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# Rozali's stake worth RM484mil

It is based on the RM1.56bil Puncak is poised to get from Selangor water restructuring deal

By SHARIDAN M ALI

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**PETALING JAYA:** Puncak Niaga Holdings Bhd founder and executive chairman Tan Sri Rozali Ismail's 41.3% stake in the company is valued at about RM484.2mil, based on the net proceeds of RM1.56bil it is set to receive from the Selangor water restructuring exercise.

RHB Research analyst Kong Heng Siong estimated Puncak Niaga was set to receive net proceeds of RM1.56bil, which translates to RM3.78 per share, or a 26.8% premium to the May 16 closing price of RM2.98 before the announcement that the company had already given the nod for the takeover.

Currently, Puncak Niaga, with a market capitalisation of about RM1.25bil, has outstanding shares of 409.2 million.

It is unclear what is Rozali's plan to move the company forward with the pile of cash it would receive.

Rozali is currently the 40th richest man in the country with a worth of RM543.7mil.

Other substantial shareholders of Puncak Niaga are Lembaga Tabung Haji with 5.49%, Oversea and Chinese Banking Corp Ltd (5.05%) and Amanah Saham 2020 (5.04%).

On Friday, the Selangor government and Energy, Green Technology and Water Ministry jointly announced that three of four concessionaires had agreed to the takeover and that the process will start soon.

The three concessionaires are Konsortium Abass Sdn Bhd, Puncak Niaga (M) Sdn Bhd (PNSB) and Syarikat Bekalan Air Selangor Sdn Bhd (Syabas). Puncak Niaga – the biggest water player in the state – wholly owns PNSB and has 70% in Syabas. Abass is 55% controlled by Kumpulan Perangsang Selangor Bhd (KPS).

Only Syarikat Pengeluar Air Sungai Selangor Bhd (Splash) – a 40%-owned associate of Gamuda Bhd – has not agreed to the takeover terms.

"We are positive on this announcement as this would prevent the triggering of Section 114 of the Water Services Industry Act 2006, which

in our view could complicate things further," said RHB Research in a note yesterday.

Section 114 allows the Federal Government to step in and take over the water concessionaires.

Meanwhile, AmResearch said that based on the audited accounts for Puncak Niaga's last financial year, it estimated that PNSB was being offered at 1.3 times book value of RM2bil, while Syabas was being offered at a negative book value of RM2.04bil or at RM1.4bil based on Puncak Niaga's 70% stake in Syabas.

Going forward, AmResearch said both the federal and state governments would continue talks on sale and leaseback agreements.

"At this juncture, it is unclear if PNSB would retain its operation and maintenance licence once the assets are transferred or if it would be given to a special-purpose vehicle under the state government.

"There is also no clarity on the timing of the signing of the heads of agreement between the (federal and Selangor) governments.

"However, the offers will still be subject to shareholders' approval at EGMs to be held soon," AmResearch said in a report.

Meanwhile, for Gamuda, Maybank IB Research said the RM250mil equity offer for Splash was significantly below its net asset value (NAV).

"By the end of 2013, we estimate that Splash's NAV could have slightly crossed RM2bil," Maybank IB Research said.

It said the significant difference between the equity offer and NAV for Splash clearly reflected the trade receivables in Splash's books which are due from Syabas.

"The amount of water tariff outstanding from Syabas as at March 31, 2013, was RM1.7bil and we estimate this could have grown to RM2.07bil at end-2013," it said in a report.

Puncak Niaga closed yesterday nine sen higher at RM3.07, while Gamuda was down three sen to RM4.56.

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