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Capetronic hopes new factory will help boost its market share

CAPETRONIC Consumer Electronics Holding Bhd plans to capture a bigger share of the market for audio system parts and to double its exports with the construction of a new factory.

The new factory, next to the group's current operations site in Port Klang, is expected to be completed by the first half of 1998 and will start operations by the second half of the same year.

Speaking to reporters after the listing of Capetronic in Kuala Lumpur yesterday, chairman Mirzan Mahathir said the plan for the new factory has been finalised and is currently pending approval.

He said the new plant will start contribute 30 per cent to total production once it begins operations. "We hope that it will give 100 per cent contribution to production within three years."

The group has allocated RM44.8 million to finance the new plant and to purchase machinery for it, he said. The new factory will have 16 production lines and the capacity to produce 90,000 units of music centres and 20,000 separate units of audio systems a month.

The group's turnover for the current year was 10 per cent higher than the previous year's RM379.4 million and this, Mirzan said, provides a good sign for the group to capture a bigger market for its products.

The Capetronic group is involved in the manufacture, assembly and export of home audio products which can be broadly categorised into mini and midi music centres and separate systems.

A music centre is an integrated audio system which includes CD players, CD changers, video CD players, tuners, receivers, speakers and amplifiers. A separate system includes analogue record players, tuners, receivers, and CD players, and these are sold separately.

All products are sold under established brandnames such as Pioneer, Yamaha, Sony, Onkyo, Philips, Thompson, Bose, Magnavox and RCA.

Capetronic yesterday made its debut on the second board of the Kuala Lumpur Stock Exchange, closing at RM12.80 for a premium of RM5.00 above the offer price of RM7.80.

Its shares opened at RM12.80 with 84 lots done, and were traded to a high of RM14.00 and a low of RM10.00 during the day. A total of 6.114 million shares were traded.

Capetronic made an offer for sale and a public issue of 10 million shares, of which 1.44 million were reserved for eligible directors and employees, 3.479 million for approved Bumiputera investors and 5.061 million for the public.

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