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TONGKAH TO CONSOLIDATE BUSINESS ACTIVITIES

KUALA LUMPUR, Dec 9 (Bernama) -- Tongkah Holdings Bhd's strategy now is to consolidate its business activities and to seek partners to build up its core competencies, said Mokhzani Mahathir, its executive chairman cum chief executive officer.

The streamlining of the group operations through the restructuring exercise and the housing of all its subsidiaries under one roof, would allow Tongkah Holdings to operate in a more efficient way but under a leaner management team, he said in the company's 1997 annual report.

Mokhzani said that in view of the current economic uncertainties, Tongkah Group would ensure that the operations of all the companies would be managed with greater care and responsibility.

"We are confident that our management team and past prudent investment and divestment decisions gives us a stable platform to stand on. We are confident that we have the resources to ride through this economic crisis and reemerge as a healthier Group of Companies," he said.

Mokhzani said for the financial year ended June 30, 1997, Tongkah's group turnover slipped by 11.2 percent to RM468.7 million from RM528 million, previously mainly due to the continued slow down in the consumer electronics and computer market.

Tongkah Group is involved in manufacturing, healthcare services, financial services, and information technology services.

Mokhzani said the performance of several subsidiaries involved in the production of related consumer electronic products and components were significantly affected.

However, group pre-tax profit jumped by 73.5 percent to RM100.3 million from RM57.8 million as a result of the high contribution from Hospital Pantai Bhd when it disposed its stake in Parkway Holdings Ltd (Singapore).

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