

KNM eyes global market

PROCESS equipment manufacturer KNM Group Bhd, en route to a KLSE second board listing, plans to become an international player in the manufacture of exotic materials-based equipment this year, said executive chairman Datuk Abdul Rani Mohd Razali.

"Our plans after the listing include expanding our international markets and licensing arrangements, identifying more new business areas such as exotic materials and providing specialist services," he said at the balloting of KNM's shares in Kuala Lumpur yesterday.

Managing director Lee Swee Eng said exotic materials-based products were top-end items and the company planned to leverage the progress made in the manufacture of carbon steel columns locally, to secure overseas jobs.

He said of the proceeds from its public offering, RM1mil would be used for research and development, including enhancing the quality of its processes to keep up with its overseas expansion and international competition.

"The main players in this field are from Japan and Europe," he said.

He added that the venture was aimed at expanding its export income in the longer run.

According to Lee, gross proceeds

KNM GROUP BHD							
Basis for balloting and allotting 3,080,000 ordinary shares (public portion)							
Denomination		Total Number of Applications Received	Number of Successful Applications	% Chance	Number of Shares/ Successful Applicant	Total No. of Shares Allotted	% Shares Available
From	To						
100		53	53	100.0	100	5,300	0.17
200		33	33	100.0	200	6,600	0.21
300		18	18	100.0	300	5,400	0.18
400		3	3	100.0	400	1,200	0.04
500	- 900	199	12	6.03	500	6,000	0.19
1,000	- 1,900	23,356	1,908	8.17	1,000	1,908,000	61.95
2,000	- 2,900	2,237	238	10.64	1,000	238,000	7.73
3,000	- 4,900	2,583	358	13.86	1,000	358,000	11.62
5,000	- 9,900	1,171	210	17.93	1,000	210,000	6.82
10,000	- 19,900	772	178	23.06	1,000	178,000	5.78
20,000	- 49,900	225	66	29.33	2,000	132,000	4.29
50,000	- Above	42	15	35.71	2,100	31,500	1.02
		30,692	3,092			3,080,000	100.00

arising from the company's placement and public issue are estimated to amount to RM21mil, of which RM11.1mil will be used for the repayment of term loans, RM8.2mil for capital expenditure and the balance for working capital and listing expenses.

KNM has seven subsidiaries, two associate companies and four manufacturing plants. Three plants are in Malaysia and a fourth new plant is in Changsu, China.

Lee said the China plant would be

fully operational by 2004. It would enable KNM to produce 28,500 tonnes of process equipment annually.

Among KNM's products are columns, reactors, separators, pressure vessels, skid packages, heat exchangers, air coolers and LPG moulded bullets.

KNM has several entries in The Malaysia Book of Records. One of them is for building super-sized LPG moulded vessels weighing over 800 tonnes.

"We are constantly looking at jobs involving very large equipment, especially from overseas," Lee added.

A statement from MIDF Consultancy and Corporate Services Sdn Bhd said for the 4.4 million shares made available for public subscription, a total of 32,480 applications for 64,238 shares with a value of RM95.072mil were received from the public.

This represents an over-subscription rate of 13.6 times.