



Editorial Team

- Ng Boon Su (Advisor) KNM
- Michael Lee (Editor-in-Chief) KNM
- Michelle Mok KNM
- Carol Chu KNM
- Sonia Choong KNM
- Antje Stoya-Ballantyne BORSIG
- Angela Masullo FBMHI
- Quentin Goetz KPE

*Happy New Year to All.
Best Wishes for a great 2015!!!*

EDITOR'S NOTE

Greetings to all at KNM !

Happy New Year and for those celebrating the Chinese New Year, Gong Xi Fa Cai ! The year of Goat is here and albeit I am not a staunch practitioner of Feng Shui, this year should bring more tranquility and will be a good year to plan and charter a new direction, whether personally or company-wise where KNM needs to reenergize and stay focus amid the global uncertainty emanating from the lower oil price environment.

In 2014, we have seen many employees have received their ESOS that will certainly serve as a motivational tool to enhance the company's performance. There is an old Chinese saying of “多劳多得” (the more you work, the more you earn) should be KNM's and every employee's motto of the year.

Although I am not Chinese literate, but it does not stop me from learning these Chinese words and its meaning. It also should not stop you from learning new technologies and accepting new ideas that will enhance your work and the company's performance.

Contribute to the company constructively and the rewards will be immediate and eye-popping.

Lastly, from an editorial point, we can only make this Bulletin a success with your help. Do send us news, pictures, suggestions or even your very personal view as to how we can make this Bulletin more colorful and serve its purpose.

Happy reading!

Editor-in-Chief

P.S. - If you do have exciting news to share, please forward them to Michelle Mok at michelle@knm-group.com

KEY CORPORATE ANNOUNCEMENTS

6 February 2015

Proposed Disposal of KNM's entire businesses & equity interests in KNM Pty Ltd Group (“KPL Group”)

KNM Process Systems Sdn Bhd (the “Vendor”) has entered into a Sale and Purchase Agreement with Northfield Global Limited (the “Purchaser”) to dispose its entire business and equity interest in its Australian and Indonesian based operations, KPL Group for a total cash consideration of AUD2.00.

With the completion of the Proposed Disposal on 7 February 2015, KPL Group has ceased to be a subsidiary of KNM Process Systems Sdn Bhd.

25 February 2015

Quarterly Report on consolidated results for the financial period ended 31/12/2014

Summary of Key Financial Information:

	31/12/2014
Revenue (RM Million)	1,865
Pre-tax profit (RM Million)	123
Net Profit (RM Million)	43
EPS (sen)	2.94

PROJECT HIGHLIGHTS

»»Tofield Facility

Fort Hills Oil Sands Project, Canada

2014 / 2015



Another record for KNM! KNM Tofield is currently fabricating 6 identical mega pressure vessels for the Paraffinic Froth Treatment unit at Suncor Energy's Fort Hills Project. At 35 feet Internal Diameter (ID), these bitumen processing units measure in as the largest diameter vessels ever fabricated within a shop in Canada. 3 units have been rolled out of the shop to date and the other 3 are in various stages of fabrication.

KNM Tofield is also fabricating 6 columns, 2 flash solvent condensate drums, 2 flash drums, 2 air receivers, 1 steam deaerator, 1 process water heater condensate drum, and 1 slop drum for the Fort Hills Project. KNM Malaysia is working in close collaboration with KNM Tofield, on the fabrication of 1 condensate receiver, 2 glycol expansion tanks and 7 miscellaneous vessels for the same project.

Nova Gas R3 Project, Canada

2014 / 2015

In 2014, KNM Tofield successfully delivered several units for the expanded polyethylene facilities at Nova Chemicals Corporation's Joffre, Alberta. A polyethylene reactor shipped from KNM Tofield in February, followed by a purge bin in September and 2 stainless steel storage tanks in November. The project concluded in early January, 2015 with the delivery of 8 Product Discharge System (PDS) units (4 PDS chambers and 4 PDS blow tanks).



»» Melaka Facility

Large Towers for Samur Project, Malaysia

Delivered in 1Q2014



Columns, SS Clad Drums and CS Heavy Drums for MLNG Train 9 Project, Malaysia

Delivered in 2Q2014



Columns and SS Vessels FLNG Project, Malaysia

Delivered in 2Q2014



»» Gebeng Facility

Gasification Reactor & Syngas Duct for Teesside EFW Project, UK

Delivered in 4Q2014



In 2014/2015 KNM Process Systems Sdn. Bhd delivered 2 Syngas Ducts & World's Largest Plasma Gasifier for Westing House Plasma Corporation/Air Products and Chemicals ("Air Products").

