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Hospital Pantai to conclude purchase of finance firm

HOSPITAL Pantai Bhd, which was transferred to the Kuala Lumpur Stock Exchange Main Board yesterday, expects to conclude the acquisition of Perdana Finance Bhd by the end of this month.

"We have concluded all major points with related parties in connection to the acquisition of Perdana Finance and now, it is a matter of formalising the deal," said executive chairman and chief executive officer Mokhzani Mahathir.

The purchase of the entire equity in Perdana Finance from United Merchant Group Bhd for RM84.48 million is part of Hospital Pantai's restructuring exercise which will see it becoming a wholly-owned subsidiary of Tongkah Holdings Bhd.

In the exercise, Tongkah is acquiring Hospital Pantai's entire health care assets and business for RM190 million and turning the latter into its financial services arm.

The restructuring will not see any change in the equity structure in either Tongkah or Hospital Pantai and will leave both companies debt-free.

Besides Perdana Finance, Hospital Pantai is also to buy the entire stake in stockbroking outfit Kestrel Securities Sdn Bhd for RM300 million in cash.

Both parties - Tongkah and Hospital Pantai - had sealed all aspects of the exercise and would seek approval from their shareholders at the companies' annual meetings in November, he added.

Speaking to reporters after the transfer, Mokhzani said the restructuring would be completed within six months.

Mokhzani, who is also executive chairman of Tongkah, said Hospital Pantai would change its name to better reflect its financial activities. However, he declined to disclose the name.

He reiterated that Pantai hospitals - whose operations come under Tongkah - would retain the name to take advantage of the goodwill attached to the hospital chain.

Meanwhile, Hospital Pantai made its debut on the Main Board with a premium of 10 sen over its last traded price of RM20 on Tuesday.

The bearish market sentiment during the morning saw the company's shares being bought only eight minutes after trading started with a volume of 2,000 units.

At 9.40am, the share price jumped another 10 sen to RM20.20. Hospital Pantai closed the morning session at RM22 on a volume of 564,000 units.

It closed the day at RM21.10 with 971,000 units traded, reaching a high of RM22.50 and a low of RM20.

Commenting on the opening price, Mokhzani said: "In view of the current market condition, it (the opening price) is good. It is definitely a good sign for us even though the volume (at the opening) is small.

He continued that the KLSE would take some time to regain investors' confidence.

The bearish market would recover in view of the efforts taken by the Government to counter the situation, Mokhzani added.

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