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# PLUS Highway — What is Halim's proposal?

**KUALA LUMPUR** — Four years after a botched attempt through little-known Asas Serba, Tan Sri Halim Saad is at it again in his bid to take over the country's largest toll concessionaire, PLUS Malaysia Bhd.

This time, Halim's plans for the privatisation of the prized highway were laid out in a seven-page proposal for a "rakyat-friendly" takeover to ease the people's burden with claims that toll rates will remain unchanged until the end of the concession period in 2038.

Halim's proposal seemed to indicate that the government would save some RM64 billion under this scheme, with the icing on the cake being a 50 per cent savings in toll for daily traffic, packaged with reasonable returns to its new shareholders.

While the benefits of the offer seem irresistible, the main elements of the offer remain unanswered which includes the price Halim is proposing for PLUS, the method of funding and his source of funding.

While track record is of paramount importance, little is known about the financial and operational capability of Idaman Saga, the vehicle used in the takeover offer, which begs the question, "What is the offer that Halim has put on the table?"

With the absence of a concrete plan coupled with a firm offer, Idaman Saga seems to be leveraging on the credibility of yet another public entity it claims is its partner in the deal; that is, **Tabung Haji** and EPF. With the absence of a concrete business proposal, it is hard to see any financial institution backing this project, as they would be hard-pressed to grant any financing.

It is worth bearing in mind that in 2011, in an answer to the rakyat's call, PLUS was acquired by two government entities, EPF and UEM Group, that also agreed to

waive RM2.9 billion of outstanding compensation, as at December 2011, as well as RM3.6 billion in compensation as a result of a five-year toll freeze from 2011 to 2015.

Considering that PLUS is now in the hands of the government, what would be the compelling reason for it to return to private hands again? Halim, PLUS owner of yesteryear, is making a comeback in the corporate world. It has been a long time since he left the highway business and PLUS has now become Malaysia's number one toll operator, as well as one of the largest in Southeast Asia. The biggest question is would Halim have the experience and the expertise to manage such a mammoth operation?

While we might be enticed to believe that the takeover is a quick fix to relieve the rakyat's burden, no business can forecast costs for the next five years, let alone 24 more years when the concession ends. Halim does not seem to have the answers to the myriad of questions that remain unanswered, such as who will bear the brunt of any expected increase in raw material, say five years down the road?

A fact that also needs to be considered is the era of corporate individuals purportedly acting as the "saviours" of the public is over. While we acknowledge Halim's contribution towards the realisation of the North-South Highway, the current era of good corporate governance and transparency dictates that PLUS should remain in Khazanah and EPF's stable.

In the past, Malaysian taxpayers bore the brunt of bailouts related to the misadventures of private individuals, who went into big business that turned sour, and the country can ill-afford another such a blunder now.