

KHAZANAH NASIONAL BHD
Safeguarding The Nation's Stake

IT IS safe to guess that not many Malaysians harbour any notion that they have a stake in just about every important corporate entity in the country. While not directly, their equity stake is being held in trust for them in the shape of Khazanah Nasional Bhd, the investment arm of the Malaysian Government.

Not only is it entrusted with running a whole host of key businesses, it is profitable to boot!

Khazanah owes its creation, its existence and its pre-eminence to an operating environment that make it the exception rather than the rule – in terms of interest-free loans and a raft of government support and legislation. Its twin role remains one of holding and managing investments entrusted to it by the Government as well as undertaking new strategic investments.

But as with most things, these decisions are not so clear-cut. A half-filled cup to one is half-empty to another – so a strategic stake in some debt-ridden company, however bright its prospects, is seen as a rescue job by others.

While this negative perception is not going to go away, there followed much confidence in its integrity with the appointment of new managing director/ chief executive officer Azman Mokhtar. Picked from the private sector, the CFA-equipped accountant has led the way by drawing up a clear demarcation between his private interests and his public duties.

This display of 'leadership by example' from someone in such a visible position of power comes as a breathe of fresh air as here is someone who is demonstrably clean and not merely mouthing platitudes as he leads corporate Malaysia into the 21st century.

Azman has his plate full; maybe a hard act to follow even. Khazanah before him revived the UEM-Renong Group and also saw the listing of Time dotcom Bhd. Outlining his focus for Khazanah, Azman reviewed its shareholdings in line with the need to hold a more balanced portfolio.

Azman and his board can now buckle down to ensure every Khazanah stakeholder with the almost 50 companies

with assets well over RM200 billion will report that they have done a good job for all Malaysians.

– *By Abdul Razak Chik*

BURSA MALAYSIA BHD
The IPO Of The Year

AFTER the brouhaha raised by Malaysian remisers, Bursa Malaysia Bhd's initial public offering (IPO) looks likely to happen sometime by the first quarter of 2005.

Investors will no doubt be scurrying to get a piece of the action, as it is probably going to remain the only listing of an exchange, on an exchange, in the history of corporate Malaysia.

The exchange is making a public issue of 166 million shares, possibly the biggest IPO of 2005. However, it's left to be seen if this listing will enjoy a healthy book-building exercise – some foreign funds are avoiding Malaysia until clearer signals surface on the issue of Malaysia's re-pegging or de-pegging of its currency.

On the other hand, Bursa Malaysia's listing has its attractions. It is the country's only exchange and almost the perfect proxy to the Malaysian stock market.

Still, the bourse faces competition from outside. As trading barriers come down, companies and funds are able to move in and out of markets easily, making stock markets in Singapore and Hong Kong key competitors to Bursa Malaysia.

The task of ensuring the exchange's competitiveness lies in the hands of its new chief executive, Yusli Mohd Yusoff, and his team. Expectations will be high on them to initiate changes ranging from how Bursa Malaysia is going to attract more foreign companies and funds, to enhancing liquidity on the exchange. It would do well to tap into the vast potential of new

companies emerging from India and China.

Also, Yusli has promised that the 'new' Bursa Malaysia would be diversifying its earnings from new income streams. Though the exchange is cash-rich, expectations are higher now (than before it was demutualised) on the return on equity that Yusli will help the exchange achieve.

For investors who manage to get a piece of the Bursa Malaysia offering, they will be happy to know that when other exchanges listed, their share prices opened at a premium and have continued to trade well.

– *By Gurmeet Kaur*



DRB-HICOM BHD
Strategic Moves Ahead?

THE tussle for DRB-Hicom Bhd's 15.8% strategic shareholding is finally over. It is now time for the 30,000 employees to welcome their new strategic shareholder, Tan Sri Syed Mokhtar Al-Bukhary. It is now a question of how he will bring changes to one of the nation's largest automotive groups.

'Whatever happens, DRB-Hicom will always be on our radar screen,' says a local analyst, who believes Syed Mokhtar will take the automotive group to new heights. 'There is still room for DRB-Hicom to realise its full potential,' he says.

