

General Announcement

Reference No **KG-050525-46343**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **25/05/2005**
Type : **Announcement**
Subject : **Incorporation of new subsidiary**

Contents :

The Board of Directors of KNM Group Berhad (**Company**) are pleased to announce that the Company received a confirmation on 24 May 2005 from Deloitte & Touche Management Services Pte Ltd that a company under the name of KNM Oil & Gas (B) Sdn Bhd (**KNM Brunei**) has been incorporated as a subsidiary of KNM International Sdn Bhd (**KNMI**).

KNMI is a wholly-owned subsidiary of the Company

1. Information on KNM Brunei

(a) Incorporation

KNM Brunei was incorporated in Brunei Darussalam on 10 May 2005 and has not commenced operations since its date of incorporation.

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

KNM Brunei has an authorised share capital of B\$500,000.00 divided into 500,000 ordinary shares of B\$1.00 each, of which 100,000 ordinary shares are issued and fully paid up. KNMI has subscribed for the 99,000 ordinary shares, while the balance 1,000 ordinary shares have been subscribed by Mr Chew Fook Sin, a director of the Company.

(c) Registered address

KNM Brunei's registered address is 15th Floor, Wisma Hajjah Fatimah, 22 & 23 Jalan Sultan, Bandar Seri Bagawan BS8811, Brunei Darussalam.

(d) Principal activities

KNM Brunei is intended to be involved principally in the design, manufacture, assembly and commissioning of process equipment, pressure vessels, heat exchangers, skid mounted assemblies, process pipe systems, storage tanks, specialised structural assemblies and module assemblies for the oil, gas and petrochemical industries, as well as support KNMI in marketing KNMI's products and services in Brunei.

2. Information on KNMI

(a) Incorporation

KNMI was incorporated on 10 May 2002 and commenced operations in 2003.

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

KNMI has an authorised share capital of RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 1,000,000 ordinary shares are issued and fully paid up.

(c) Registered address

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

(d) Principal activities

KNMI is principally involved in the provision of management, technical advisory, license and trademark services to related companies and related investments abroad.

3. Effect of the incorporation of KNM Brunei

The incorporation of KNM Brunei is not expected to have a material effect on the earnings or net tangible assets of the KNM Group for the year ending 31 December 2005.

4. Directors' and substantial shareholders' interest

Save as disclosed, none of the directors and/or substantial shareholders of the Company and/or persons connected to them has any interest, direct or indirect, in the incorporation of KNM Brunei.

This announcement is dated 25 May 2005.