Soap-maker: My purchase of stake from Mokhzani purely a business deal

Nst 29 APR 2001

KUALA LUMPUR, Sat. — A Malaysian soap-maker, in the limelight after buying a healthcare firm from Prime Minister Datuk Seri Dr Mahathir Mohamad's son, said today the RM59.66 million deal was purely a business decision.

Lim Tong Yong said he had been surprised by the publicity generated by his purchase of a controlling 32.9 per cent stake in Pantai Holdings from Mokhzani Mahathir and insisted there was nothing unusual about it.

"There is nothing great about it," Lim said in his first statement to the media since the deal was announced on Thursday.

"I'm coming in purely as a businessman. I see this as a good business deal," said Lim, who controls soap-maker PAOS Holdings Bhd. He said he was buying in his own personal capacity.

"This is a rare opportunity to get into the healthcare industry. I feel there is a lot of potential as the country grows, and more and more people become health-conscious," he said.

The 51-year-old Lim, a college lecturer turned businessman, denied a suggestion that he was in Pantai for quick gains.

"We're coming into Pantai to grow with the company. It's for long-term investments," he said.

Mokhzani said on Thursday he had quit his businesses over charges involving Government projects. He said he was disappointed by allegations made in Parliament tarnishing his own and his father's names.

Mokhzani had sold his entire interest in diversified firm Tongkah Holdings Bhd.

Pantai and Tongkah have cross shareholdings. Tongkah this week sold a 12.3 per cent equity interest in Pantai, reducing its stake in the healthcare group to 20.5 per cent.

Pantai now owns 14.8 per cent of Tongkah, having sold down from 16.0 per cent.

Tongkah and Pantai own five and 23 per cent respectively of property developer Avenue Assets Bhd, which in turn owns 18 per cent of financial services firm Phileo Allied.

Lim said he paid RM2.80 a share for 21.3 million shares of Pantai after months of "very tough" negotiations. The shares ended up 16 sen at RM3.08 on Friday.

He said Pantai, which has six hospitals nationwide, would keep healthcare as its core business.

Lim declined to say how he funded the deal. But in February, Hap Seng Consolidated Bhd proposed to buy 25.13 per cent of Lim's stake of more than 50 per cent in PAOS.

"He has raised almost RM60 million. He's cash rich," an aide to the soap tycoon said. — Reuters