But what are the changes we can expect in 2005? Most analysts believe DRB-Hicom would take on more assembling and manufacturing projects. This may include the assembling of Chevrolet models in Malaysia. Currently, all the cars are completely-built-up models. In fact, DRB-Hicom recently took up contract assembly of Mercedes-Benz passenger vehicles at its Pekan plant.

Most analysts expect the bulk of the group's business to still come from the automotive division. Among its prime assets are a 34% stake in Honda Malaysia Sdn Bhd and sole distributorship rights for



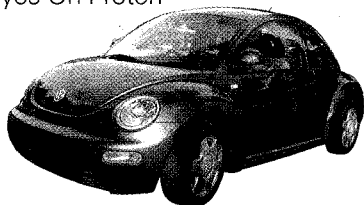
General Motors' Chevrolet, Citroen and Volkswagen-Audi cars in Malaysia. It also hold rights to sell the national make, Proton.

Besides automotive, the group also has interests in property development, defence contracts, infrastructure and utilities. In the coming months, some local analysts believe Syed Mokhtar would hive off some of DRB-Hicom's non-core assets. 'We won't be surprised by such a move. That would be in line with the Government's moves for government-linked companies to divest non-core businesses, and it would be good for DRB-Hicom,' says an analyst.

At the time of writing, DRB-Hicom's chairman Tan Sri Mohd Saleh Sulong and his team of senior management are expected to remain unchanged. But much remains to be seen in the coming months, and this certainly makes DRB-Hicom among the most notable companies to watch on Bursa Malaysia.

— *By Clarence Y K Ngui*

PROTON HOLDINGS BHD All Eyes On Proton



NATIONAL car producer Proton Holdings Bhd will probably be one of the most closely followed companies by both the media and investment community this year. The focus will undoubtedly be on how its strategic partnership with Volkswagen AG is developing and the impact it will have on Proton's production and vendors. The public eye will be on the Proton showrooms to see what new models come out of the relationship.

Proton's memorandum of understanding with the German carmaker will give the company access to Volkswagen engines and components. The next Proton you buy could be very different in terms of quality standards and drive. It could be a hybrid of sorts that uses local components, with stricter quality control, and a Volkswagen engine and gearbox — selling at Proton-level prices.

What both parties gain from this

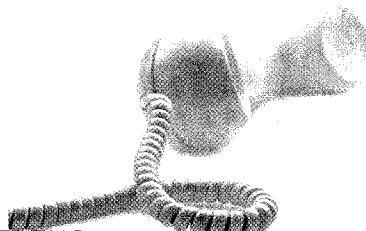
partnership would depend on what they put into it. Since Volkswagen will not have an equity stake in Proton, its level of commitment to Proton remains uncertain. Could the initial period be a 'dating' phase before the German carmaker decides on its position, as was the case with Skoda?

The liberalising of the country's market will only increase competition and Proton, as a business entity, has a bigger risk in this relationship. A successful partnership could see Proton's focus evolve from production to selling. With a large plant and established and growing distribution and service network, Proton may see more of its income coming from the optimisation of these facilities.

The company will get a taste of that when it begins to assemble Volkswagen cars at its Tanjung Malim plant in 2005 for the local and regional market. The access to Volkswagen technology could lower Proton's research commitments.

For Volkswagen, the access to Proton's production and distribution facilities and supply chain will enable it to have a footprint in the region and gain knowledge of the regional market.

— *By Bhupinder Singh*



TELEKOM MALAYSIA BHD A Telco In Transformation

RECENTLY, Telekom Malaysia Bhd captured the attention of the media and analyst community when it made two significant overseas acquisitions back to back.

Buying controlling stakes in an Indonesian and an Indian mobile operator was an aggressive move, which pleased the investment community because of slowing growth in the domestic market. Market observers say the company's faster pace these days can be traced to its new head, Datuk Abdul Wahid Omar.

Appointed six months ago, the changes that Wahid has brought to Telekom is to

turn it into a different animal, and foreign fund managers love it. Consider this: the foreign shareholding of Telekom swelled from 4% last year to about 22% presently.

Those watching the revamp of government-linked companies (GLC) are paying close attention to the Telekom transformation, using it as an important test case of Malaysia's GLC rehabilitation plans. Wahid has initiated many changes at Telekom and 2005 will be a time to see how much of these changes are successfully implemented.

