

# OTHERS Award of Contract by PETRONAS Gas Bhd to KNM Group Berhads Wholly-Owned Subsidiary, KNM Process Systems Sdn Bhd amounting to approximately RM25.69 million

## KNM GROUP BERHAD

Type	Announcement
Subject	OTHERS
Description	Award of Contract by PETRONAS Gas Bhd to KNM Group Berhads Wholly-Owned Subsidiary, KNM Process Systems Sdn Bhd amounting to approximately RM25.69 million

### 1. Introduction

KNM Group Berhad (“KNM”) is pleased to announce that its wholly-owned subsidiary, KNM Process Systems Sdn Bhd (“KNMPS”), had received a Letter of Award of Contract dated 28 August 2022 from PETRONAS Gas Berhad for the Engineering, Procurement, Construction & Commissioning (EPCC) for Packed Bed Modification for Special Scheme Inspection (SSI) at Gas Processing Plant Santong (GPS), Gas Processing & Utilities (GPU), PETRONAS Gas Bhd (EC/PGB/TPC/2020/0018) (“the Contract”), with a contract value of approximately RM25.69 million (“**Transaction**”). The Company had signed the Contract in the evening of 28 September 2022.

The supply and delivery duration of the Transaction is for a period of approximately 24 months from the date of the Contract.

### 2. Information About the Parties

KNMPS was incorporated as a private limited company under the law of Malaysia on 28 June 1990 and it is principally involved in the design, engineering, procurement and manufacturing of process equipment, including without limitation pressure vessels, reactors, columns and towers, drums, heat exchangers, air finned coolers, process gas waste heat boilers and specialized shell and tube heat exchangers, condensers, spheres, process tanks, mounded bullets, process skid packages and turnkey storage facilities as well as technical and project management services in relation to process equipment, plant facilities and general facilities for the oil, gas, petrochemicals, minerals processing and renewable energy industries worldwide inclusive of solar PV installation work and solar leasing.

PETRONAS Gas Bhd is a company incorporated in Malaysia, and principally involve in oil & gas industry.

### 3. Financial Effect of the Transaction

The Transaction is expected to contribute positively to KNM Group’s earnings for the financial years ending 30 June 2023, 30 June 2024 and 30 June 2025.

### 4. Risk Factors

The Transaction is subject to certain commercial and financial 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 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 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.

## 5. Approval

The Transaction is not subject to the approval of the shareholders of KNM or any regulatory authority in Malaysia or in any other country.

## 6. Directors' Statement

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

## 7. 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 Transaction.

## 8. Documents for Inspection

Details of the Transaction 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 the date of this Announcement during normal business hours from Mondays to Fridays.

This announcement is dated 29 September 2022.

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### Announcement Info

<b>Company Name</b>	KNM GROUP BERHAD
<b>Stock Name</b>	KNM
<b>Date Announced</b>	29 Sep 2022
<b>Category</b>	General Announcement for PLC
<b>Reference Number</b>	GA1-29092022-00061