

# Cymao adds 12 sen on prospects of higher profit

BY IZWAN IDRIS

CYMAO Holdings Bhd added 12 sen yesterday to equal its recent high of RM4.02 on expectations that it would exceed its prospectus profit projection for the current year ending Dec 31.

Dealers said higher plywood products' selling prices, which had risen between 25% and 50% in the first nine months this year, were the main catalyst for the upward re-rating of this stock.

Cymao, listed on the Bursa Malaysia main board last March, had forecast current year net earnings per share (EPS) to reach 34.4 sen, 24% higher than in the previous year.

The estimate, however, was based on the average plywood selling price at the end of last year, which was below US\$300 a tonne.

"Based on the plywood price surge, the stock is expected to exceed the projection by a good margin," a dealer said.

Cymao is expected to announce its third quarter results for the period ended Sept 30 late next month.

For the first six months to June 30, Cymao's EPS stood at 17.69 sen, in line with its full-year projection on an annualised basis. However, given the surge in plywood prices this year, analysts expect dividend payout to increase in tandem.

Last month, the company paid an interim dividend of 7.5 sen per share, higher than its original full-year forecast of 5 sen per share.

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