Meanwhile, investors are keeping a close look at Telekom's plans for its cellular arm. Last August, Telekom group chief financial officer Jaffa Sany Ariffin said the re-listing of Celcom is likely to take place in 2005 after it failed to materialise last year due to dissenting views.

Telekom wants the listing as it says it will unlock the value of Celcom and help the company achieve independence to grow at a faster pace (than the parent company) in the fast-moving mobile industry.

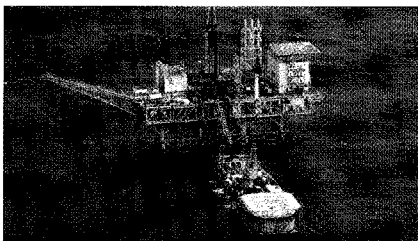
Meanwhile, 2005 will also be the year that investors and market observers will be looking to see if Wahid's plans to reshape Telekom into a more market-savvy player bear fruit.

Another issue that Telekom will face will be the forced 'unbundling of the local loop'. Indications by the authorities are that Telekom will have to open up its last mile of telephone access that it currently monopolises, to other service providers. How Telekom tackles this potentially revenue-losing prospect is another reason to watch the company.

— *By Gurmeet Kaur*

PETROLIAM NASIONAL BHD Fuelled By High Prices

SOARING energy prices point to another bonanza year for national oil company Petrolia Nasional Bhd (Petronas). First six-month numbers from the multinational with operations in 35 countries show revenue growth of 44.5% to RM63.5 billion as at end-September 2004 due to strong sales of crude oil, refined products and liquefied natural gas (LNG).



Its upstream and downstream businesses abroad are set to fuel Petronas' revenue and production growth in the coming years and the company continues to grow its assets. It also continues to expand rapidly in the region while more of its African upstream investments are coming onstream.

Petronas' LNG business has grown with new supply agreements and customers as it builds on its access to the Atlantic basin markets. Domestically, the group plans to set up another methanol plant in Labuan. Exploration activity continues to remain active and into deeper waters, which have provided encouraging new finds that add to reserves.

A major milestone in 2004 was the listing of KLCC Property Holdings Bhd (KLCCP) in August. The property arm of Petronas, KLCCP's next major investment is a proposed RM60 million property development project at Rantau Petronas in Kertih, Terengganu.

The project will cover an area of 24 hectares with a mixed development of shoplots, futsal arena, bowling alley and mini-cinema.

President and chief executive officer Tan Sri Mohd Hassan Marican has not discounted the possibility of injecting more Petronas assets into the group's listed entities. Petronas has already offered to transfer its 20% stake in Gas Malaysia Sdn Bhd to Petronas Gas Bhd (PGB). PGB hopes to grow its natural gas supply business to non-power utilisers and market value-added products such as argon in the local and international markets.

The downstream refined products and retail business under Petronas Dagangan Bhd (PDB) continues to grow and gain market share. With an annual capital expenditure of about RM500 million, PDB opens some 60 retail outlets a year across the country. Petronas has also obtained the green light from the Indonesian authorities

to open retail outlets there.

The group's shipping arm, Malaysia International Shipping Corporation Bhd (MISC), has decided to concentrate on energy shipping (LNG, crude oil and petroleum products). The company has disposed of its entire 32-vessel bulk fleet for RM2.81 billion cash.

MISC-controlled Malaysia Shipyard and Engineering Sdn Bhd is planning to provide maintenance for the group's fleet including offering LNG ship-repair services. With the equity changes going on with the GLCs, the market will also be keeping an eye on what Petronas will do with its 9.2% stake in Proton Holdings Bhd.

— *By Bhupinder Singh*

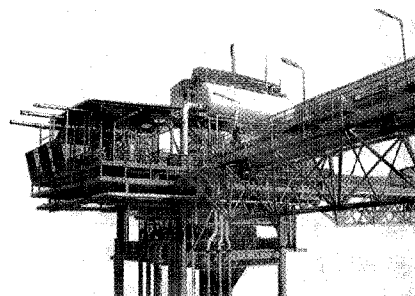
SCOMI GROUP BHD Moving Further Afield

THE rapid expansion of Scomi Group Bhd from a local drilling fluids supplier to a multinational player in a short time makes the group a company to watch. Just how much it can leverage on its recent purchase of Oiltools International Ltd will begin to tell over the following months.

