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Tongkah sells 12.3pc in Pantai Hldgs

TONGKAH Holdings Bhd has disposed of its 12.3 per cent equity interest in Pantai Holdings Bhd for RM22.40 million.

In an announcement to the Kuala Lumpur Stock Exchange, Tongkah said the disposal of the eight million shares was carried out via placement through a stockbroking company.

Following the disposal, Tongkah's shareholding in Pantai is reduced from 32.8 per cent to 20.5 per cent.

The total consideration for the disposal was arrived at after taking into consideration the current prevailing market price of the Pantai shares, it said.

At the closing on Thursday, Pantai shares gained 16 sen to close at RM3.08 while Tongkah was up three sen to 58.5 sen.

Tongkah said the 12.3 per cent equity interest in Pantai forms part of the assets secured against the company's Redeemable Convertible Secured Bonds 1999/2004.

The disposal forms part of the company's asset disposal plan to reduce the group's debt. The proceeds of the disposal shall be deposited into the sinking fund of the bonds, it added.

The stake in Pantai was acquired by Tongkah between 1997 and 1999.

It said the average cost of investment of 32.8 per cent equity interest in Pantai was RM13.50 per share.

The disposal is expected to result in a loss on disposal of approximately RM85.6 million to Tongkah for year ending June 2001 and decrease in the net tangible assets per share of Tongkah group by 51 sen per share, it added.

On Thursday, chief executive officer of Tongkah and Pantai, Datuk Mokhzani Mahathir announced his withdrawal from the corporate world and is disposing his stakes in both companies.

Mokhzani has 12.6 per cent direct interest in Tongkah and 32.9 per cent in Pantai.

Listed on the second board of the KLSE, Pantai is involved in health care, investment holding and provision of management services.

Its subsidiaries and associated companies are dealing with medical equipment and related services such as cardiac catheterisation services, radio surgery services and diagnostic and pathology services.

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