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New Eonmetall plant to meet rising demand

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NIBONG TEBAL: Eonmetall Group Bhd has invested RM25mil in a new plant in Valdor Industrial Estate, near here, to cater to the growing demand for its steel products.

Managing director Datuk Goh Cheng Huat said the plant, near its present plant, was scheduled for completion by year-end.

It would focus on manufacturing cold-rolled coil, an essential ingredient for the manufacturing of expanded metal, steel-racking system, and roofing trusts.

"With the new plant, we can expand on this

 **EONMETALL**

activity, which has helped us save substantially on production costs.

"The plant would also manufacture expanded metal, steel racks, metal-work machine, steel-processing machine, and cold-rolled forming machine," he told *StarBiz*.

Goh said the group, which started a year ago to manufacture its own raw material, cold-rolled coil, expected to supply more steel products and metal work and steel-processing machinery to the Middle East and Africa.

"As the price of crude oil shoots up, many of

the Middle Eastern countries are now investing in infrastructure development.

"This increases the demand for steel products and metal work and steel-processing machinery," he said.

As Eonmetall had been a player in the Middle East and Africa for more than 10 years, it was in a good position to secure many new deals there, he added.

"We are in negotiation with several Middle Eastern and African countries," Goh said.

The group had, in May, secured a RM10mil contract from a Sudan-based company to supply steel-processing machinery, he said, adding: "We have started supplying to them."

Eonmetall to up export revenue

By **DAVID TAN**
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PENANG: Eonmetall Group Bhd plans to increase revenue contribution from its exports to over 70% this year.

Presently exports account for about 60% of its revenue.

Executive director Yeoh Cheng Chye said the group expected to conclude three joint-venture business deals in the Middle East, Africa and South-East Asia before the year-end.

"These deals involve helping our partners set up steel processing plants and require them to purchase metal work machinery from us," he said.

The deals were expected to boost exports to over 70% of the group's 2007 revenue, he told a press conference in conjunction with the company's transfer to the main board yesterday.

Yeoh also said the group was currently exploring the potential of manufacturing piping products for the oil and gas industry.

"We are studying the feasibility of acquiring an overseas oil and gas company," he said.

Yeoh said the group's new RM50mil plant next to its existing plant in Valdor Industrial Estate Sungai Bakap should be ready to commence operations by the end of the month.

"The new 28,000 sq m plant will concentrate on production of filter mesh and cold-rolled steel coils.

"It will also be used as a warehouse for our steel manufacturing machinery, steel raw materials and steel finished products," he added.

Meanwhile, managing director Datuk Goh Cheng Huat said the group would build a third plant to expand its production of metal machinery and cold rolled steel products in the second half year.