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Capetronic Consumer Electronics - Low note

THE debut of Capetronic Consumer Electronics Holdings Bhd reflected the spiritless broad market. The second board counter only managed to turn in a gain of 64.1% above its RM7.80 subscription price when it was first traded at RM12.80. In absolute terms, investors made a profit of RM5 per share.

At lunch break the price struck RM13.80 with 5.03 million shares changing hands.

Capetronic ended the day at RM12.80. A total of 6.11 million shares were traded. It had earlier peaked to a high of RM14 and succumbed to a low of RM10.

Chairman Mirzan Mahathir was happy with the stock's performance.

Capetronic is an original equipment manufacturer assembling audio products for major brand names on contract basis. It is also an original developer manufacturer, capable of designing and developing audio products in-house. It will then market the designs to its principal customers and will manufacture and assemble the products.

Capetronic's existing plant in Port Klang currently produces an average of 80,000 music centre units and 20,000 separate systems units per month.

A music centre features integrated audio systems with compact disc players, CD changers, video CD players, tuners, receivers, speakers, amplifiers and other accessories. The music centres are sold under brand names such as Pioneer, Yamaha, Sony, Onkyo, Philips, Thomson, Bose, Magnavox and RCA.

Plans lined up for the future include the setting up of a second plant in Port Klang to increase production capacity. Said Mirzan, 'Initially production capacity will increase by 30%. However, within three years the new plant will be fully operational and production capacity will be double that figure.'

Part of the proceeds from the public issue, amounting to RM44.8 million, will be channelled to construction of the factory. This includes the acquisition of a 2.4ha piece of land and state-of-the-art machinery.

The plant would be equipped with plastic injection moulding capability and 16 production lines with the capacity to produce 90,000 units of music centre units and 20,000 separate units of audio systems per month.

Mirzan said Capetronic expects to increase its turnover by 10% to RM417.32 million by sales growth this year.

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