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Cymao to expand in China

By **HANIM ADNAN**

PETALING JAYA: Plywood manufacturer Cymao Holdings Bhd is eyeing more acquisitions in plywood-based operations in China, according to chief financial officer Chin Yoong Foo.

He said Cymao was happy with its latest acquisition of an existing plywood manufacturing operation in China, which was the group's first plant overseas.

"We will be increasing the production capacity of the plant in China to 84,000 cu m per year from 18,000 cu m currently," Chin told *StarBiz*.

China had ample resources in terms of logs and timber supplies as well as logistic that provided Cymao with better export opportunities, he added.

Chin said he expected equal contribution from domestic and overseas markets to the group's turnover in three to four years.

Cymao's main export market is the US, which accounted for more than 60% of the company's sales volume last year.

Chin said the price of plywood had strengthened, particularly in the second half of the year.

For Cymao, the contract prices for its plywood averaged between US\$430 and US\$450 per cu metre." We believe plywood prices will remain firm till year-end," he added.

Meanwhile, Cymao was among the top gainers on Bursa Malaysia yesterday, closing eight sen higher at RM1.35.

Chin attributed the encouraging performance to the company's fundamentals.

A dealer said: "There are some bargain-hunting activities as Cymao's share price is still trading below its net tangible asset at RM2.10."

He believed that with the recent rally, Cymao was playing catch-up with larger timber companies such as Ta Ann Holdings Bhd, WTK Holdings Bhd and Subur Tiasa Holdings Bhd.

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