



NEWS ROOM



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Faber MD says talks with Pantai 'purely operational'

Group eyeing M&A; seeking more jobs in UAE and India

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KUALA LUMPUR: Faber Group Bhd managing director Adnan Mohamad yesterday declined to confirm nor deny speculation that it may be buying Pantai Holdings Bhd's Malaysian government concession business.

However, he said: "We do meet up but it's purely on operational side as we exchanged notes on our performance and discuss how to deal with the government on the concession extension matter," he said, without elaborating.

Nonetheless, Adnan said Faber Group was "pursuing several merger and acquisition (M&A) activities".

"It could be from other services industry such as facility engineering and biomedical. These are the players that we are trying to bring onboard," he said.

Pantai, owned by Khazanah Nasional Bhd and Singapore's Parkway Group, holds a long-term contract to provide services to public hospitals in three states as well as the concession for foreign worker health checks.

Pantai owns two 15-year concessions ending in 2012 via Fomema and Pantai Medinvest. Fomema holds the monopoly to conduct mandatory medical check-ups on foreign workers while Pantai Medinvest has the sole right to provide support services to all hospitals and government clinics in Negri Sembilan, Melaka and Johor.

It has been reported that Pantai group is planning to sell its Malaysian government concession businesses as it seeks to focus on growing its hospital division.

Meanwhile, Adnan said Faber Group was aiming to grow its revenue 12%-15% this year by pursuing more jobs in the United Arab Emirates (UAE) and India, which it sees as promising markets for its integrated facilities management (IFM) business.

He said the group, which is also involved in property development, was focusing on growing the IFM in the healthcare segment overseas.

"Currently, we are awaiting the result of our bid for a low-cost project in Abu Dhabi as well as deals in India to handle seven Fortis hospitals worth about RM10 million per year," he said at a media

and analysts' briefing here yesterday. He did not say how much the Abu Dhabi project was worth.

Of its IFM business, Malaysia currently contributes 83% of revenue in the segment, UAE 15% and India 2%.

Faber's net profit was nearly halved to RM82.68 million in its financial year ended Dec 31, 2009 (FY09) from RM155.7 million in FY08, even though revenue rose 21.8% to RM805.3 million from RM661.24 million.

Adnan said Faber was eyeing to further tap into its existing market in new townships in UAE namely Madinat Zayed and Liwa for the non-healthcare segment like infrastructure and residential project.

"In the UAE, we manage infrastructure and residential projects with a combined contract value of RM202.1 million. Our healthcare business in 12 hospitals and clinics, mostly located in Abu Dhabi, has a

total contract value of RM18.6 million per annum," he added.

Adnan said the group was also seeking to bid for the maintenance contract for the New Delhi airport, which is projected to be opened in October this year.

Faber's property arm is looking to acquire more landbank in the Klang Valley. Currently, the group has a total landbank of 23 acres (9.3 hectares) in Sabah with another 20 acres in the Klang Valley.

"We are in talks with several parties and this will take some time to finalise," Adnan said, adding that the location of the land would determine the kind of development to be carried out.



Adnan: These (facility engineering and biomedical) are the players we are trying to bring onboard. Photo by Suhaimi Yusuf