

PNB dawdles over SP Setia succession issue

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It has been about a month since Liew Kee Sin left SP Setia. But a permanent boss to run the company is nowhere in sight — the succession plan appears off. What's going on? Why is PNB seemingly taking its own sweet time to resolve this question?

This had been a disappointing week for Tiger. It had tried to reach out to new SP Setia captain Voon Tin Yow, who took over the reins from long-time head honcho Liew Kee Sin who bowed out at end-April, but was politely rebuffed, much to Tiger's dismay, as it had been nursing a great curiosity on what Voon's vision forward is with the company.

That curiosity still aches for answers like a bad tooth with an abscess. But a company official confided to Tiger that Voon does not feel it is the right time to speak to Tiger yet because he is still "acting" president and chief executive officer of SP Setia and not yet confirmed in those roles by major shareholder Permodalan Nasional Bhd (PNB).

So what gives? It has been more or less a month since Liew left the developer. More or less five months since Liew officially tendered his resignation in January. More or less two years since the takeover in 2012 that more or less wrote Liew's eventual departure on the proverbial wall.

That's a substantial amount of time to find a permanent replacement for Liew. If you buy a great race car, you must think about who is going to drive it for you on the circuit if the original driver is leaving.

Why, Liew even helped PNB do that. SP Setia announced a succession plan back in March 2013 whereby Voon would take Liew's place as president and chief executive officer upon the former's departure, effectively solving the question for PNB.

But the baffling thing is that the succession plan had come to pass except for the "acting" part. Why leave Voon hanging now?

If PNB is fine with Voon running the show, then why not confirm him? That the original succession plan involved him staying to run the company implies that he is willing to take the job. His involvement with SP Setia since the beginning of Liew's leadership of the company in is a big plus as far as keeping continuity post-Liew goes.

Do they have another candidate in mind? If yes, who is it? Why is he not in the CEO office at SP Setia's headquarters in Setia Alam now?

Recall last October that there was speculation of Jamaludin Osman, who runs PNB's I&P Group Bhd — the culmination of three listed property developers which PNB privatised between 2005 and 2007 for a total of RM1.34 billion — is lined up for the SP Setia job. So is he the man or not?

Investors, property buyers, the market at large were looking for reassurance SP Setia would march on as usual after Liew leaves and this current state of affairs is not reassuring at all.

And Tiger is aware of talk in the market of PNB looking to create a property behemoth by merging Sime Darby, SP Setia, Eastern & Oriental (E&O) with I&P, which may be a good thing as far as Tiger is concerned — that would create intoxicating possibilities for the new entity.

But are we going to see that or aren't we? The recent sale of a 9.9% block in E&O by PNB-controlled Sime Darby to E&O founder and managing director Terry Tham Ka Hon for RM319 million — an unsolicited sale, said Sime Darby's chief financial officer — sows doubt on that prospect.

If PNB is going to create this giant property outfit, why pare down and lessen its control in E&O? Would it not have to pay even more to regain what it sold and more in order to control the companies sufficiently so that it can push the merger through? What is PNB really doing?

PNB's perpetual silence frustrates investors endlessly. As does its sometimes confusing moves.

But by right that frustrating silence and confusion shouldn't be the case for listed companies. In the public market transparency is the key operative word. The markets aren't the place for mysterious and unexplained decisions (or lack of

decisions, for that matter), where shareholders are left wondering and bewildered most of the time.

It is only right that the state-owned investment fund gives the investing public some overdue answers on SP Setia's future and the place to start with is to unequivocally declare who is going to lead SP Setia's charge post Liew.

To drag on the uncertainty, as every astute investor knows, is to destroy value.

GRRRRR!!!

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