

Meanwhile, state investment arm Khazanah Nasional Bhd's efforts at revamping government-linked companies (GLCs) took a hit when the huge quarterly losses at Malaysian Airline System Bhd (MAS) and Proton hit the market.

On a more positive note, the biofuel development did spark a small rally in plantation stocks.

So how will 2006 turn out?

The CIMB-SBB saga is likely to garner interest, with the two contending parties likely to resume talks. Will SBB's Tan Sri Tan Teong Hean be able to fend off CIMB's Datuk Nazir Razak's aggressive move to take over SBB, which may be coming on the back of a second round of liberalisation of the banking sector?

Then we have the KFC saga, which seems to have put Kulim (M) Bhd in a tough spot, even though it owns more than 50% of QSR shares after making a mandatory general offer (MGO). Kulim still does not seem to have control over the board of the company.

Datuk Azman Mokhtar and Khazanah will also be put in the spotlight this year as he spearheads the company's overseas investment expansion.

Also expected to be closely watched will be Idris Jala, who takes over MAS, and Syed Zainal Abidin Syed Mohd Tahir, who will head Proton. Idris has a formidable competitor in the form of Datuk Tony Fernandes, whose company AirAsia Bhd has set many new benchmarks in the last few years and is poised to set more in 2006.

In the banking sector, Datuk Noorazman Aziz would be watched on how he plugs the massive losses at Bank Islam.

This year will likely see a shake-up of the country's water sector. The National Water Services Commission is expected to be set up as early as April to better manage the country's unregulated and fragmented water sector.

The Islamic financial sector is also in for interesting times with the authorities issuing four new takaful licences.

**Malaysian Business** takes a look at these personalities, companies, sectors and industries. Please note that the stories appear in no particular order of importance. **mb**

## DATUK AZMAN MOKHTAR

### Taking Khazanah abroad

**W**ITH over RM60 billion worth of assets under its management, choosing the right person to head Khazanah Nasional Bhd is a crucial task. And not many can find fault with the person picked – Datuk Azman Mokhtar, who was made managing director of the government investment arm last year.

As if to assure the public that he was under no illusion as to the gravity of his task ahead, Azman, upon joining Khazanah, quipped to the media that he would have to 'execute or be executed'.

So far, Azman, who previously helmed corporate finance consultancy BinaFikir, has spearheaded an attempt to revamp government-linked companies (GLCs).

The 44-year-old has introduced performance-linked compensation to help the often-staid Khazanah firms unlock greater value.

Khazanah holds stakes in about 25 local companies in sectors from healthcare to finance to auto. These companies make up a third of the capitalisation of the Malaysian stock exchange.

In Khazanah itself, Azman has hired a string of high-profile figures



COVER  
STORY