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TONGKAH-PROPOSED ACQUISITION

TONGKAH PROPOSES TO ACQUIRE MGI SECURITIES' STOCKBROKING LICENCE

KUALA LUMPUR, July 24 (Bernama) -- Tongkah Holdings Bhd is proposing to acquire the stockbroking licence of MGI Securities Sdn Bhd for between RM60 and RM70 million through its wholly-owned subsidiary Paksiwang Sdn Bhd.

The acquisition will be funded by the issuance of between 50 million and 100 million preference shares for subscription by third parties, both local and foreign, Tongkah Holdings executive director Yeow Keng Chew told newsmen today.

When the acquisition goes through, Tongkah Holdings will have two stockbroking licences. Its other brokerage, Kestrel Securities Sdn Bhd, operates in Muar, Johor.

The purchase consideration will exclude MGI Securities' debts, Yeow said after the signing of a manufacturing and collaboration agreement between Tongkah Moulding Technologies Sdn Bhd (TMT) and Becton Dickinson of the United States for the production of medical "sharp collectors" for medical waste disposal like syringes and needles.

Malaysian General Investment Corp Bhd (MGIC) is disposing MGI Securities as part of its debt restructuring exercise which is expected to take between six and nine months to complete.

According to Yeow, the joint venture partnership with Becton is worth RM6 million.

Becton is a global, medical technology company and a leader in sharp device safety and the promotion of healthcare workers' protection.

It will transfer its process and product technology from its facility in Oceanside, California, to TMT for the manufacture of the B-D Guardian range of sharp collectors in Penang.

TMT is a high technology company involved in the manufacture of precision engineering plastic injection moulding components.

On Tongkah Holdings' performance, executive chairman Mokhzani Mahathir said the manufacturing division will see a dip in revenue this year as a result of the general slowdown in the sector.

However, he said, the group hopes to maintain last year's performance, adding that it is consolidating its position and will enhance its operations by increasing efficiency. -- BERNAMA

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