OTHERS Internal Reorganisation of the KNM Group Structure (hereinafter refer to as "Internal Reorganisation")

KNM GROUP BERHAD

Type Announcement

Subject OTHERS

Description Internal Reorganisation of the KNM Group Structure (hereinafter refer to as "

Internal Reorganisation")

1. INTRODUCTION

The Company wishes to announce as a matter of Internal Reorganisation of the Group structure which involved the following:

Target Company	Vendor	Purchaser	No. of Shares	% of Shares	Consideration (EUR)
Borsig Compressor Parts GmbH	Borsig ZM Compression GmbH	Borsig GmbH	25,000	100	1.00 (Equivalent to approximately RM4.77 based on the exchange rate of EUR1.00: RM4.7675)

All the companies involved are indirect subsidiaries of the Company and the Internal Reorganisation took effect on 30 November 2018.

2. RATIONALE FOR THE INTERNAL REORGANISATION

The Internal Reorganisation is undertaken to streamline the business segments of the KNM Group structure.

3. FINANCIAL EFFECTS OF THE INTERNAL REORGANISATION

The Internal Reorganisation will not have any material effect on the earnings per share, net assets, gearing, share capital and substantial shareholders' shareholding of the KNM Group for the financial year ending 31 December 2018.

4. APPROVAL REQUIRED

The Internal Reorganisation is not subject to the approval of shareholders of the Company and/or other relevant authorities.

5. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

None of the Directors and/or major shareholders of the Company and/or persons connected to them, have any interest, either direct or indirect, in the Internal Reorganisation.

6. STATEMENT BY DIRECTORS

The Board, having considered all aspects of the Internal Reorganisation, is of the opinion that the Internal Reorganisation is carried out in the best interest of the Company.

This announcement is dated 3 December 2018.