The company's balance sheet is already showing substantial changes in the numbers but the challenge for Scomi is to derive even bigger results than already guaranteed by the vendors of Oiltools. In many ways, Scomi's growth reflects the opportunities available to Malaysian companies on the international scene if management and shareholders are willing to take the risk.

Scomi's success reflects positively on the ambitious drive of its substantial shareholders, Kamaluddin Abdullah, who is the son of Prime Minister Datuk Seri Abdullah Ahmad Badawi, and Shah Hakim Zain.

Since its listing on May 13, 2003, Scomi



has transformed itself from being a major drilling fluid supplier to the domestic market into the world's second truly integrated drilling fluids company with the acquisition of 77.7% of Oiltools.

Although Scomi had begun to make inroads into markets like Sudan, Indonesia and Myanmar prior to buying Oiltools, the latter's existing drilling waste management services, machine shop services and distribution of specialty machines and tools in 38 countries have widened the scope of services and market potential for Scomi.

With a competitive package of services and track record, Scomi's revenue is anticipated to hit the billion-ringgit mark by end-2005 from about RM200 million at the end of 2003. Scomi will also enjoy the benefit of tax relief for the next five years for the Oiltools buy.

The active upstream programme locally will continue to drive Scomi's core oil and gas business and its newly launched marine transport venture, OilServe Marine Sdn Bhd, while SapuraCrest Petroleum Bhd will provide new cash flows and a market to grow in.

Scomi's success could act as a beacon of inspiration for other oil and gas related service providers to try their fortunes on the larger stage, as Petronas has demonstrated over the past decade.

— *By Bhupinder Singh*

TRANSMILE GROUP BHD Developing A Niche Market

AIR transport company Transmile Group Bhd is set to develop a niche market for itself. Under its expansion plans, it will develop the Asia Pacific overnight cargo express service, a trillion dollar market covering countries like India, China and beyond. Currently, the United States and Europe have operators in the segment such as UPS (United Parcel Services), Fedex and DHL, while Asia has none.

The company is now concluding matters pertaining to shareholdings, aircraft fleet and landing rights. It has secured a fifth freedom landing right to Los Angeles via Hong Kong and is awaiting permission from the US Federal Aviation Authority to mount the daily services, which should

take five to six months to process. Transmile is also acquiring more aircraft including the MD-11 freighters in anticipation of this new service.

Sources say the company would continue to identify new market opportunities and secure additional landing rights by leveraging on its status as a designated national cargo carrier.

Pos Malaysia & Services Holdings Bhd via a share swap currently holds a 20.3% stake in the group. Billionaire Robert Kuok is the major shareholder of Transmile Group via a 28.9% stake.

It is widely believed the synergies that Transmile can reap, now that it is under the Kuok Group, are tremendous. The company is expected to benefit from Kuok's business connections in Hong Kong and China, which could yield numerous business opportunities for Transmile as well as expand its clientele.

Thus far, its prudent management expansion policies have kept Transmile's balance sheet relatively strong in the past three years.

— *By Seelen Sakran*



DREAMGATE Corporation Bhd, one of Mesdaq market's most successful technology companies, does not boast Multimedia Super Corridor affiliation, nor is it built upon the new media economy. Instead it latches onto an age-old trade that is not only lucrative but is practically recession-proof – gambling and gaming.

The company provides all the fancy machines and associated expertise that turn gambling and gaming into such an addictive persuasion for so many.

With the wave of liberalisation within the casino industry hitting almost all Asian countries including Singapore, Macau, Thailand and Cambodia, it would not be an understatement to say that this company is one to watch. Most research

houses are bullish about the stock, and classify it as a clear buy.

It recently reported a cumulative unaudited group pre-tax profit of RM12.7 million on the back of turnover of RM76.5 million for the three quarters ending Sept 30, 2004. In comparison, it recorded a 12-month pro forma profit of RM13.7 million the previous year.

