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Pantai expects 'immediate returns' from stake in AKMC

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THE acquisition of a 70 per cent stake in Ayer Keroh Medical Centre (AKMC) in Malacca for RM30 million by Pantai Medical Centre Sdn Bhd will help boost Pantai Holdings Bhd's profit for the current financial year ending June 30 1999.

"We foresee immediate contributions from AKMC as it is already in operation, but are not expect anything substantial," said Pantai Holdings executive chairman Mokhzani Mahathir.

The acquisition of AKMC, which will later be known as Hospital Pantai Ayer Keroh, will be financed with internally-generated funds.

Speaking to reporters after the signing of a sale and purchase agreement with AKMC in Kuala Lumpur yesterday, Mokhzani said the group can expect bigger contributions for the second year, once the upgrading of the facilities are completed.

"The upgrading will enhance the hospital's efficiency," he said, but declined to disclose when the upgrading will take place and how much investment will be involved.

Mokhzani said the group has no immediate plans to take up the remaining 30 per cent stake in AKMC, but is progressively looking at setting up and acquiring more hospitals and clinics under the Pantai flagship.

"Our turnover has declined by 20 per cent, but we cannot compromise with the current low construction cost. This is why we decided to built the new block at the Pantai Medical Centre in Bangsar and acquired more private hospitals under our flagship," he explained.

Pantai Holdings, in an earlier report, said it planned to expand its flagship hospital in Bangsar, adding a new eight-storey twin-tower building with three basement levels.

The west block of the new towers will house the women's and children's centres, a resource centre, specialty women's clinics and paediatric facilities. The east block will house the medical and surgical facilities. The eight-storey tower block, which will be interlinked to the existing hospital buildings, is expected to start operations by 2001.

By consolidating players within the healthcare industry, Pantai Holdings hopes to reduce the private hospitals' medical charges.

With established operations in the northern, southern and West Coast of Peninsular Malaysia, Pantai Holdings is now moving towards the East Coast, and Sabah and Sarawak.

"Pantai Holdings has received a few invitations and proposals for consolidations and acquisitions, but has yet to determine the best time to go into this area," Mokhzani said, but declined to name the parties that have approached them.

At the signing yesterday, AKMC was represented by chairman Dr Thomas Vergheze and managing director Dr Chan Heng Kwan. Pantai Holdings was represented by Mokhzani and director Dr Ridzwan Bakar.

The acquisition adds to the number of six hospitals under Pantai Holdings' flagship. The other five are Pantai Mutiara in Penang, Pantai Putri in Ipoh, Pantai Medical Centre in Bangsar, Pantai Cheras Medical Centre in Cheras and Pantai Klang Specialist Centre in Klang.

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