

# CAM Resources targets high-end foreign markets

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SECOND Board-bound CAM Resources Bhd plans to expand its export market by introducing high value-added kitchenware and kitchen sinks to capture the high-end markets of developed countries like Canada, US and Europe.

"The company also plans to set up sales offices in various countries such as Bangladesh and Indonesia," CAM Resources says in its prospectus.

Also a manufacturer of melamine table ware and kitchen knives, CAM Resources currently exports its products to various Asian countries including Singapore, the United Arab Emirates, Japan and Brunei.

"For the first seven months of the financial year 2001, exports contributed about 17 per cent to the total sales of the company," it says.

CAM Resources recorded a net profit of RM4.06 million from a revenue of RM26.89 million for the seven months of

2001 and has estimated a net profit of RM7 million from a revenue of RM55 million for the year ended December 31 2001.

For the current year, the company has forecast a net profit of RM9.36 million on a revenue of RM65.64 million.

"Besides developed countries, the introduction of the high value-added products will enable the company to target high income groups in Malaysia," it says.

The company also says it plans to introduce new products in the next 12 months, namely electric water boiler, electric kettle, stainless steel single bowl and double bowl insert sinks.

"All the new products will be for both local and export markets," the company says.

CAM Resources is making a public issue of 6.15 million new RM1 shares at RM1.38 each, 2.15 million of which will be for public subscription and the remaining four million to be issued by a private placement.

The company is expected to raise a total of RM15.64 million from the exercise, which will be used to pay its bank borrowings, fund its acquisitions of plants and machinery, expand its existing factory and as working capital.

To increase its competitiveness, CAM Resources will invest some RM3.2 million to acquire a new factory and another RM1 million to extend its existing factory in Hutan Melintang, Perak.

The company is also planning to relocate and re-arrange its stainless steel kitchenware factories to the new plant and to re-arrange the kitchen sink and aluminium and kitchenware production in the existing factory. Both factories will be re-arranged into a single-line production process.

"With the re-arrangement, the production flow time will be shortened and the spoilage reduced, while the quality of the products will be further improved and the delivery lead

time will also be reduced," CAM Resources says.

It adds that the improved efficiency will translate into the reduction of production costs and provide better customer satisfaction.

The company will also invest another RM1 million for the building of a new factory for its subsidiary Central Melamine-ware Sdn Bhd (CMelamine) in Hutan Melintang and relocate its production there.

"This will give CMelamine ample space for future expansion," CAM Resources says.

The adviser and managing underwriter for CAM Resources' flotation exercise is Commerce International Merchant Bankers Bhd, which also acts as a placement agent, while the co-underwriters are CIMB Securities Sdn Bhd, PM Securities Sdn Bhd and Kestrel Securities Sdn Bhd.

The company is expected to be listed on the second board of the Kuala Lumpur Stock Exchange in mid-March.