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THB closes at 93 sen discount

THB Industries Bhd (THBI) closed at RM1.57, a discount of 93 sen to its offer price of RM2.50, in its maiden day of trading on the Kuala Lumpur Stock Exchange yesterday, taking after the disappointing debuts of CCK Consolidated Holdings Bhd and Malaysian Merchant Marine Bhd.

THBI, a member of the Tongkah Holdings Bhd group, opened at RM1.50, a discount of RM1 from its offer price. The counter saw a total volume of 784 million shares traded with its day's high touching only RM2.00.

"Although the opening price was below the offer price, this was not unexpected taking into account the prevailing market conditions," THB executive chairman Mokhzani Mahathir told reporters yesterday.

He said they hope that the share price will improve since the evaluation made by the company of RM2.50 is considered fair.

As part of its diversification plans, THBI intends to set up operations in the Philippines and China.

THBI managing director Koay Hean Eng said: "A sales office has been set up, and we are going in to set up an Asian plant which will be ready within six months."

Both operations will be dealing with precision tooling. A total of more than RM1 million has been invested in machinery in both these places.

Operations at these plants will be by a "20-man shop" (manned by only 20 people initially). "If the continued activities are encouraging then we will expand."

A feasibility study is being conducted in Malacca and Johor for the setting up of new plants.

In addition, the company is looking into the possibility of manufacturing medical equipment to complement the medical services arm of the Tongkah group.

THBI is an investment holding company and provides management services to its subsidiary companies. Its six subsidiaries, five of which are based in the Bayan Lepas Industrial Zone in Penang and one in Bandar Sunway, Selangor, are involved principally in the high-precision engineering industry, which is a feeder industry to the semiconductor and consumer electronics sub-sectors of the electronics industry.

After its listing, THBI is controlled by two substantial shareholders, namely THB and Kobay Holdings Sdn Bhd which have 33.04 per cent and 26.32 per cent stakes respectively.

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