

## MMC raising funds via unit listings



Analysts say Gas Malaysia, Malakoff IPO proceeds likely to finance buy

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# MMC races closer to KTMB takeover

**ON TRACK:** Listing of Gas Malaysia, Malakoff will raise sufficient funds for it to take over national railway operator, say analysts

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**M**MC Corp Bhd is raising funds for its planned takeover of Keretapi Tanah Melayu Bhd (KTMB) through the listing of its subsidiaries, analysts said.

Business Times reported last December that MMC, a construction, power and port group, was planning to pump up to RM1 billion to take control of the national railway operations.

MMC has begun due diligence on the proposed KTMB privatisation and expects to complete it between July and August.

KTMB is currently incurring losses averaging RM200 million a year.

MMC is targeting to list Gas Malaysia Bhd on the Main Market of Bursa Malaysia in the current quarter and raise RM750 million.

It also plans to relist Malakoff Corp Bhd in the first half of next year.

M&A Securities Sdn Bhd said Gas Malaysia's listing was likely to raise funds for MMC's proposed acquisition of KTMB.

"This is similar to the purpose of relisting Malakoff," it said in its latest research note.

MMC group managing director Datuk Hasni Harun had said the proposed initial public offering for Malakoff, MMC's flagship power utility company, was going to be "very big".

On the rationale of listing its subsidiaries, Hasni said MMC was focused on strengthening its business capabilities.

M&A Securities has recommended a "buy" call on MMC, with a new fair value of RM3.47.

This is based on expectations that the MMC-Gamuda Klang Valley Mass Rapid Transit (KVMRT) joint venture will win more MY Rapid Transit (MRT) tunnelling jobs from MRT 2 and MRT 3, which are expected to be tendered out in 2013 for around RM12 billion.

MMC-Gamuda KVMRT last month won the RM8.28 billion tunnelling job for MRT 1 and expects to start work by January next year.

MMC was up one sen yesterday to close at RM2.74.