

Eonmetall upbeat on turnover, profit

STEEL products manufacturer Eonmetall Group Bhd is confident of achieving its projected RM80mil turnover and about RM15mil net profit for the financial year ending Dec 31, said executive director Yeoh Cheng Chye.

He said the group was on track to achieving the forecasts as it had already registered a net profit of RM9.43mil for the first six months ended June 30 on RM27.3mil revenue.

For the year ended Dec 31, 2004, Eonmetall recorded a net profit of RM13.4mil compared with RM11.7mil a year earlier.

"Eonmetall would be allocating RM25mil to expand its metalwork machinery and secondary flat steel business early next year," president Goh Cheng Huat told reporters after the company's listing on the second board of Bursa Malaysia yesterday.

He said the company planned to use RM12mil from its initial public offering (IPO) proceeds to set up the new plant while the balance would be financed through bank borrowings.

Construction of the new plant would begin soon and production was scheduled to

start early next year, he added.

The group expects to produce 100 units of metalwork machinery annually with the setting up of the new factory, to be located in Sungai Bakap, Penang.

It is expected to be constructed this year and start operations early next year.

"Currently, our existing factory in Penang produces only 50 units of metalwork machinery a year," said Yeoh, who is also the chief operating officer.

Yeoh also said the company planned to enter the Myanmar market next year to widen its export market.

Currently, its exports account for 41.6% of revenue.

Its export markets are North America, Africa, the Middle East and Asia.

"We also export to European countries such as Sweden and Ireland and we will continue to tap new European markets," he added.

Eonmetall shares opened at RM1.05 for a 5 sen premium over the initial public offer price of RM1.

The counter touched a high of RM1.13 and a low of RM1.05, before closing at RM1.08 on a volume of 17 million shares.