

Eonmetall eyes listing on Dubai bourse

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MAIN board listed Eonmetall Group Bhd — which is venturing into the district cooling systems and chemical flushing business in the Middle East — is eyeing a listing on the Dubai Stock Exchange in two to three years.

The Penang-based metal-work and equipment maker, whose presence in the Middle East and Africa dates back to the 1990s, is now looking to use Dubai as a launch pad for projects in the Gulf region and Europe.

"We are looking at a lot of new business for Eonmetall in Dubai and optimistic of getting listed on the Dubai bourse," Eonmetall executive director and chief operating officer Yeoh Cheng Chye told Business Times.

Yesterday, Eonmetall announced it is setting up a joint-venture company named Eonmetall Global Composites LLC based in Dubai.

The group's subsidiary, Eonmetall Petro-Chem Sdn Bhd, will hold 30 per cent of the joint-venture firm, while the balance will be held by four partners.

"EGC-LLC will be involved in the manufacturing of metal and composite products, electro mechanical contracting and testing, chemical flushing and maintenance of district cooling systems, as well as direct investment into the oil and gas business activities in the Middle East," Yeoh said.

A district cooling system is essentially a centralised energy plant which generates thermal media (such as chilled water) for air-conditioning requirements of several buildings within a district.

Following the incorporation, Yeoh said EGC-LLC will acquire the entire issued capital of Coolrich District Cooling Services LLC for 4.5 million dirham (100 dirham = RM90.52).

"We have been guaranteed profits up to 20 per cent in the first year of operation," Yeoh said, adding that Coolrich currently has 30 million dirham worth of projects in hand and this figure is expected to rise to 80 million dirham by year-end.

"Coolrich's expertise," Yeoh said, "is needed to keep the buildings' ventilation

cool against the warm weather in the country.

Its track record, among others, includes completion of projects at the Dubai Investment Park, Dubai Festival City, Dubai International Financial Centre and Grand Mosque Abu Dhabi.

Yeoh said Coolrich currently has an orderbook of around 30 million dirham.

"The market size is estimated to be worth approximately 6 billion dirham with an annual growth rate of more than 50 per cent over the next few years," he noted.

Eonmetall's managing director Datuk Goh Cheng Huat described the latest joint-venture as "synergistic" to the company's existing business operations.

"We have already leased a plot of land at the Dubai Industrial Park to set up a plant for producing the pipelines and insulations," he said.

"With the facility and infrastructure that we are building, we will be able to produce oil and gas pipes for the Gulf Cooperation Council (GCC) countries in the near future," Goh said.

The GCC comprises Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman.

Goh said there are also plans to set up a steel manufacturing plant in Dubai to cater to the buoyant construction sector there.

"We have also been actively looking out for strategic alliances in other countries which we expect to come to fruition by the end of 2007," he added.