Its game plan to retain its exclusive dealership of various branded equipment as well as locking up customers with long-term deals further strengthens its position. It is also banking on R&D to stay on top of the competition. In March last year, it subscribed for a 50% stake in Japanese-based Cron Corporation Ltd (which has a strong R&D team) to strengthen its innovative capabilities.

It is estimated that Dreamgate holds almost a 46% share of the 16,000 gaming machines installed in the region. GK Goh, a Singapore-based securities firm, estimates that the market will almost triple in size in the next four years, based on the current expansion plans of existing casino operators. A K&N Kenanga report indicates that Dreamgate has maintained long-term relationships with Asian casino giants such as Resorts World of Malaysia, SJM of Macau and PAGCOR of the Philippines.

New demand is also expected to come from Macau and Cambodia as the casino and gaming sector grows. It could also ride on the coat tails of companies like Genting Bhd, which is seeking strong international presence. Genting recently indicated plans to issue a US\$250 million bond to overseas investors to finance gaming projects internationally.

Not surprisingly, the company intends to increase its workforce by 30% this year. Its manpower strength had grown from 65 in early 2004 to approximately 100 by the year's end.

— *By S Jai Shankar*

REDTONE INTERNATIONAL BHD
Red Hot Chilly

Redtone International Bhd is the darling of investors on the Mesdaq market. Hardly a year into its listing, it is already making



investors' heads turn. Within a few months, it became the top Mesdaq stock in terms of market capitalisation – RM541.8 million by end-October 2004.

Its share trades at about RM2.60 (as at the time of writing), but analysts are saying that with its newly acquired Network Services Provider (NSP) licence, it could hit RM3.40 this year.

REDtone is the largest Discounted Call Service provider in the country with an estimated market share of about 40%. There are 79 licensed players locally who are able to offer similar discounted calls. However, the market is mostly fragmented and only about 30% are said to be active players.

The company's strength is its highly vibrant and dynamic management team which understands technology and is willing to take risks. Led by group managing director Wei Chuan Beng, a former employee of Hewlett Packard, the group is seen to be ready to make an even bigger splash this year.

The company had a solid run in 2004, chalking up a revenue of RM84.6 million, compared to RM32.1 million in 2003. It recorded a net profit of RM10.3 million.

REDtone depends mostly on local telcos, who sell call minutes in bulk. This purchase of wholesale minutes from the telcos is usually done at marked-up prices. But with the NSP licence it received last November, the company will be able to obtain the same minute rates sold to other telcos. CIMB Securities Sdn Bhd predicts that the company's earnings per share would probably increase 13-15% with the NSP licence.

Last year, the company received a crucial licence from the Pakistani Government to operate in the country. Its licence allows it to offer voice and data services, making it a serious telco player in the country. Analysts are bullish about the company's latest foray. Its net profit is expected to surge at a compounded average growth

rate of 90% between 2004 and 2007, driven by both Malaysian and Pakistani operations.

The company is planning to jumpstart local mobile commerce and Internet telephony, which would see it turning into a voice and data powerhouse. Of course, if all goes well, its bottom line will sizzle.

— *By Prathaban V*

MULTI VEST RESOURCES BHD

Seeking Strategic Investments

SMALLISH plantation outfit Multi Vest Resources Bhd (MVest) sprang to life in November last year, sparked by market talk that it could be the subject of a takeover.

Besides the possibility of a new major shareholder emerging in the company, speculation was also rife that the oil palm concern was selling its plantation assets in Durian Sebatang and Changkat Jong in Perak to raise funds to buy an uncultivated site outside Malaysia, which it plans to develop into an oil palm estate.

Market talk has resurfaced that the Government may want to settle the long outstanding privatisation of Indah Water Consortium Sdn Bhd (IWK). In 2002, a consortium comprising MVest and Nilamas Corp Sdn Bhd was issued a letter of intent for the acquisition of a 100% stake in the national sewerage company, now

wholly owned by Khazanah Nasional Bhd after the Government acquired it from main board-listed Prime Utilities Bhd in 2000. The delay in the privatisation of IWK could be due to the new strategy under the National Water Policy that is expected to be out soon.

MVest however responded to a query from Bursa Malaysia in the negative, saying it has no knowledge of any new development in the company.

