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#### HEALTHCARE & FINANCE DIVISIONS TO CONTRIBUTE HALF OF TONGKAH'S TURNOVER

KUALA LUMPUR, Nov 5 (Bernama) -- Tongkah Holdings Bhd plans to see its healthcare and financial services divisions contribute half of its turnover in the future.

Healthcare services are undertaken by Tongkah Medivest Sdn Bhd, a 51-percent owned subsidiary of Tongkah which was recently awarded a 15 year privatisation of five support services for 19 hospitals in Johor, Malacca and Negeri Sembilan.

The services are clinical waste management, cleansing services, laundry and linen services, facilities engineering maintenance and biomedical engineering maintenance.

Its financial services are undertaken through its 75-percent subsidiary Kestrel Securities Sdn Bhd, a stockbroking firm formerly known as MBf Securities Sdn Bhd. Acquired last year, it contributes about 40 percent of profit.

The company derived 80 percent of turnover from its manufacturing division. It owns 49 percent of Sharp Roxy Appliances Corporation Sdn Bhd.

Tongkah hoped to realise a 10 percent margin from the government hospital concession depending on how it managed the five services, company executive chairman and chief executive officer Mokhzani Mahathir told newsmen after the company's annual general meeting here today.

The company plans to start with the clinical waste management this month as its RM12 million incineration plant in Malacca was only awaiting its certificate of fitness to operate.

The company also proposed to increase its equity in Hospital Pantai Bhd to 21 percent from 4.5 percent, making it the second largest shareholder after Berjaya which holds 35 percent.

The increased stake also gave it access to Singapore's Parkway Ltd's hospital chain. Hospital Pantai owns 20 percent of Parkway.

"So we are going to be a serious player in the healthcare industry, both, from the direct patients and the support sector," he said.

While the financing for the RM107 million required to acquire the additional stake in Pantai Hospital had yet to be finalised, a temporary bridging loan would be arranged, he added.

Mokhzani said Kestrel had big potential to be one of the main profit contributors to the group.

He added that while there were plans for Kestrel to form strategic alliances with foreign institutions, the priority now was to increase its paid up capital from RM29 million to RM39 million.

"But, I think we can increase it far higher than that," he said, adding that Tongkah needed to inject more capital into the company to reduce the interest payment for its credit facilities.

On talk that Tongkah was eyeing to acquire a bank, Mokhzani said with the liberalisation of the stockbroking firms as proposed in next year's budget, Tongkah would prefer a strong stockbroking company with financial might behind it.

On its manufacturing sector, he said Tongkah was no longer looking at acquiring more companies, but the sector would be grown through joint ventures.

This was because Tongkah wanted its growth and turnover contribution to be balanced with the other sectors.

For the financial year ended June 30, 1996, Tongkah's turnover

increased 16 percent to RM528 million. -- BERNAMA  
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