

OTHERS Orders Secured by KNM Process Systems Sdn Bhd amounting to USD23,154,890 (Equivalent to Approximately RM93.31 million)

KNM GROUP BERHAD

Type	Announcement
Subject	OTHERS
Description	Orders Secured by KNM Process Systems Sdn Bhd amounting to USD23,154,890 (Equivalent to Approximately RM93.31 million)

1. Introduction

KNM Group Berhad (“**KNM**”) is pleased to announce that its wholly-owned subsidiary, KNM Process Systems Sdn Bhd (“**KNMPS**”) has to-date received the following Orders from Tecnicas Reunidas, a company registered in Spain, to undertake the fabrication of High Thickness Vessels and High Thickness Columns (the “**Contracts**”) amounting to USD23,154,890 (equivalent to approximately RM93.31 million).

The Contracts duration ranges approximately 16 to 18 months commencing from the respective purchase order dates.

2. Directors' and major shareholders' interest

None of the directors and/or major shareholders of KNM, and/or any persons connected with them, have any direct or indirect interest in the said Contracts.

3. Effect of the Project

The Contracts are expected to contribute positively to KNM Group's earnings for the financial years ending 31 December 2016 and 2017.

4. Risk Factors

The Contracts are subject to certain risks mainly in the power, oil and gas industries. These include changes in general economic conditions such as, but not limited to inflation, environmental, health and safety regulations, taxation, foreign exchanges, interest rates, labour and material supply, changes in business and operating conditions such as, but not limited to government and statutory regulations and deterioration in prevailing market conditions.

KNM Group is already operating in these industries and hence would continue to be exposed to risk factors that they currently face whilst operating in these industries.

Although KNM Group with its vast experience may undertake efforts to mitigate the various risk factors, there is no assurance that any change in the above risk factors will not have a material adverse effect on the business and operations of KNM and/or KNMPS.

This announcement is dated 13 May 2016.