MVest, formerly known as Best World Land Bhd, is controlled by well-connected corporate personality Datuk Ketheeswaran Kanagaratnam, more popularly known as Datuk Kenneth Eswaran. He owns a 23.7% stake in the company and is its president and CEO.

Eswaran is the president of the Malaysian Associated Indian Chamber of Commerce & Industry and a council member of the National Economic Action Council.

Early last year, another well-known figure, former cabinet minister Tan Sri Megat Junid Megat Ayob, resigned as the group's independent and non-executive chairman and director.

Under its plantation operations, MVest manages a total of 3,599 hectares of oil palm estate and a crude palm oil mill in Teluk Intan. The group has continuously strived to improve efficiency, productivity and cost-effectiveness in its operations. Its yield per mature hectare improved by 7% to 22% in financial year (FY) ended June 30, 2004 against 20.6% the year before.

To enhance its earnings base, MVest has been scouring for strategic investment opportunities in the plantation, infrastructure and utilities sectors. The speculation on the various fronts has benefited MVest's shareholders. The shares have staged a strong rally since October last year, surging over 290% from 37 sen to RM1.45.

Incidentally, its financials have also improved over the past four financial years. Having suffered losses for the last three financial years, the group chalked up a small net profit of RM33,000 for the first quarter ended Sept 30, 2004. Nevertheless, it is uncertain whether the group will be able to return to the black in FY05.

— *By Norsiah Nurani*

MALAYSIAN PLANTATIONS BHD

New Shareholder, Where Art Thou?

MALAYSIAN Plantations Bhd (MPlant), which controls the Alliance banking group, one of the smallest banking entities with assets of RM20 billion in March last year, is likely to see changes in its controlling shareholder in the near future.

Last year, the company was the subject of a takeover by Temasek Holdings Pte Ltd, the Singapore Government's investment arm, but the deal that was put on the table was not executed.

Temasek was given the nod by Bank Negara Malaysia (BNM) in May last year to start negotiations for a strategic stake in MPlant held by Langkah Bahagia Sdn Bhd, which holds the single largest stake in the financial services group with 15.37%. Similarly, Langkah Bahagia had also obtained approval from the central bank to commence talks to dispose of its interest in MPlant.

The market can expect to see some twists in the saga as both Temasek and Langkah Bahagia work out the best proposal that will get the stamp of approval from the authorities.

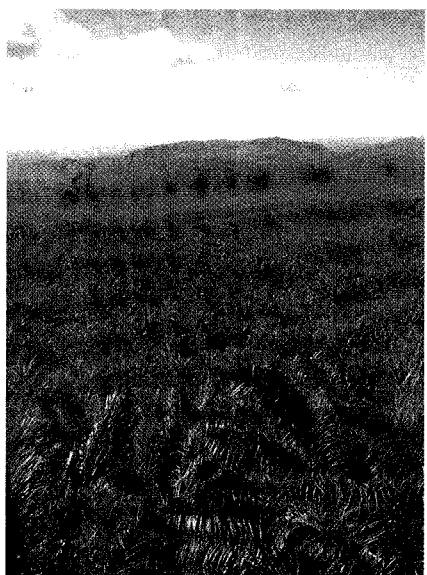
In the latest development, Langkah Bahagia and Temasek are said to have formed a private company that has proposed to acquire a 32.9% stake in MPlant. This means that the former made an about-turn in its earlier decision to dispose of its stake to Temasek.

Apart from the possibility of having a new major shareholder, MPlant itself has been busy with efforts to strengthen its operations. Its wholly owned unit Alliance Merchant Bank Bhd is in the final leg of acquiring stockbroking firm Kuala Lumpur City Securities Sdn Bhd and several of its related companies for RM273 million.

These acquisitions will make Alliance Merchant an investment bank, providing a wide range of integrated banking products and services.

MPlant intends to float Alliance Merchant on Bursa Malaysia's main board. This would unlock the value within the MPlant group by increasing its net tangible assets and enhancing shareholder value.

— *By Norsiah Nurani*





GENTING BHD Upping The Chips

AFTER many years of sitting pretty as the only legal land-based casino in this part of the region, Genting Bhd is today facing a different market dynamic.

