

General Announcement

Reference No **KG-060213-67274**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **13/02/2006**

Type : **Announcement**
Subject : **Substantial orders secured by KNM Process Systems Sdn Bhd**

Contents :

1. Introduction

KNM Group Berhad (**KNM**) is pleased to announce that KNM Process Systems Sdn Bhd (**KNMPS**), a wholly-owned subsidiary, secured a new order in February 2006 from its international client for a project located in Qatar.

2. The secured order

KNMPS secured an order to supply waste heat boilers for the Qatargas II Development Project in Qatar from Chiyoda Corporation of Japan for an order value of approximately RM90 million. The said order is a repeat order received from Chiyoda Corporation in July 2005, using FBM Hudson Spa Technology.

3. Information on KNMPS

(a) Incorporation

KNMPS was incorporated on 28 June 1990 and commenced operations the same year.

(b) Authorised, issued and paid-up share capital

KNMPS has an authorised share capital of RM5,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each, of which 3,100,000 ordinary shares are issued and fully paid up.

(c) Registered address

KNMPS's registered address is 15, Jalan Dagang SB4/1, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.

(d) Principal activities

KNMPS is a process equipment manufacturer and storage facilities provider, which undertakes the designing, manufacturing, fabricating, construction, assembly, commission and maintenance of process equipment, mounded bullets, pressure vessels, heat exchangers, skid mounded assemblies, process piping systems, storage tanks, specialised structural assemblies and module assemblies for the oil, gas, petrochemicals and minerals processing industries. Its major products include process vessels, storage facilities, LPG mounded bullets, heat exchangers and air coolers, and specialised steel structural systems. KNMPS also provides its customers with maintenance services as an after sales service.

4. Approvals

The award is not subject to the approval of the shareholders of KNM, KNMPS or any regulatory authority in Malaysia.

5. Directors' and major shareholders' interest

None of the directors or substantial shareholders of KNM, or any persons connected to them, has any direct or indirect interest in the above secured orders.

6. Effects of the orders

The above orders are expected to contribute positively to the KNM Group's earnings and net tangible assets for the financial years ending 31 December 2006 and 31 December 2007.

This announcement is dated 13 February 2006.