

KNM eyes West Asian market

The Star - 6 October 2004 KNM Group Bhd, a manufacturer of process equipment for the petrochemical industry, expects to secure more orders from West Asia after completing the acquisition of a 50% stake in a Dubai-based plant owned by FBM-Hudson Italiana SpA (FBM) of Italy.



Lee Swee Eng

KNM will enter into a joint venture with FBM through KNM International Sdn Bhd, a wholly-owned subsidiary, by purchasing a company owned by the Italian firm and currently operating in Dubai's Jebel Ali Free Zone in the United Arab Emirates for RM45.6mil cash.

The completion of the purchase, expected this month, would enable KNM to increase its overseas projects, particularly in supplying air fin coolers in which FBM had technical expertise, KNM managing director Lee Swee Eng said after the company EGM in Kuala Lumpur yesterday.

The joint venture calls for total investments of RM18.24mil by both KNM and FBM for working capital.

KNM's order book now stands at RM293mil, with 75% coming from overseas contracts.

Lee expected the overseas contracts to surpass the 75% contributions mark due to tremendous opportunities in the global petrochemical industry and especially with KNM's increased production capacity in China and West Asia.

He said KNM was also bidding for RM1bil worth of projects and hoped to receive confirmation on some of them by next year.

The company's market focus would be on West Asia, Australia, Canada and China. KNM will invest RM30mil next year to double its capacity in China. – Bernama