

STARBIZ TODAY

Maybank offers low rate for cards

Malayan Banking Bhd, which is offering the lowest interest rate for credit cards in the country at 9% per annum with its American Express Gold card, is targeting about 150,000 new cardholders within 12 months. **>B4**

Tanjung Offshore gearing intact

Tanjung Offshore Bhd senior manager for corporate finance Tan Seow Hoe says it does not expect the acquisition of four new anchor handling tug & supply vessels to have an impact on gearing levels. **>B5**

Hunza to start work on mall soon

Hunza Properties Bhd is targeting to kick off its over RM400mil Gurney Paragon shopping mall project in Pulau Tikus, which was originally planned for launch in September 2008, by year-end. **>B8**

OPINION

■ Psychology At Work: Forget those pep talks **>B6**

StarBiz

MANAGING EDITOR
P. Gunasegaram

DEPUTY EXECUTIVE EDITOR
Soo Ewe Jin

EDITOR (NEWS)
Yap Leng Kuen

EDITOR (FEATURES)
Anita Gabriel

CONTACT:
email: starbiz@thestar.com.my
tel: (03) 7967 1610
fax: (03) 7955 4039
mail:
StarBiz
Menara Star
15 Jalan 16/11 46350 Petaling Jaya

ADVERTISING:
Sharon Lee
sharonlee@thestar.com.my
(03) 7966 8211

RHB Cap to expand in Vietnam

It has set its sights on a full banking licence there

KUALA LUMPUR: RHB Capital Bhd (RHB Cap), the fourth largest financial services group in the country, plans to expand its presence in Vietnam eventually, through a full banking licence.

The group currently has a 49% stake in retail brokerage Vietnam Securities Corp which it acquired in November last year.

Outgoing group managing director Michael Barrett told a press briefing after the group's AGM yesterday that for now, RHB Bank Bhd had representative offices in Ho Chi Minh City and Hanoi.

He added that it was the long-term intention of the group to obtain a full banking licence in the country. Barrett said this would come "in due

course" when the banking and financial landscape became more open.

He also did not rule out the possibility of raising RHB Cap's stake in Vietnam Securities. Barrett said current regulations did not allow the group to acquire a majority stake in a Vietnamese financial firm.

"We're looking at taking a local retail brokerage that has the capabilities to do investment banking and corporate finance to expand our initiatives," Barrett said, adding that the group was also interested in expanding its presence in the South-East Asian region.

Meanwhile, he expects loans growth of between 5% and 7% for the current financial year as "significant signs of recovery" began to show in

the fourth quarter.

He said home loans, personal financing and credit cards were areas in which the group saw growth but motor vehicle loans and loans to small and medium-scale enterprises were down due to the more challenging economic environment.

He said non-performing loans (NPLs) increased to 2.57% in the first quarter but had come down recently. For the financial year ended Dec 31, 2008, NPLs were lower at 2.24% against 2.43% 2007 while loan-loss coverage rose to 90% from 71% previously.

Barrett said although NPLs were higher in the first quarter, the absolute number had not gone up. He said this was largely due to the lower loan base in the quarter.

Star and SPH in another venture

KUALA LUMPUR: Star Publications (M) Bhd yesterday signed an agreement with Singapore Press Holdings Ltd (SPH) through its wholly-owned subsidiary, SPH Interactive International Pte Ltd (SPHII), for a 20% stake in 701Sou (Hong Kong) Pte Ltd.

The signing ceremony took place at the SPH News Centre in Singapore where executive deputy chairman Datuk Clement Hii signed on behalf of Star and SPHII was represented by Alan Chan, chief executive officer of SPH.

The event was witnessed by Star's group managing director/chief executive officer Datin Linda Ngiam and SPH's senior executive vice-president, marketing, Leslie Fong.

Under this agreement, Star will hold a 20% stake in 701Sou for a consideration of S\$5mil (about RM12.05mil), while SPH remains the major shareholder with 55% through SPHII, 701Search Pte Ltd owns 10% and Fung Choi Printing Ltd 15%.

Star said in a statement that 701Sou provides online directory search services in China through its website 701Sou.com.

Launched in November 2008, the site has attracted a monthly visitor rate of six million and a return visitor rate in excess of 28%. 701Sou has since surpassed the top two providers in China based on third-party



From left: Leslie Fong, Alan Chan, Datuk Clement Hii and Datin Linda Ngiam after the signing

ranking by Alexa in terms of site visits and reach.

