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Pantai focuses on healthcare

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PANTAI Holdings Bhd, in line with its objective to focus on the healthcare business, plans to divest its non-core assets in several listed companies.

"We plan to dispose of these assets when the market condition improves," said group chief executive officer Datuk Lim Tong Yong after the company's annual meeting in Kuala Lumpur yesterday.

Pantai has a 14.8 per cent equity interest in Tongkah Holdings Bhd and a 22.8 per cent stake in Avenue Assets Bhd. Avenue Assets holds 18.5 per cent of Phileo Allied Bhd.

Pantai's book cost for Avenue Assets is RM165 million and the market value for the 22.8 per cent stake is RM21 million.

Pantai also has a 16 per cent stake in Eastern & Oriental Bhd, which has an indirect stake of 26.9 per cent stake in Kamunting Corporation Bhd.

Asked if he is in talks with parties to cash out the non-core assets, Lim said: "Not at the moment. We are waiting for the market to improve."

He said Tongkah was in the midst of restructuring and its board of directors were now in talks with its creditors.

"Pantai will evaluate any proposal by the Tongkah board. We want to concentrate on the healthcare business," Lim said.

Pantai's original investment cost in Tongkah was RM150 million. As at June 30, 2001, the investment has a market value of RM63 million.

Lim said he was positive on a turnaround in the current financial year.

For the financial year ended June 30, 2001, Pantai incurred a loss after taxation of RM168 million against a profit of RM6.15 million.

Pantai would identify a few major areas which could improve its operational efficiency, which included sourcing and purchasing medical supply.

He said the computerisation of the hospital management information system to integrate all the company's six hospitals in the country would improve its efficiency and earnings.

The company has also installed modern equipment at its hospitals to improve the quality of their services.

In a move to expand the market for its services, Lim said Pantai also supports the Government's drive to promote tourism health by attracting foreign patients from neighbouring countries.

The Government's move to increase the fees for Pantai Medical would see an increase in the revenue of Pantai Meninvest Sdn Bhd, which provides maintenance service to many government hospitals located in Johor, Malacca and Negri Sembilan.

Lim also said Pantai's acquisition of a new business, which would see the company supervising and monitoring services of the state of health of foreign workers seeking employment in Malaysia, would improve the company's performance.

"The proposal is in the process of being approved by the relevant authorities. This will be an important expansion of our business and will improve the profitability of the group."

To a question on his decision to buy the 32.75 per cent stake in Pantai from Datuk Mokhzani Mahathir in April, Lim said:

"When Datuk Mokhzani wanted to leave the business arena, his block of shares were available for sale at RM2.80 per share. I carefully considered and evaluated the proposal because to me, Pantai is a well-known and established brand. I decided that it was a good opportunity to invest in

the growing healthcare industry."

The 32.75 per cent stake in Pantai has resulted in Lim holding indirectly 22.8 per cent of Avenue Assets.

Lim also quashed speculation that he was a nominee for someone, stressing that his purchase of the 32.75 per cent Pantai shares had been paid and the shares were already registered under his name.

"I'm surprised that some people still have doubts that I am the owner of these Pantai shares."

"I have the financial resources to buy the shares. The purchase was financed using my personal assets, including some bank borrowings. I also received some cash for pledging my Paos Holdings Bhd.

"I would like to take this oppporunity to confirm that I own the Pantai shares in my own right. I hope this will put to rest once and for all any speculation that I'm a nominee for someone."

To a question whether he will sell his stake in Pantai, Lim said:

"My objective to is turn Pantai into an even better and profitable healthcare company.

"I intend to improve its customer service, public image and operation efficieny."

Lim said based on his purchase price of RM2.80 per Pantai share, he could have made a quick profit of RM1.20 per share as the price of Pantai share is now hovering at about RM4.00 per share.

"However, I'm still around and very much involved in the management of the group," he added.

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