

KNM purchase of German firm by mid-year

KUALA LUMPUR: KNM Group Bhd expects to complete its RM1.7bil acquisition of Germany's Borsig Beteiligungsverwaltungsgesellschaft mbH by middle of this year, group managing director Lee Swee Eng said.

He said the acquisition was in line with the group's strategy to shift its product range from mid-end to high-end products.

"Our strategy is to move up the value chain. That means we are trying to shift our product mix from mid-end to high-end," he said after the company EGM yesterday.

Lee said about 30% of the group's current production involved high-end products, adding that it aimed to increase this to 45% this year and further to 60% going forward.

On the proposed acquisition, Lee said it would help the group become a global one-stop centre for process equipment in the oil and gas, petrochemical, chemical, power and industrial services industries.

He said the acquisition would enhance KNM's access to Borsig's customers in the oil and gas, petrochemical, chemical and power generation industries.

Borsig is a manufacturer of boilers, steam turbines and engines and locomotives as well as valves, compressors and process equipment.

It is considered a global leader in process heat exchangers, quench coolers, high pressure heat recovery systems, and membrane technology for industries. — Bernama