



# NEWS ROOM



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## Merger plan still up in the air

By Vasantha Ganesan

FABER Group Bhd is keeping mum on whether its healthcare management business under Faber Medi-Serve might be merged with that of Pantai Holdings Bhd's Pantai Medivest Sdn Bhd.

Managing director Adnan Mohammad said that he would prefer to remain non-committal, and it will be up to the shareholders to decide.

"I am sweating here," Adnan said when posed the question on whether a merger was in the offing.

"I can't really say ... we do not know really what is transpiring up there (shareholders)," he said.

When asked if this means he neither denies nor confirms that there are talks, he merely nodded his head.

Over the past couple of weeks, several reports have suggested that there could be a deal involving the two companies, which hold government concessions.

Khazanah, via UEM Group, holds 34.3 per cent in Faber while Pantai is wholly-owned by Pantai Irama Ventures Sdn Bhd, which in turn is



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60 per cent held by Khazanah Nasional Bhd and 40 per cent by Singapore's Parkway Holdings Ltd. Khazanah also has a 24 per cent stake in Parkway.

Two weeks ago, Business Times carried an article quoting sources that Pantai's concession business may be sold.

A week later, another English daily quoting a Khazanah spokesperson said that it was "just speculation", and that it was leaving it to

Pantai's management to deny the rumour.

Neither Faber nor Pantai have yet to deny or confirm the Business Times report.

Meanwhile, Adnan said that the company has submitted its request for an extension of its concession and expects to know the outcome by October 2010.

He said that Faber has met with the relevant official pertaining to the concession and based on its past performance it is comfortable that Faber Medi-Serve concession will be renewed.

Adnan also said he is unaware if there is a government policy which states that there cannot be fewer than three players for the concession.

Pantai Medivest generated RM207.8 million worth of revenue in 2008, alongside a net profit of RM14.8 million, documents from the Companies Commission of Malaysia showed, while Faber Medi-Serve made RM518.2 million last year.

Faber Medi-Serve serves some 79 government hospitals in Malaysia.