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TONGKAH-PROFIT

TONGKAH CONFIDENT OF RETURNING TO THE BLACK IN CURRENT FY

KUALA LUMPUR, Nov 24 (Bernama) -- Tongkah Holdings Bhd is confident of returning to the black for the financial year ending June 30 2001 in view of the country's economic recovery.

Its executive chairman and chief executive officer Mokhzani Mahathir said the economic recovery has provided strong business opportunities for the group which is involved in manufacturing, construction, quarrying and trading.

He pointed out that the losses incurred last year was largely due to provisions of exceptional losses which include provision for doubtful debts, stock obsolescence and diminution in value of investments in subsidiaries.

In the last financial year ended June 30 2000, Tongkah posted a pre-tax loss of RM121.176 million with RM128.176 million provisions for exceptional items.

"If all goes according to plan and there are no other further write-off which we do not expect there being any, we should be recording real profit," Mokhzani told reporters after the company's annual general meeting and extraordinary general meeting, here.

To a question, he said the company would be concentrating on organic growth rather than venturing into new businesses by acquisitions.

As such, he said Tongkah is now looking at strengthening its operations mainly on the manufacturing side to improve profitability and this include injecting fresh capitals.

"We are looking at Tongkah Electronics, Tongkah Mouldings and Tongkah Granite and make sure that all three are on sound financial footing. By end of this financial year, we will be on a definite growth path," he added.

Meanwhile, in the company's annual report, Mokhzani said the group's manufacturing sector would maintain a strong presence among the local contract manufacturers and is now poised to take advantage of the country's improved economic growth.

He added that the group's strategy is to widen its customer base to complement the cyclical nature of the computer component industry that has been Tongkah's bread and butter for the past years. -- BERNAMA

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