

KNM, Ho Hup set up JV to undertake contract jobs

By [Supriya Surendran](#) / The Edge Financial Daily | March 11, 2016 : 10:15 AM MYT

KUALA LUMPUR: KNM Group Bhd and Ho Hup Construction Co Bhd have set up a joint venture (JV) called KHH Infrastructures Sdn Bhd to bid for selective engineering, procurement and construction projects in Malaysia and elsewhere.

In a filing with Bursa Malaysia yesterday, KNM said its wholly-owned subsidiary KNM Process Systems Sdn Bhd (KNMPS) has signed a joint venture agreement (JVA) with Ho Hup for the collaboration.

Under the JVA, both parties will invest in KHH Infrastructures on a 50:50 basis.

“The JV company will undertake the contracts and complement KNMPS’ existing engineering, procurement, construction and commissioning businesses. In addition, the JVA serves to combine and strengthen both KNMPS’ and Ho Hup’s bids for selective engineering, procurement and construction projects,” said KNM.

It added that KNMPS will initially subscribe for 50 shares in KHH Infrastructures and subscribe for additional 49,950 new shares to the parties’ intention to increase the initial issued capital from RM100 to RM100,000.

KNMPS will fully subscribe for its shares in cash through internal funds and/or shareholders’ advances, said KNM.

The JV company is expected to contribute positively to KNM Group’s earnings once contracts are secured, it added.