

Bank Negara said to have rejected Mulpha's application

PETALING JAYA: Bank Negara is believed to have rejected Mulpha International Bhd's application to commence talks with EON Capital Bhd to acquire a stake in EON Capital Bhd, according to sources.

When contacted, a Mulpha spokesperson would not comment on "market talk" regarding the status of its application at the moment. "We're still in the midst of negotiating with Bank Negara to speak with the share-

holders of EON Cap."

"Where Mulpha International is concerned, we'll make an announcement to the market as and when we deem necessary," he said, adding that Mulpha International had always been interested in the financial services sector in Malaysia.

"We are constantly looking at opportunities that have long-term potential to enhance shareholder value," he said.

Last month, *StarBiz* reported that Mulpha International was interested in acquiring a 20% stake in EON Cap, a target of Hong Leong Bank Bhd's (HLB) RM4.92bil cash buyout which EON Cap had rejected.

In a filing to Bursa Malaysia on Jan 27, Mulpha International said its long-term strategy was to gain greater exposure in the Malaysian financial services sector and diversify its property business.

"The application to Bank Negara is required pursuant to the Banking and Financial Institutions Act 1989. This is a standard application process which may or may not result in any outcome," it said in the statement.

In an earlier report, OSK Research believes that it could be an uphill struggle for Mulpha International to get the central bank's approval.

"Bank Negara may view a financial institution, whether domestic or

foreign, as being a more favourable acquirer given its potential to drive further consolidation within the banking landscape, or being able to add value to EON Cap to compete in a more liberalised banking environment," it said.

Meanwhile, Maybank Investment Bank said it doubted Bank Negara would agree to Mulpha International becoming a major shareholder in the bank, as it brought no added value.