Air Products and Chemicals ("Air Products"), UK is building a 2nd phase of 50 MW power plant, scheduled to be completed in 2016. The Tee Valley 2 Renewable Energy project is a power plant producing electricity from waste to energy gasification. It is a combustion of waste streams into a clean syngas which can be further altered to create other forms of energy. The second facility is expected to produce an additional 50 MW of electricity capable of providing renewable energy for 50,000 homes safely and reliably.



The Tee Valley 2 Renewable Energy Project was the 2nd order placed to KNM Process Systems Sdn. Bhd.



Columns for Pusri-IIB Project, Indonesia

Delivered in 4Q2014



»» Italy Facility

N.7 HP Shell & Tube HE Breach Lock Type for Project in Egypt / Weight: 900tons

Delivered in July 2014



ISES 2014

18 & 19 March 2014



KNM Renewable Energy Sdn Bhd (KNMRE) and BORSIG Boiler Services Sdn Bhd (BBS) were among the 50 exhibitors at the 2nd International Sustainable Energy Summit (ISES) 2014 held on 18 and 19th March 2014 in Selangor.

ISES 2014 was a 2-day event, organised by SEDA to bring together local and international and industry experts in its aim to facilitate the growth of sustainable energy in Malaysia. The theme for ISES 2014, Currency of Autonomy: Sustainable Energy aimed to reinforce the important role of sustainable energy in the quest of achieving national energy autonomy. During the summit SEDA provided updates on the latest development of RE and EE in the country with respect to the legal framework and its implementation. CEO of SEDA, YBhg Datin Badriyah Abdul Malek, also unveiled the newly gazetted Feed-in-tariffs and degression rates for biomass, biogas and solar photovoltaic (PV).

All in all, visits to KNMRE and BBS' booth were encouraging. We hope ISES 2016 will continue its pursuit to gather like-minded industry players and professionals including the biomass and MSW players.

KNM preparing for GST implementation in Malaysia

28 May 2014

Effective 1 April 2015, the Malaysian Government will implement the Goods and Services Tax replacing the current sales and service tax regime.

KNM recognizes the need to understand the GST system, its impact on business operations and the preparations required to comply with the GST requirements. To date, numerous workshops and trainings have been organized to enable the staff to understand the GST subjects in detail.



GST training and awareness programme on 28 May 2014 organised jointly by the Ministry of Finance Malaysia and Royal Malaysian Customs Department was one of the earlier training programme attended by KNM members.



19th June 2014 was a historical day at BORSIG Boiler Systems Sdn Bhd (BBS) where Malaysia's Renewable Energy local authority, Sustainable Energy Development Authority (SEDA) made a visit to BBS' facility in Gebeng, Pahang. The objective of the site visit is for SEDA to access the capability of BBS as a recognized local boiler manufacturer with SEDA. Recognized manufacturers are featured on SEDA's website where IPPs, EPCC contractors and other related bodies in the power and utilities industry frequently visited.

SEDA's Site Visit to BORSIG's Gebeng Facility

19 June 2014

SEDA's recognition is paramount to local equipment manufacturers in the Renewable Energy business in Malaysia. With recognition by SEDA, it opens up business opportunities especially for local power plant projects. Independent Power Producers (IPPs) will be looking at SEDA's recognized local equipment manufacturers in the effort to increase localization percentages, lower down projects costs and increase profits.

The SEDA delegation of eight senior officials was led by its Director of Feed-in Tariff Division, Ms. Gladys Mak. The site visit started with an introduction of KNM Group Berhad followed by BBS' capabilities before taking a tour of BBS' facility where SEDA was walked through the fabrication processes, the assembly lines and fully online machineries that require significantly lesser operators compared to other fabrication shops.

The visit concluded with a Q&A session and SEDA expressed their fascination towards BBS' advanced fabrication technology and engineering expertise.



Show of appreciation between EXIM Thailand and KNM

5 January 2015



*Mr Khun Ittipol Lertsakthanakul of EXIM Thailand (left) with
Ir. Lee Swee Eng of KNM*

2014 GLOBAL PETROLEUM SHOW

10 - 12 June 2014



Global Petroleum Show 2014 was held in Calgary on June 10-12 and the KNM Group was well represented! KNM Process Equipment Inc. and FBM Hudson Italiana co-exhibited at Booth 8008 in Hall F, in an effort to raise market awareness of our collective experience and capabilities.

