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Pantai purchase purely business decision: Lim

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THE purchase of the 32.8 per cent interest in Pantai Holdings Bhd from Datuk Mokhzani Mahathir by Datuk Lim Tong Yong, founder of Paos Holdings Bhd, was a purely business decision which, Lim said, was done in his personal capacity.

"I financed the purchase with my personal assets, which included bank borrowings," Lim told reporters at a press conference on Tuesday after a Pantai shareholders meeting.

"This is a rare opportunity to invest into the growing healthcare industry with a well-known and established player like Pantai. I feel there is a lot of potential as the country grows, and more and more people become health-conscious," he said about his decision to venture into the healthcare industry, a totally different field from soapmaking.

Lim, who is now Pantai's group chief executive after taking over from Mokhzani who resigned from his posts in both Pantai and Tongkah in April, also denied that he bought the shares for another party, saying that the shares are registered under his name.

"I was surprised by the media attention," he said, when asked to comment on the market's reaction to his purchase of Mokhzani's controlling stake.

He said he found out about Mokhzani's intentions to sell his shareholding in Pantai and Tongkah from "market sources" and had not known Mokhzan prior to the deal.

"We still maintain a cordial relationship as he has much experience in Pantai," Lim said.

The Pantai stake also gave Lim indirect shareholding in Tongkah with 14.8 and 22.8 per cent in Avenue Assets Bhd, which in turn is a substantial shareholder of Phileo Allied Bhd (18.5 per cent), Eastern & Oriental Bhd (16 per cent) and Kamunting (26.9 per cent).

Tongkah, on the converse, indirectly owned 14.7 per cent of Pantai as at September 18.

Lim said he just wants to focus on the healthcare businesses of Pantai, but will consider any action proposed by boards of the respective companies, and any decisions will be in the best interests of Pantai.

"We will be carrying out in-depth analysis of all the business segments of Pantai group and will make necessary strategic and operational changes to turn the group around."

Lim said he is open to any proposals, including acquisitions of new activities which will compliment Pantai's existing businesses in the healthcare sector.

On the sector's prospects, Lim said healthcare still has room for growth, and Pantai is well-placed to take on available opportunities.

Lim added that even during the current economic condition, analysts are still recommending the sector as their picks.

For the financial year ended June 30 2001, the Pantai group incurred a net loss of RM168 million, on the back of a RM302 million turnover, mostly due to a provision of some RM107 million for diminution of quoted shares.

The bulk of the turnover came from Pantai's hospital services division which contributed 55 per cent, followed by healthcare support services with 44 per cent.

Lim said that Pantai might look into disposing of its non-core assets such as its investments in Tongkah and Avenue Assets but only if the market condition and pricing is right.

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