

KNM hopes to raise RM21m from IPO, list on KLSE in third quarter

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and Managing Underwriter

seambankers

Joint Underw

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KNM Group executive chairman Datuk Abdul Rani Mohd Razalli (centre) witnesses the exchange of documents between Lee (right) and Aseambankers Malaysia Bhd chief executive officer and director Agil Natt after the signing of the agreement. — Bernamapic

KNM Group Bhd, which is en route to a listing on the second board of the Kuala Lumpur Stock Exchange this year, expects to raise RM21 million from its initial public offering (IPO).

From the proceeds, RM11 million will be used to repay a term loan, RM8 million for capital expenditure and the balance for working capital, its managing director Lee Swee Eng said yesterday.

"The prospectus will be issued towards the end of this month and the listing date will be in August or September this year," he told reporters after the signing of the underwriting agreement in Kuala Lumpur.

The IPO will involve a public issue of 6.68 million new ordinary shares of RM1 each at an issue price of RM1.48 per share.

KNM is an investment holding company involved in the manufacturing of process equipment and turnkey storage facilities for

the oil, gas and petrochemical industries.

On the company's future plans, Lee said it expects to make further inroads into new markets and to enter new ventures to strengthen its export markets.

In addition to its local plants, the company has a manufacturing plant in China.

Lee said the company will also be appointing agents and representatives for the development of strategic alliances as well as for the establishment of regional marketing or liaison offices.

The company currently has agents in Oman, Jordan, Qatar, United Arab Emirates, Indonesia, Europe and the US to assist in lobbying for new projects in these countries.

The company's export market contributed 45 percent to its turnover of RM107 million in the financial year ended December 31 2002.

Lee said the company also in-

tends to commercialise a number of their in-house developed processes to external parties.

Some of these include systems, design and engineering services, post-weld heat treatment, "col-lift" for vertical lifting of completed roofing and non-destructive testing of process equipment for the oil, gas and petrochemical industries.

Lee said the company aims to focus on its niche market since very few operators in the industry have the ability to carry out the full range of these services, which require either proprietary, highly-skilled labour or very specialised and expensive equipment.

The provision of these services will further enhance KNM Group's revenue stream as well as provide a significant competitive edge over other operators in the industry, he added. — Bernama