KNM & FBMHI

June 2014

KNM and FBMHI share the belief that significant opportunities exist for collaboration related to the supply of air coolers and waste heat boilers in the Canadian market. Utilizing a shared scope of work strategy for engineering, design, fabrication and final assembly is synergistic with our plans for module fabrication and will give us an unmatched competitive advantage. KNM and FBMHI previously collaborated to fabricate a waste heat boiler for the CNRL Horizon project and we are confident that this type of project can be replicated on a broader scale. Global Petroleum Show 2014 played a key role in the implementation of our strategy.

The 15' x 15' booth was designed in collaboration with FBMHI and vividly showcased our collective fabrication capabilities. The panels displayed large scale images of our projects and successfully caught the attention of many passersby. Visitors could also watch the FBMHI and KNM Group videos that played in continuous loop on a 46" LCD television.

Booth traffic was predominantly comprised of existing and prospective suppliers but there were many visitors from EPC companies and end users. KNM's two main competitors (Dacro and Cessco) were also present as exhibitors, as were several customers (Saipem, URS, Tecnicas Reunidas and Cameron to name a few).

Representatives from FBMHI travelled to Calgary for the show. Adriano Polenghi was the first to arrive and, though his stay was cut short unexpectedly, he was able to join KNM for several client meetings before returning to Italy. Angela Masullo subsequently arrived in Calgary to represent FBMHI and to attend the remainder of the scheduled meetings.

Riley Milford, Quentin Goetz and Ranganath Toleti rounded out the KNM contingent. The team shared booth duty and took advantage of the opportunity to network with suppliers and customers from around the world. Great job team! Thanks for your our active participation.

All in all, the client meetings went very well and it is safe to say that many individuals were re-enlightened about the KNM Group's global offering.



Although there are currently no plans to exhibit at future Global Petroleum Shows, we all agree that the experience was a success. It was a pleasure meeting and spending time with our sister company representatives! Thanks to everyone who supported our efforts and we look forward to future collaboration opportunities!

From left to right:

Mr. Riley Milford
CEO of KPE

Mr. Quentin Goetz
Business Development Manager of KPE

Mrs. Angela Masullo
Marketing & Customer Support of FBMHI

Mr. Ranganath Toleti
Estimation & Proposals Manager of KPE

BORSIG Service GmbH starts with new manufacturing facility in Gladbeck

27 November 2014

On 27th of November 2014, BORSIG Service GmbH invited customers, local suppliers, the major of Gladbeck and the staff for the official opening ceremony of a new manufacturing facility in Gladbeck.

The Managing Director of BORSIG Service GmbH, Mr. Wied, and the Workshop Manager Mr. Pogorzelski highlighted the new strength of the location Gladbeck with its new crane capacity of 100 t and enlarged manufacturing area from 1.500 qm to 5.200 qm.

Mr. Friedhelm Pogorzelski, Workshop Manager in Gladbeck, welcomes the guest of BORSIG Service GmbH.



BORSIG ZM Compression GmbH celebrates 10-years anniversary

5 December 2014



From left to right:

Prof. Dr. Lothar Ungerer
Mayor of Meerane

Mr. Felix Wong
Managing Director of FBM Hudson Italiana

Mr. Martin Krummrey
CFO of BORSIG GmbH Group

Mr. Michael Fix
CEO of BORSIG GmbH Group

Mr. Joachim Schulz
Managing Director BORSIG ZM Compression GmbH

On Friday, 5th of December 2014, BORSIG ZM Compression GmbH commemorated its 10 years anniversary of BORSIG ZM.

Mr. Schulz the Managing Director of BORSIG ZM Compression GmbH welcomed customers, the major of the city of Meerane, suppliers and employees for the celebration ceremony, which took place in the BZM workshop in Meerane.

More than 250 people gathered at the event where inspiring speeches were delivered followed by spectacular show elements.

A short reminder:

BORSIG ZM Compression GmbH was founded December 2004. At that time BORSIG took over the former compressor part of "Zwickauer Maschinen- und Anlagenbau GmbH", which had three different locations within the city of Zwickau. This unfavorable setting was not acceptable for BORSIG and therefore BORSIG finally moved to a new premises in Meerane where all parts of the former company were joined together. A brand new workshop was constructed and began operation in 2006. Today BORSIG ZM offers to its customers an ultra-modern workshop, a unique in-house production depth and innovative products, such as 6-stage turbo compressors.

OF HEALTH AND SAFETY



KNM Holds 2nd Blood Donation Campaign

16 & 17 October 2014

Nowadays, blood donating exercise has become more and more common amongst people compared to years back where the sight of a bag of blood may not be easy for the faint hearted. Many now wants to be a part of the blood donating society to lend out their helping hand to those in need of fresh and healthy blood.

