

## **General Announcement**

Reference No **KG-061220-61592**

Company Name : **KNM GROUP BERHAD**  
Stock Name : **KNM**  
Date Announced : **20/12/2006**

Type : **Announcement**  
Subject : **Acquisition of new subsidiary**

Contents :

The Board of Directors of KNM Group Berhad (**KNM** or **Company**) is pleased to announce that KNM International Sdn Bhd (**KNMI**), a wholly-owned subsidiary of the Company received a confirmation on 19 December 2006 from CT Karuppan Chetty, Chartered Accountant, of 14, Alagar Nagar, Rettaivaikkai, Vayalore Road, Trichy – 620102, India, that KNMI had on 7 December 2006 acquired the entire issued and paid up shares in KNM Engineering Services Pty Ltd (**KNMES**) for a cash consideration of Indian Rupees (Rs) One Lakh (100,000), which is equivalent to RM7,983.65 based on an exchange rate of RM1.00 : RP12.63.

### **1. Information on KNMES**

#### **(a) Incorporation**

KNMES was incorporated in Chennai, India on 4 October 2006 and has not commenced operations since its date of incorporation.

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

KNMES has an authorised capital of Indian Rupees Two Lakhs (Rs.200,000), divided into 20,000 ordinary shares of Rs10.00 each of which 10,000 ordinary shares are issued and fully paid up.

KNMI had on 7 December 2006 acquired the entire issued and paid up capital in KNMES at a consideration of Indian Rupees One Lakh (Rs100,000), equivalent to RM7,983.65.00, based on an exchange rate of RM1.00 : RP12.63 from Thirucheeswaran s/o Sadhanandham and Anitha w/o Thirucheeswaran, both Indian nationals with a residential address at New No. 11, Old No. 14, Mela Pandamangalm Lingam Nagar, Thiruchirappalli – 620 003, Tamil Nadu, India.

#### **(c) Registered address**

KNMES registered address is at 11, Lingam Nagar, Mela Pandamangalam, Tiruchirappalli 620 003, Tamil Nadu, India.

#### **(d) Principal activities**

KNMES is intended to be involved principally in providing design,

engineering, technical and project management services in relation to process equipment, plant facilities and general facilities for the oil, gas, petrochemicals, minerals processing and general industries.

## **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 4,700,000 ordinary shares of RM1.00 each and 300,000 redeemable preference 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 acquisition of KNMES**

The incorporation of KNMES 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 2006.

## **4. Directors' and substantial shareholders' interest**

None of the directors and/or substantial shareholders of the Company and/or persons connected to them have any interest, direct or indirect, in the incorporation of KNMES.

This announcement is dated 20 December 2006.