

KNM to expand into Indonesia

KNM Group Bhd, a manufacturer of process equipment for the petrochemical industry, expects to expand to neighbouring Indonesia by 2005.

“We will probably explore the areas of Batam and Balikpapan to set up a plant there,” group managing director Lee Swee Eng told a media briefing in Kuala Lumpur on Monday.

He added that KNM would also look into joint ventures or acquisitions to penetrate the Indonesian market but did not disclose any details.

KNM currently runs on a production capacity of 22,000 tonnes annually. It expects to achieve a total output of 33,000 tonnes by the end of its next financial year ending Dec 31, 2005.

KNM also announced on Monday the acquisition of a plant in Shah Alam.

KNM Process Systems Sdn Bhd, a wholly-owned subsidiary of KNM Group Bhd, has successfully completed the acquisition of MKE Engineering Sdn Bhd, a wholly-owned subsidiary of Sumber Amantech Sdn Bhd for RM5.8mil, to be completed by the first quarter of 2005.

Lee added that the plant acquisition was to enhance its local production capacity by an additional 4,000 tonnes per annum from financial year 2005 onwards.

MKE Engineering, formerly known as Mechmar Keppel Engineering Sdn Bhd, is a joint venture entity with the Keppel Group of Singapore.

On its China operations, where KNM already has a presence within the Jiangsu Province of mainland China, Lee said: “We’re going on phases for the China plants, namely phase one and two.”

He said the China plants were currently running at a production capacity of around 5,500 tonnes annually.

KNM is looking to begin phase two for its China operations by next year. – Bernama