

## **OTHERS Award of Contract by TTSJV WLL to FBM-KNM FZCO amounting to USD4.865 million**

KNM GROUP BERHAD

Type	Announcement
Subject	OTHERS
Description	Award of Contract by TTSJV WLL to FBM-KNM FZCO amounting to USD4.865 million

### **Introduction**

KNM Group Berhad ("**KNM**") is pleased to announce that its indirect wholly-owned subsidiary, FBM-KNM FZCO ("**FZCO**"), had on 7 March 2019 received and accepted the terms and conditions of the Letter of Award from TTSJV WLL ("**TTSJV WLL**") dated 5 March 2019 for the supply of Carbon Steel Pressure Vessels for BMP Modernization Program-Bahrain, amounting to USD4.865 million (equivalent to approximately RM19.885 million based on the exchange rate of USD1 : RM4.087) (the "**Award**").

The supply and delivery duration of the Product is for a period of 12 months commencing from the date of the Letter of Award.

### **Information About the Parties**

FZCO was incorporated as a private limited company in Jebel Ali Free Zone, Dubai, United Arab Emirates on 1 November 1990. FZCO is principally involved in the design and manufacture of air-cooled heat exchangers, specialty shell and tube heat exchangers and process gas waste heat boilers for the oil, gas, petrochemical and desalination industries.

TTSJV WLL is a jointly owned company incorporated and duly existing under the laws of Kingdom of Bahrain by Technip group of companies and Samsung Engineering Co. Ltd.

## **Financial Effect of the Award**

The Award is expected to contribute positively to KNM Group's earnings for the financial year ending 31 December 2019 and 31 December 2020.

## **Risk Factors**

The Award is subject to certain risks mainly in the power, oil, gas, petrochemical, and energy 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 FZCO.

## **Approvals**

The Award is not subject to the approval of the shareholders of KNM or any regulatory authority in Malaysia or Kingdom of Bahrain.

## **Directors' Statement**

Having considered all aspects of the Award, the Board of Directors is of the opinion that the Award is in the best interest of the Company.

**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 Award.

**Documents for Inspection**

Details of the Award are available for inspection at the registered office of KNM at 15 Jalan Dagang SB 4/1, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia for three (3) months from date of this Announcement during normal business hours from Mondays to Fridays.

This announcement is dated 7 March 2019.