

■ **Changshu factory:** Forecast to be largest contributor to company in next three years

# KNM sees 50pc revenue from China plant

■ By JASON GERALD

KNM Group Bhd, en-route to a main board listing August 13, expects its Changshu plant in China to contribute some 50 per cent to its turnover within the next two to three years.

The plant has the biggest capacity of the five KNM plants. It can produce nearly 12,000 tonnes of process equipment for the oil, gas and petrochemical industries.

Executive director Bryan Lee said it has secured a RM5.5 million contract with Japan's petrochemical giant, JGC, to build process equipment for its oil and gas plant in China.

"This is only the start for our plant in China and we expect to get more projects not only from China but from all over the world, especially Canada, the US, West Asia, Africa and also Asia.

"The location of the Changshu plant is also strategic as it is located on the banks of the Yangtze River and within the Changshu Industrial Estate," he said.

KNM's other plants are located in Gebeng in Pahang; Malacca; and Bintulu in Sarawak.

Currently, all these plants can produce 29,000 tonnes of process equipment such as pressure vessels, reactors, towers, columns, horizontal rounded bullets, heat exchangers, air coolers, flare stacks, storage tanks, spheres, process skid packages and other equipment for the oil, gas and petrochemical industries worldwide.

"Of this, our plant in China is capable of producing 12,000 tonnes and it is expected to be the largest contributor to KNM's revenue within the

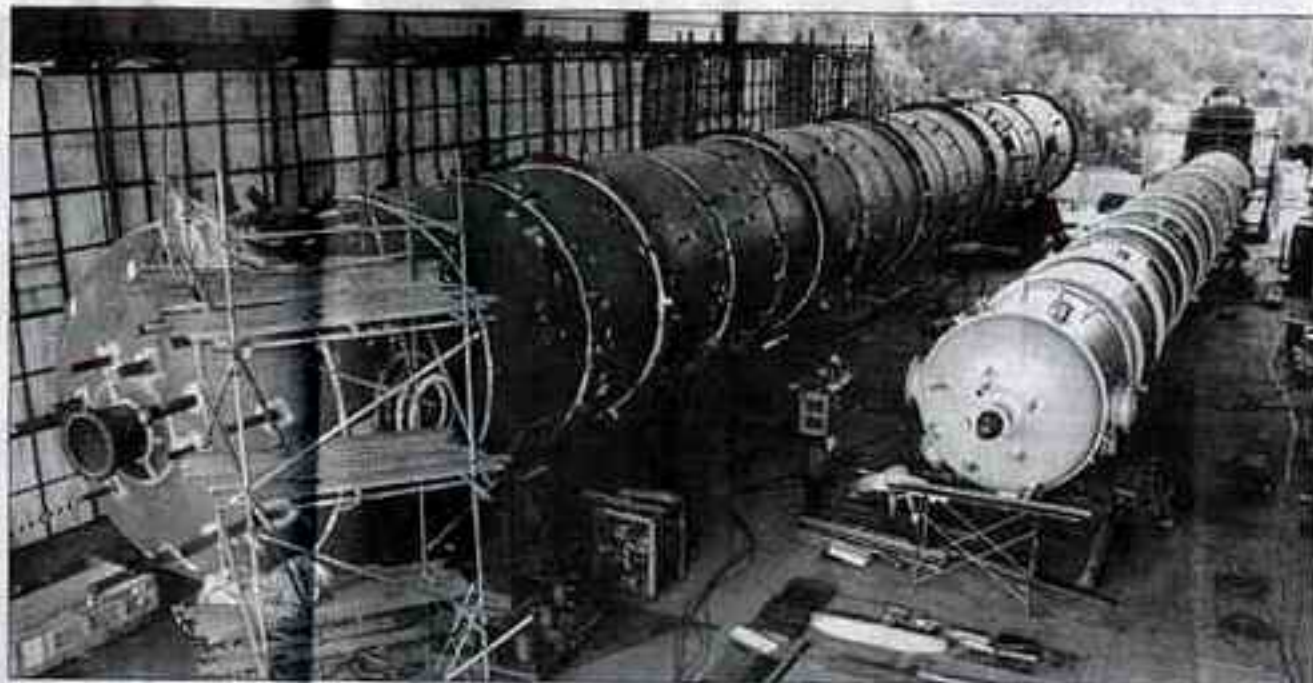
next two to three years," he said.

Lee was speaking to reporters visiting KNM's plant in Gebeng yesterday. The company had gained listing in the Malaysia Book of Records for the biggest furnace under the category of Science and Technology.

The furnace was built for the stress-relieving process called post-weld-heat treatment for KNM's largest column which would be exported to a refinery in Texas, US.

"We are exporting three columns to the refinery in Texas with a total cost of RM12.2 million and would be shipped from the Kuantan Port in August," he said.

He also said the company is looking into the possibilities of opening new plants and among the areas which is being considered are West Asia and Asia.



KNM column bound for a US refinery in Texas undergoing a special heat treatment process at the KNM plant in Gebeng