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TONGKAH ACQUIRES MAJORITY STAKE IN STI ASIA CONNECT

KUALA LUMPUR, Jan 2 (Bernama) -- Tongkah Holdings Bhd is going into the information technology business in a bigger way with its acquisition of a majority stake in STI Asia Connect Sdn Bhd, a leading Internet solutions provider in Asia.

It said in a statement here today that the company had entered into a conditional sale and purchase agreement to acquire 2.1 million shares of RM1 each, representing a 70 percent stake in Asia Connect, for RM15.75 million cash.

It is acquiring the entire 1.44 million shares or 48 percent stake in Asia Connect and another 660,000 shares or 22 percent stake from Ray Cheng Associates Sdn Bhd. Ray Cheng, which prior to the transaction owned a 52 percent stake, will retain a 30 percent stake in Asia Connect.

Tongkah's executive director, Yeow Kheng Chew said the acquisition of a majority stake in Asia Connect was synergistic with the business of the group's 70 percent-owned subsidiary, Teknosif Sdn Bhd which currently provides seismic data processing services to the oil and gas industry.

Asia Connect, which went on-line on Sept 15, 1995, has recorded tremendous growth by providing services in developing the Kuala Lumpur '98 Commonwealth Games website and also honouring Prime Minister Datuk Seri Dr Mahathir Mohammad as the first head of government in the world to go live over the Internet.

Asia Connect has already developed a number of successful, high profile websites, among which are Utusan Malaysia, Binariang/Maxis, Oracle Hong Kong and Internet World Asia '96. -- BERNAMA