

Sapa continues to grow in Asia – Signs letter of intent to acquire Chinese extrusion company Kam Kiu Aluminium

Sapa AB has today signed a Letter of intent to acquire the Chinese extrusion company Kam Kiu. Kam Kiu is one of Chinas largest extruders with more than 30 extrusion presses and value added activities in anodizing, painting and fabrication. Kam Kiu has a turn over of approx. MSEK 1,375 and has 2,100 employees. The company, which is located in Taishan in the Guangdong province, has a strong export position with a growing focus on the Chinese market.

“In 2007 Sapa joined forces with Alcoa to create the largest aluminium extrusion company in the world. By acquiring Kam Kiu, Sapa will get a strong foothold in China, the most expansive market in the world, and an excellent platform for serving the rest of the Asia region.”, says Ole Enger, CEO of Sapa. “The Sapa Group has been present in China with its Heat Transfer business for 10 years, and has demonstrated a strong and profitable development. We have recently decided to double our Heat Transfer capacity in China. An acquisition of Kam Kiu Aluminium will establish Sapa as a major extrusion player in China as well. By adding Sapa’s capabilities we have the opportunity to develop an extrusion operation that will give us a front position in this market”, Ole Enger continues.

The transaction is expected to close during 2nd quarter after a satisfactory due diligence and after approval by relevant Boards and authorities.

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Sapa is an international industrial group, which develops and markets value-added aluminium profiles, profile-based components and systems, and heat exchanger strip in aluminium. Sapa has a turnover of approximately 35 billion SEK, with 15,000 employees all over Europe and in USA and China. Sapa is world-leading within its field and the customers are found in the transport, building, engineering and telecom industries. Sapa is part of Norwegian Orkla, listed on the Oslo Exchange.

Further information about Sapa can be found on our web site www.sapagroup.com