The blood donation campaign that was held recently drew quite a number of our very own KNM employees who are no strangers to blood donation drive. All it takes is a prick on your arm, and an hour later, you are part of the life-saving society, or warrior if you will.

It was certainly a pleasant day to see how supportive this cause is by our very own employees. The gift of life is blood, a gift that you can continue on giving. I truly believe that the donors feel the accomplishment of what they did that day by giving what matters to others who truly needs it.



HSE at Workplace

27 November 2014



**SAFETY
FIRST**

On 27 November 2014, the National Institute of Occupational Safety and Health conducted an industry visit to our Melaka shop. KNM was issued an Appreciation Certificate for its implementation and commitment under Occupational Health Nurse (OHN).

Employee Health Screening

4 December 2014



Protecting the health and safety of our people is a core value and commitment of KNM.

In our quest to promote healthy living among employees, KNM at HQ organised a free health screening for employees on 4 December 2014. The free health screening covered blood pressure test and urine test to assess the risk of stones in kidney, cholesterol, diabetes, liver and kidney functions. Health talk was held to educate employees on awareness on diseases and promote healthy living.



Fire Drill at KNM

30 December 2014

Fire Drill was conducted at KNM's Corporate Office on 30 December 2014 in the presence of BOMBA and POLICE as part of its continuous safety and security measures.

280 staff evacuated from their work place to the designated assembly point within 4 minutes. A head count was performed to ensure that all were safe and accounted for as soon as they reached the fire evacuation area.

BOMBA personnel and Ambulance arrived at KNM's office in about 20 minutes after the call. During the drill, the employees were updated on the latest review of safety and security measures while being trained to handle emergencies and first aid in a quick and calm manner.

Overall, the exercise was a success and everyone gave their full cooperation.

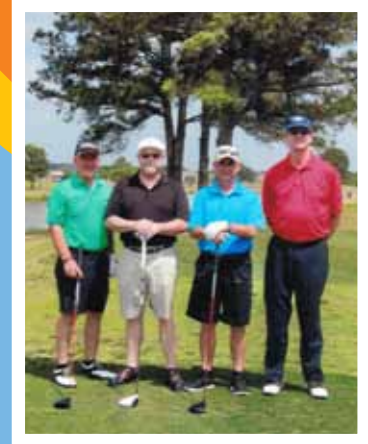


NETWORKING AND SOCIAL ACTIVITIES

33rd Annual Bechtel Procurement Golf Tournament

17 May 2014

FBMHI participated in the 33rd Annual Bechtel Procurement Golf Tournament on 17 May 2014 at the Cinco Ranch Golf Club in Katy, Texas. Frank Allen, our sales representative in the US, played as the FBMHI representative on a team of four players representing Bechtel Procurement. After playing, the group had lunch together and participated in a raffle benefiting several local charities.



KNM participates in 8th Annual KBR Charity Golf Tournament

17 September 2014

Once again, KNM gave its support to KBR through participation in their annually held charity golf tournament. The golf tournament brought golf-lovers together for a friendly competition to raise fund for charities. Thank you KBR for inviting us to be part of your amazing tournament. It was a truly fun-filled day of golf.



KNM Runs for Charity The Edge Kuala Lumpur Rat Race 2014

23 September 2014

The Rat Race today has been regarded as one of the main avenues for Malaysia's Corporate World to come together and give back to the society as part of their CSR initiatives.

On 23 September 2014, a total of 660 runners from 69 companies took part in the 15th The Edge Kuala Lumpur Rat Race and raised RM1.844 million for charity. It was almost like a carnival on the event grounds at Jalan Ampang on that day as many came dressed in their corporate attires in accordance with the race's theme. Some of the participating companies even brought their own lion dancers, bagpipers and stilt-walkers to lend an air of festivity to the occasion and to cheer their runners on. Food and beverages were made available to all throughout the event.

KNM who was no stranger to the Rat Race was represented by Mr Terry Chew and Mr Terence Tan for the CEO category and two teams of five runners for the mixed category including a group of dedicated supporters to cheer them on.

Despite the immense heat and downpour during the race, there was a terrific atmosphere of fun and excitement felt as everyone came together in friendly competition manner and with the common understanding that it was for the less fortunate.



Terry Fox Run at Kuala Lumpur

2 November 2014



their fellow runners be it families or friends or colleagues to gather up eagerly waiting for the race to flag off. Just before the race started, an upbeat warm up session by a personal trainer was being held and there you have, a sea of blue runners eagerly trying to follow the choreographed steps of the warm up session with laughs and giggles, and to be followed by a downpour of sudden Sunday morning rain but thankfully the rain didn't last long and it certainly didn't dampen the spirit of all the runners.

