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Artwright breaks into West Asian market

OFFICE equipment supplier Artwright Holdings Bhd has made its presence felt in West Asia by securing its first contract worth RM250,000 in Dubai.

"This is part of the group's strategy to expand our export market, especially to West Asia," chairman Mirzan Mahathir said after Artwright's annual general meeting in Kuala Lumpur yesterday.

The group currently exports its products to Japan, Europe (England, Belgium and Germany), Australia, Canada, the US and Asean countries such as Indonesia, Singapore, Thailand, and the Philippines.

Mirzan said Artwright recently secured a second contract to supply office equipment worth RM300,000 to Dubai. "It is a good sign that our products have been accepted."

The products will be delivered by its agents in Dubai.

Mirzan said the group plans to undertake more projects in West Asia "as there is a healthy demand there for office furniture and equipment".

Commenting on the currency and market turmoil, Mirzan said the group is currently in a good position to benefit from the depreciation of the ringgit.

"Our export deals are in US dollars," he said, adding that Artwright has been exporting its products since 1985.

However, Mirzan said the group has been affected in other ways, such as in staffing costs. Artwright has reduced its staff from 1,500 to 600 in the current financial year due to higher production costs.

He said the group has taken measures to maintain its competitiveness, including reducing production costs, and improving research and development and design.

"Besides that, we have upgraded our quality control division to compete with the US and European producers," he said, noting that Artwright is among the most popular office equipment suppliers in the world.

Asked whether Artwright plans to buy back its own shares, Mirzan said it is not necessary as its shares are currently below the group's net tangible assets. "What we need now is not to increase (the number of) shares but to reduce it."

At the AGM, Mirzan said Artwright's turnover as at June 30 1997 increased by 38 per cent. The group expects to increase its turnover by the end of the next financial year ending June 30 1998.

He, however, declined to give a forecast of the actual amount, saying that it is too early to predict.

The group posted a pre-tax profit of RM12.61 million and a profit after tax of RM11.92 million for the financial year ended June 30 1997. Its earnings per share was 60 sen.

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