

10/09/1998

Tongkah Electronics to be on Nasdaq

Trina Thomas Raj

TONGKAH Holdings Bhd plans to list its subsidiary, Tongkah Electronics Sdn Bhd, on the National Association of Securities Dealers Automated Quotation (Nasdaq) exchange in New York and the proceeds will go towards reducing its RM200 million debt.

Executive chairman and chief executive officer Mokhzani Mahathir, who declined to comment on the quantum to be raised through the listing, yesterday said Tongkah Holdings' debt was in ringgit and it had no foreign borrowings.

He said prior to the listing exercise, Tongkah Electronics would be merged with two other companies based in Singapore and China. The two foreign companies are currently not related in any way to Tongkah.

Asked on who would be the major shareholders of the merged entity, Mokhzani said: "All three parties will have an almost equal share in the new entity."

"At one time, Tongkah Electronics contributed RM300 million in turnover and RM25 million in profits to the group. It is also the largest contributor to the group's manufacturing sector."

Penang-based Tongkah Electronics produces assembled circuit boards used in computer peripherals and the electronics industry. It is also the largest contributor to the group in terms of turnover.

"Given a choice, this is something we will not do but due to the current economic circumstances, we do not have much of a choice (except to seek a listing abroad)," he added.

Mokhzani also said Tongkah Holdings planned to dispose its 70 per cent stake in THB Asia Connect Sdn Bhd.

"Asia Connect has been working closely with the Starwood Group of hotels on several projects in the United States for the past two years. Some projects will be implemented soon."

"As such, several US-based companies have shown interest in taking over the high technology information-based Asia Connect."

Starwood Group is the owner of such brands as Sheraton and Westin. It is the largest hotel company in the world.

Although the group is in the midst of a restructuring exercise, Tongkah Holdings would be maintained as the holding company, concentrating on manufacturing, healthcare and finance, he added.

Mokhzani spoke at a Press conference after unveiling Hospital Pantai Bhd's new logo in Kuala Lumpur.

He said: "The (new) logo is expected accentuate Hospital Pantai's image of being a responsible and caring corporate citizen contributing towards the welfare of the community."

In 1996, Hospital Pantai allocated RM16 million over two years to upgrade its equipment and facilities. To date, the group has used RM4.5 million for the purpose.

Apart from that, plans are under the way to build a RM80 million hospital adjacent to the existing Hospital Pantai in the Bangsar area.

"We have allocated RM10 to RM15 million for the purpose of providing equipment for the new hospital.

"Most of the upgraded equipment in the old hospital (in Bangsar) will be transferred to the new one," Mokhzani said.

Hospital Pantai expects to receive approval from the relevant authorities and begin construction by November this year. The new hospital

is scheduled for completion by the second quarter of 2000. Earthworks have already begun.

(END)