The run started as anticipated without any further glitch and it ended very well for everyone at the finishing line with numerous photos taken as a token of participation and accomplishment.

May the cause of this run touches more lives and the run will be again successfully organized for many more years to come.

Terry Fox Run is one of the many charities that are close to the hearts of cancer patients, survivors, and their families and loved ones. It's now the 34th year when it all began, a run participated by 2 million participants from 28 countries including Malaysia. Taman Tasik Titivangsa was the venue of this year's run where participants completed the 3km run around the magnificent lake located in the heart of Kuala Lumpur.

Participants from all walks of life of all ages as young as infants in fancy strollers flocked to the lake as early as 7am where everyone can be seen anxiously looking for



At FBMHI

19 December 2014

As per FBM Hudson Italiana's custom, Christmas gathering event is a joyous occasion celebrating the year that was, remembering targets achieved and looking forward to prosperous times ahead.

During this occasion FBM HUDSON ITALIANA seized the opportunity to reward staff with 10-20-30-40 years seniority confirming their constant contribution and loyalty to the company.

For year 2014 FBM Hudson Italiana management was pleased to hand over two 40 Years' Seniority Awards to:

Mara Alessio - Warehouse Department and
Maurizio Clivati - Air Coolers Engineering Manager



We wish you a
Merry
CHRISTMAS
& A HAPPY NEW YEAR!

At KNM

23 December 2014

With much delight, it was a joyous Christmas gathering with about 50 colleagues at KNM's Corporate Office on 23 December 2014.

Many thanks to our generous contributors and to all who were part of the planning for the delicious and scrumptious luncheon treat. A hilarious moment enjoyed by all as waves of laughter and screams filled the air during the gift exchange session.

Here's the reward – the pictures !!!



New Members

A warm welcome to all our new members!

Flavio Porro

Group General Counsel, Group Legal

Over 16 years of experience in corporate law for the oil & gas, renewable energy (RE), power production and construction industry.

He possesses a Law Degree from University of Milan, Italy, a Postgraduate Diploma in EC Competition Law and Community Law from King's College London and completed an international law program from University of Cordoba, Spain.



1	Doguparthi Srinivas	Piping Engineer	Modular, TAIF
2	Elmo Ripi Sibuan	E & I Engineer	Modular, TAIF
3	Oliver Regala Sanvictores	Piping Engineer	Modular, TAIF
4	Leong Chee Han	Sub Contract Engr	Sub Contract
5	Julius Escalona Hernandez	QA/QC Engineer	Sipitang, KK
6	Mamerto Brual Macuha	QA/QC Engineer	Sipitang, KK
7	Jay Balse Acosta	QA/QC Engineer	KPS
8	Natasya Lim Lee Ping Abdullah	Buyer	Procurement
9	Wan Azllyda Binti Ibrahim	Estimation Exec	Estimation
10	Teo Teck Lim	Piping Works Manager	Gissar KL
11	Abd Rahman Bin Jusoh @ Awang	HR/Admin Manager (East Coast)	HR & Admin (East Coast)
12	Amirul Izzat Bin Ismail	Project Control Engineer	Project Management
13	Chong Huei Ming	Corporate Finance Mgr	Corporate Finance
14	Krishantini A/P Ravindran	Process Engineer	Modular, TAIF
15	Sayyid Muhammad Al-Naqib B. Syed Ahmad	Project Engineer	Modular, TAIF
16	Wong Mei Fang	Design Engineer	Engineering
17	Abdul Razak Bin Salleh	Project Engineer	Sipitang, KK
18	Chin Jih Leong	Project Engineer	Project Management
19	Hilffy Sazzyu Azzuin Bin Abdul Aziz	QA/QC Engineer	Gissar KL
20	Muhammad Rahman Bin Adedi	Estimation Engineer	Estimation
21	Choo Kwei Hiang	Buyer	Procurement
22	Mohd Khairul Zubair Bin Jaafar	Sub Contract Engr	Sub Contract
23	Rashidee Bin Abdul Razak	Sub Contract Engr	Sub Contract
24	Koh Sing Yui	Project Control Executive	Project Management
25	Jane Chin Li Hsing	Design Engineer	Engineering
26	Leong Yen Lee	Tendering Manager	PUD
27	Poo Shea Choon	Financial Controller	Finance

KNM GROUP BERHAD | World Class Process Equipment Manufacturer and Total Solutions Provider

15, Jalan Dagang SB 4/1, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia

T +603 8946 3000 | F +603 8943 4781 | E knm@knm-group.com | www.knm-group.com