This is the second venture between Star and SPHII – the first was last year with the creation of 701Panduan Sdn Bhd. Launched in March this year, 701Panduan.com has grown to be a popular site with local users.

With an average monthly visitor rate of one million and a return visitor rate in excess of 30%, the site has surpassed the top three providers in Malaysia based on third-party ranking by Alexa in terms of site visit and reach.

"Star Publications is very pleased that SPHII has invited us onboard as

partners in 701Sou – a venture that they have already successfully launched in China," Hii said. "This is indeed something very rare in a business relationship. It shows our partnership has progressed to a higher level as a result of our working together in 701Panduan, our joint-venture business in Malaysia."

SPHII's Chan said: "Following 701Panduan, we are confident that the synergistic partnership between SPH and Star will continue to contribute to the success of 701Sou."

"We look forward to more future collaborations between the two media powerhouses."

Water consolidation talks still ongoing

SHAH ALAM: Discussions on the consolidation of water concessionaires in Selangor are still ongoing, said Kumpulan Perangsang Selangor executive chairman Datuk Abd Karim Munisar.

"We are a related party (to the discussions), so we can't comment much," he said after the company's AGM yesterday.

Asked whether the talks would be concluded by the June 30 deadline set by the Energy, Green Technology and Water Ministry, he declined to comment, saying only "that's the targeted timeline."

Pressed for details, he said among the issues still being discussed was the pricing of the deal.

"Discussions are on to attain a 'fair price' for the takeover of the water assets in the state," he said.

KPS is 60.7% controlled by Kumpulan Darul Ehsan (KDEB), the investment arm of the Selangor government that was given the mandate by the Federal Government in February 2008 to undertake the consolidation of water assets in the state.

Negotiations on the consolidation process hit a snag after the four water concessionaires – Puncak Niaga (M) Sdn Bhd, Syarikat Bekalan Air Selangor Sdn Bhd, Syarikat Pengeluar Air Sungai Selangor Bhd and Konsortium Abbas Sdn Bhd – rejected a RM5.7bil offer by the state government for their water assets and concessions, saying the offer was too low.

The Federal Government via Pengurusan Aset Air Bhd (PAAB) then made a RM5bil offer to take

over the said assets even before the state's offer had lapsed, in a move regarded by the market as undercutting the state's offer.

With no agreement reached yet, the Selangor government is now expected to make a revised offer to the concessionaires.

Meanwhile, KPS said in a statement yesterday that its vision of becoming an integrated regional water player was "slated for realisation with serious discussions ongoing between the Federal and state governments to realise the implementation of the water consolidation".

Bursa queries Emico and Dataprep

PETALING JAYA: Bursa Malaysia yesterday issued unusual market activity queries to Emico Holdings Bhd and Dataprep Holdings Bhd.

Emico saw a high trading volume of 21.1 million shares while Dataprep shares surged 8.3% in the morning session and 29.2% in the afternoon session to close at 50.5 sen, both on June 17.

"Investors are advised to take note of the companies' reply to the query," Bursa said in a statement.

The two queries brings the total number of unusual market activity queries that Bursa has issued to various companies to eight since early May.

Both Emico and Dataprep in their replies to the Bursa queries said they were not aware of any corporate development, rumour or report concerning the business and affairs as well as material information that required immediate disclosure that might have contributed to the unusual market activity.

Trading in Emico and Dataprep shares was halted at 2.30pm and 4.09pm respectively yesterday. Both counters resume trading today.

Asia demand for LNG to be sluggish

> FROM B1

Goh said currently, Peninsular Malaysia imported 10% to 20% of its gas needs from Indonesia.

Meanwhile, FACTS Global Energy analysts Nelly Mikhael and Siamak Adibi said in a report that LNG demand in Asia would be sluggish this year and Asian cargoes were "likely to be seeking markets west of Suez."

They said weak economic growth would depress LNG demand in the region by 5% to 112 million tonnes in 2009 compared with last year with the only bright spot for demand being in India.

Mikhael and Adibi said India had the potential to reduce the amount of LNG that some analysts expected to be delivered to the Atlantic Basin from mid-year.

Nestle appoints Vogt new MD

KUALA LUMPUR: Nestle (M) Bhd has appointed Peter Vogt managing director and head of the Malaysia/Singapore region, taking over from Sullivan O'Carroll, effective Sept 16.

Nestle said in a filing with Bursa Malaysia that O'Carroll would take over as Nestle's South Africa

region market head from Sept 15.



Don't miss out on our special feature!