

General Announcement

Reference No **KG-070206-61277**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **06/02/2007**

Type : **Announcement**
Subject : **Substantial orders secured by subsidiaries of KNM Group Berhad**

Contents :

1. Introduction

KNM Group Berhad (**KNM**) is pleased to announce that FBM Hudson Italiana SpA (**FBM**) and KNM Special Process Equipment (Changshu) Co Ltd (**KNMSPEC**) secured new orders from its international clients for overseas projects.

FBM and KNMSPEC are indirect wholly-owned subsidiaries of KNM. FBM was incorporated in Italy while KNMSPEC was incorporated in China.

2. The secured orders

In January 2007, FBM and KNMSPEC secured the following substantial orders -

- (i) FBM, from Overseas Bechtel Inc, to design, manufacture and supply air cooled heat exchangers for the Angola LNG project in Angola, Africa; and
- (ii) KNMSPEC, from Sinopec Engineering Inc to design, manufacture and supply towers for the Fujian Refining and Ethylene project in Fujian, China.

The combined value of the above substantial orders secured amount to approximately RM113.0 million.

3. Information on FBM

FBM is a process equipment manufacturer which undertakes the design and manufacture of air cooled heat exchangers, specialty shell and tube heat exchangers and process gas waste heat boilers for the oil, gas, petrochemicals, desalination and energy industries.

4. Information on KNMSPEC

KNMSPEC is a process equipment manufacturer and storage facilities provider and undertakes the design, manufacture and supply 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, minerals processing and energy industries.

5. Approvals

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

6. 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.

7. 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 2007 and 31 December 2008.

This announcement is dated 6 February 2007.