

OTHERS Article entitled : "Reviving KNMs Fortunes, KNM rides on green energy : From billionaire to millionaire in less than four months" appearing in The Star on 23 July 2016

KNM GROUP BERHAD

Type	Announcement
Subject	OTHERS
Description	Article entitled : "Reviving KNMs Fortunes, KNM rides on green energy : From billionaire to millionaire in less than four months" appearing in The Star on 23 July 2016

We refer to the above article which appeared in The Star, Starbizweek section, page SBW19, on 23 July 2016.

We refer to the statements:-

Star Q: "How profitable is your bio-ethanol plant in Thailand and the Peterborough project?"

"In the first phase of the Thai project, we expect a net profit of RM10 mil per year.

Reply: As for the Peterborough project, at an 18MW capacity, we are looking at a net profit of RM50 mil per year".

We wish to clarify that:-

Ir. Lee Swee Eng, the Group Chief Executive Officer of KNM Group Berhad ("KNM" or "the Company"), was interviewed by The Star and did make the statements to The Star as stated in the article.

b. These profitability figures per year are estimated based on the respective projects' financial projections.

c. The profitability figures are projected based on first full calendar year of operations of the respective projects. For the Thai project, the profit contribution will start in Q1 2017, while for the Peterborough project, the profit contribution is expected to start in Q1 2018 barring any unforeseen circumstances.

This announcement is dated 25 July 2016