

KNM's unit bags Pengerang Integrated Complex job

RM183m contract will contribute to group earnings for next three financial years

BY AHMAD NAQIB IDRIS

KUALA LUMPUR: KNM Group Bhd said its 70%-indirectly-owned joint venture (JV) company, CNI Engineering & Construction Malaysia Sdn Bhd (CNIEC), had been awarded a US\$42 million (RM182.7 million) contract for works related to Petroliam Nasional Bhd's Pengerang Integrated Complex (PIC).

In a filing with Bursa yesterday, KNM (fundamental: 0.85; valuation: 1.70) said the con-

tract was awarded by Toyo Thai Malaysia Sdn Bhd and said it will conduct erection work for the complex, which includes procurement of consumable materials and parts, construction works, inspection and testing, and documentation.

The contract will be for 25 months, starting from this month.

"The erection work contract is expected to contribute positively to KNM Group's earnings for the financial years ending Dec 31, 2016, 2017 and 2018," said the company.

KNM said the contract does not alter its risk profile, as the company is already operating in the oil and gas industry and hence continues to be exposed to risk factors they currently face in the industry.

However, KNM said it may undertake efforts to mitigate the various risks, though there is no assurance that any change in the above factors will not have a material adverse effect on the business and operations of KNM and/or CNIEC.

KNM (fundamental: 0.85; valu-

ation: 1.70) fell half a sen or 1.03% to 48 sen yesterday, bringing its market capitalisation to RM930.7 million.

The Edge Research's fundamental score reflects a company's profitability and balance sheet strength, calculated based on historical numbers. The valuation score determines if a stock is attractively valued or not, also based on historical numbers. A score of 3 suggests strong fundamentals and attractive valuations.