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Tongkah Holdings cancels some proposals

TONGKAH Holdings Bhd has backed out from some proposals which are part of the company's restructuring scheme to address its business and debts.

The company announced yesterday that its proposed revised special issue, acquisition of Le Premiere Sdn Bhd and rights issue have been cancelled due to the prevailing market conditions.

Le Premiere owns two property developers - Bistari Corp Sdn Bhd and Redez Properties Sdn Bhd.

In the proposal, the vendors have guaranteed 90 per cent of Tongkah's pre-tax profits in financial years ending June 30, 2002 and 2003.

Tongkah is one of the 90 companies listed on the Kuala Lumpur Stock Exchange which are considered under-capitalised. If it fails to find a rescuer or restructure its debts, it would most likely be delisted.

For the year ended June 30, 2001 the company posted a deficit of RM351.85 million in shareholders' funds.

In April this year, Tongkah saw a change in its majority shareholding following the sale by Mokhzani Mahathir of his 32.8 per cent controlling stake to Paos Holdings Bhd chairman Lim Tong Yong.

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