

KNM expects RM50m sales from China

The Star - 23 July 2004 KNM Group Bhd, a manufacturer of process equipment for the petrochemical and oil and gas industry, expects its China plant to post a turnover of RM50mil next year. Managing director Lee Swee Eng said: “We are also planning to expand our current plant in China, increasing on the capex (capital expenditure) and capacity.”

The China plant, which serves the petrochemical sector, would double its capacity by next year, he said after the company’s EGM in Seri Kembangan yesterday. “Currently, the capacity has built up to a level of 40% to 50%,” he said.

Lee said the company was also looking to establish a presence in Indonesia next year.



Lee Swee Eng

“This is our next move,” he said, adding that the company was looking at either taking over an existing business or starting a new one.

He said among the areas being considered were Balikpapan and Batam Island.

Under its expansion plan, KNM had proposed to acquire 50% stake in the FBM-Hudson Italiana SpA manufacturing plant in Dubai. The acquisition is expected to complete by the third quarter this year.

“Part of the reason to move our operation to Jebel Ali, Dubai, is to save on cost and logistics,” Lee said, adding that the company presently was able to meet only 10% to 15% of the demand from the Middle East countries.

He said the Jebel Ali plant would manufacture reactors, columns, towers and separators.

As at July 6, KNM has an order book of about RM252mil from foreign firms (75%) and local (25%). – Bernama