Throughout the latter part of 2004, reports surfaced that countries like Singapore and Thailand are looking to legalise the industry. Some licences could likely be issued in 2005.

When this news first surfaced, a knee-jerk reaction of investors sent the shares of Genting and its subsidiary, Resorts World Bhd, tumbling.

Subsequently, investor confidence in the Genting Group was regained as they realised that this so-called threat could actually be a new opportunity for Genting.

Genting has a track record of expanding overseas successfully, such as its Lucayan Beach Resort Freeport in the Bahamas and its financing of the Foxwood Indian casino in Connecticut in 1993.

Genting has also teamed up with Asia's other casino giant, Stanley Ho, bidding together for casino licences in the United Kingdom.

Observers say with this kind of track record and partnerships, coupled with RM4 billion in cash reserves, Genting is well poised to capture any new

opportunities arising in the region.

Still, Genting is likely to be up against the top casino companies of the world when the bidding starts for the new licences in the region. How Genting plays its cards in 2005 will no doubt be keenly followed by everyone interested in the gaming industry.

— *By Gurmeet Kaur*

SUNRISE BHD Far From a Setting Sun

WHILE 2005 is seen as a year of consolidation for the property sector, in the absence of government stimulus or other catalyst for growth, one sub-sector may be worth monitoring – the high-end residential market. Pricey housing seems to be well supported by big pockets, as response to launches in the past six months attest, and this is expected to continue for the year ahead.

If it does, developer Sunrise Bhd, known for its flagship upmarket residential suburb in Mont' Kiara, is in good stead to capitalise on this. Coming out of financial year 2004 with a record RM200 million in sales, Sunrise is looking forward to bigger and better results for the current financial year, to end in June 2005.

It got off to a good start – first quarter results saw a 180% surge in pre-tax profit from the previous corresponding quarter to RM31 million, thanks to progress billings from its high-end condominiums, shop offices and serviced apartments.

The company is also embarking on a launching spree with several more condominium projects and phase two of its Solaris shop-office development this year, further boosting its growing coffers by a reported RM1 billion for the financial year.

Under the stewardship of Tong Kooi Ong, who also jointly controls listed media group Nexnews Bhd, Sunrise has grand plans to achieve. With projects in the United Kingdom and Australia, a doubling of its landbank in stronghold Mont' Kiara to some 40 hectares, and plans to be debt-free by end-2005 to weather any economic storm, it looks like the sun is far from setting on this company.

— *By Joanna Sze*

ECM LIBRA BHD All Set For Bigger Things

THIS new boutique investment bank has been making waves for the past two years, beating the big boys to some of the most attractive deals in town. The new year should be no different for ECM Libra Bhd and it remains an outfit to watch.

After securing the well publicised listing advisory work for Southeast Asia's biggest budget airline, Air Asia Bhd, in late 2004, ECM Libra is all set to for even bigger things.

It could become a universal broker if it purchases another two stockbroking licences. (In 2003, ECM Libra acquired the broking business of BBMB Securities.) There was also speculation that ECM Libra was trying to buy TA Enterprise but the bank has denied it.

On the other hand, ECM Libra could decide to become a full-fledged investment bank by acquiring a merchant banking licence.

ECB Libra has also made a very significant tie-up with Singapore-listed SBI E2 Capital Holdings Ltd, which is dubbed the Singapore IPO King, for its ability to take many companies, including some from China, for a listing on the Singapore Stock Exchange (SGX).

The SBI acquisition will give ECM Libra a head start in capturing the cross-trading market if the strategic alliance between SGX and Bursa Malaysia takes place in 2005.

Going forward, ECM Libra will not suffer from any lack of talent to achieve its ambitions. Aside from its three founders – investment bankers David Chua and Lim Kian Onn, and journalist and businessman Datuk Kalimullah Hassan – the company received a boost in the form of one Roger Tan as its managing director in 2004. Tan has been described as the protégé of Tan Sri Quek Leng Chan, the man behind the Hong Leong group.

Also joining in 2004 was a well-known name in political Malaysia, Khairy Jamaluddin, as ECM Libra's director of corporate advisory services. Khairy is the son-in-law of Prime Minister Datuk Seri Abdullah Ahmad Badawi.

— *By Gurmeet Kaur* 