

Eonmetall sets aside RM25m for expansion

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EONMETALL Group Bhd, scheduled to list on Bursa Malaysia second board on July 26, is allocating RM25mil to expand its metalwork machinery and secondary flat steel business early next year.

The amount would be invested in a facility in Penang's Valdor Industrial Estate that would focus on the production of cold rolling mill machine and expanded metal products, as such products could generate a higher profit, group executive director Yeoh Cheng Chye told *StarBiz*.

"We are increasing output of expanded metal products because of rising demand from the filter industries in the US and Europe," he said.

Yeoh said the cold rolling mill machine was designed and developed by Eonmetall using the cold rolling technique to reduce the thickness of hot-rolled coil, measuring less than 3mm to 0.5mm.

"The reduced thickness enables the metal strips, which is the final product, to be used for making a wider range of secondary flat steel product such as steel tubes, and sec-

tion and forming products.

"The expanded metal products are used in clean rooms to reduce the inflow of dust particles," he said.

Construction of the new plant would begin soon and production was scheduled to start early next year, he added.

Yeoh said Eonmetall aimed to fulfil RM14mil worth of local and overseas orders for its products by the end of the third quarter.

The company was now working to meet orders for about RM70mil worth of cold rolling mill and other metalwork machinery from customers in Vietnam and hoped for delivery by the year-end, he added.