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CMS, KKB Seal accord for partnership



KKB Group Chairman & Managing Director ,Dato Kho Kak Beng exchanging documents with CMS Group Managing Director Dato' Richard Curtis.

KUCHING:Cahaya Mata Sarawak(CMS) yesterday finalized the sale of land belonging to its subsidiary,CMS Steel Bhd,to KKB Engineering(KKB) for a disposal price valued at RM32 million.

The conditional sale of land located in Kuching will be satisfied by KKB through the issuance of 16 Million new ordinary shares of RM 1.00 each in KKB at an issue price of RM 2.00 per KKB share.

CMS Group Managing Director Dato'Richard Curtis said," The signing today marks the beginning of long-term future growth for CMS and KKB,by creating new and mutually beneficial business opportunities.

Dato'Richard was speaking during the signing ceremony held at CMS Head Office at Wisma Mahmud in Kuching yesterday.

KKB,a bursa Malaysia Main Board listed company, is principally involved in steel fabrication,Civil construction and manufacture of LPG Cylinders and cylindrical steel drums.

Formerly the site of CMS steel's plant, the land to be sold includes several buildings, fronts Sungai Sarawak at Sejingkat, Kuching and covers an area of 27.6hectares.

“CMS will leverage on the growth of KKB’s business, which we expect KKB’s ownership of this land to facilitate. The water frontage of the land sold gives KKB the capabilities to expand their proven steel fabrication activities into ship-building and the fabrication of larger steel structures targeting the region’s oil & gas sector, a business sector in which CMS has no involvement in to-date,” Dato’ Curtis said.

KKB Group Chairman & Managing Director, Dato Kho Kak Beng said, “For KKB, today’s signing marks a new beginning in KKB’s ambition to expand further within Sarawak and beyond, targeting our strengths of structural steel fabrication and related engineering works. Partnering with CMS will help to realize these plans.”

“KKB is also looking forward to commencing steel works for more CMS projects in the future. This will further galvanize the established confidence, trust and commitment shown by our two organizations”, he said.

“We believe and remain confident, that a proposed strategic alliance of KKB and CMS will follow suit over the next couple of months”, he said.

The sale & Purchase Agreement signed yesterday between CMS Steel Berhad, a subsidiary of CMSB, and KKB, is conditional upon approvals from regulatory bodies and share holders of KKB, and approval of the due diligence report.

Signing for CMS yesterday were Dato’ Richard Curtis (CMS Group Managing Director) and Tuan Syed Ahmad Alwee Alsee (CMS Deputy Group Managing Director). KKB Engineering Berhad was represented by Dato Kho Kak Beng (Chairman and Group Managing Director) and Raja Dato’ Seri Ashman Shah Ibni Sultan Azlan Shah (Director).

The signing of the S&P Agreement follows an earlier Memorandum of understanding (MoU) between the two companies, signed at the end of July 2007, to negotiate a proposed strategic alliance to undertake steel fabrication activities in the oil and gas, shipping and marine sectors.