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PANTAI-ACQUISITION

ACQUISITION IN AKMC WILL EXPAND PANTAI'S PRESENCE, SAYS MOKHZANI

KUALA LUMPUR, March 31 -- The acquisition of a 70 percent stake in Ayer Keroh Medical Centre (AKMC) will help expand the role of the Pantai Group of Hospitals in the private healthcare industry, said Pantai Holdings Bhd executive chairman Mokhzani Mahathir.

The acquisition will involve a cash consideration of RM30 million which will be raised through internally generated funds.

"With the acquisition, we are increasing our presence by extending services and expertise in the southern region, particularly in Melaka and Johor," he said.

He was speaking to reporters after the signing ceremony for the sale and purchase agreement between Pantai Hospitals Sdn Bhd, a subsidiary of Pantai Holdings, and the shareholders of AKMC here.

With the agreement, AKMC will be known as Hospital Pantai Ayer Keroh and become the sixth hospital within the Pantai Group of Hospitals which includes Pantai Cheras Medical Centre Sdn Bhd, Pantai Klang Specialist Medical Centre, Pantai Mutiara in Penang, Pantai Putri in Ipoh and Pantai Medical Centre in Bangsar.

According to Mokhzani, AKMC is doing fine on its own and with the backing of the Pantai group, both parties can expand further.

"We hope to maintain the same profit level as last year's and with the acquisition of AKMC, we will enjoy growth as well. If we can maintain last year's figure, we are actually doing fine," he said.

For the financial year ended June 30, 1998, the group registered a 20 percent drop in turnover. (However, he did not mention the exact figure for the turnover.)

He said for the time being, Pantai Holdings will integrate the system of the AKMC so that it will fall in line with the rest of the (Pantai) group.

Mokhzani also said Pantai Holdings is not planning another acquisition in the near term but may look into the possibilities of setting up new hospitals.

"We are looking at a few other things besides buying existing hospitals. We will like to see whether we can set up new ones, that may be specialised in a specific area of the medical discipline," he added.

He said at the present time, Pantai Holdings is in the process of upgrading the facilities in Klang and Bangsar.

"The Klang facilities are being improved currently and we are looking for a possible site there to build a new one. However, that is not something we will do immediately," he said.

On the possibility of mergers with other major medical groups, Mokhzani said: "Pantai Holdings has spoken to KPJ (Healthcare Bhd) on the possibility of a cooperation but not in terms of merging."

On the development of Tongkah Holdings Bhd, Mokhzani said the company is in the process of restructuring, both in the company's structure and debts (that they are carrying).

"The manufacturing side of Tongkah Holdings is doing all right but in terms of volume, it is coming down. The cost of financing the operations has held us back somewhat," he explained.

However, he is confident the restructuring exercise, which is expected to be completed within the next two months, will put Tongkah Holdings on a very strong financial footing again. -- BERNAMA

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