

KNM expects revenue to double this year

SERI KEMBANGAN: KNM Group Bhd expects its revenue to double this year on the back of increased order book, enhanced presence in the Middle East and China, and plant expansion activities, said group managing director Lee Swee Eng.

For the financial year ended Dec 31, 2005, the manufacturer of process equipment for the oil and gas industry recorded a net profit of RM41.1mil on revenue of RM343.9mil.

Lee said the group, which currently has an order book of about RM1.2bil and six plants overseas, was looking to triple the

production capacity of its facility in Dubai and upgrade its China operations this year. It has five plants in Malaysia.

The group would invest RM70mil this year to increase production capacity to meet the growing demand from the oil and gas sector for its processing equipment, he said after the group AGM and EGM yesterday.

"Our current total production capacity is 73,000 tonnes per annum. By year-end, we are targeting for annual capacity to reach 87,000 tonnes," he said.

The expected completion of KNM's

manufacturing facility in Brazil by year-end was anticipated to contribute to the increased production output, Lee pointed out.

According to Lee, KNM will need a 30% compounded annual growth rate to achieve its goal of being one of the world's top 10 oil and gas, petrochemical and mineral processing equipment makers by 2008.

"If we were to grow organically, we can only grow by 15% per year.

"We need both organic growth and acquisitions," he added.