

## General Announcement

Reference No **KG-070214-65585**

Company Name : **KNM GROUP BERHAD**  
Stock Name : **KNM**  
Date Announced : **14/02/2007**

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

Contents :

The Board of Directors of KNM Group Berhad (**KNM** or **Company**) is pleased to announce that the Company had on 8 February 2007 acquired the entire issued and paid up shares in KNM Renewable Energy Sdn Bhd (**KNMRE**) (formerly known as Prima Agrimate Sdn Bhd) for a cash consideration of Ringgit Malaysia (**RM**) 2.00.

### 1. Information on KNMRE

#### (a) Incorporation

KNMRE was incorporated on 4 October 2006 and has not commenced operations since its date of incorporation.

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

KNMRE has an authorised share capital of RM100,000.00 divided into 100,000 shares of RM1.00 each, of which 2 ordinary shares are issued and fully paid up.

The Company had on 8 February 2007 acquired the entire issued and paid up capital in KNMRE at a consideration Ringgit Malaysia (**RM**) 2.00 from 2 individual Malaysian citizens, both of whom are not connected to the directors and/or substantial shareholders of the Company and/or persons connected to directors and/or substantial shareholders of the Company.

#### (c) Registered address

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

#### (d) Principal activities

KNMRE's principal activities shall be to provide process technology for the biofuels and seeds extraction plants, provision of turnkey services, including operation and maintenance services for biofuels and seeds extraction plants and related investments in the renewable energy industries.

### 2. Information on the Company

**(a) Incorporation**

The Company was incorporated on 22 July 2000, listed on the Second Board of Bursa Malaysia Securities Berhad (**Bursa Securities**) on 11 August 2003 and migrated to the Main Board of Bursa Securities on 30 September 2005.

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

**(i) Authorised share capital**

The Company has an authorised share capital of RM200,000,000.00 comprising 400,000,000 ordinary shares of RM0.50 each

**(ii) Issued and paid-up share capital**

The Company has an issued and fully paid up share capital of RM129,173,975.00, comprising 258,347,950 ordinary shares of RM0.50 each.

**(c) Registered address**

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

**(d) Principal activities**

The Company is an investment holding company while its subsidiary and associate companies are principally involved in the design, engineering, procurement and manufacturing of process equipment, including without limitation pressure vessels, reactors, columns and towers, drums, heat exchangers, air finned coolers, process gas waste heat boilers and specialised shell and tube heat exchangers, condensers, spheres, process tanks, mounded bullets, process skid packages and turnkey storage facilities as well as technical and project management services in relation to process equipment, plant facilities and general facilities for the oil, gas, petrochemicals and minerals processing and general industries worldwide.

**3. Effect of the acquisition of KNMRE**

**(a) Issued and paid-up share capital**

The acquisition of KNMRE is not expected to have a material effect on the issued and paid-up share capital of the KNM Group.

**(b) Earnings**

The acquisition of KNMRE is expected to contribute positively to the earnings of the KNM Group for the financial year ending 31 December 2007 and future financial years.

**(c) Substantial shareholders' shareholding**

The acquisition of KNMRE is not expected to have any effect on the shareholdings of the substantial shareholder of the Company.

**(d) Net tangible assets (NTA)**

The acquisition of KNMRE is not expected to have a material effect on the NTA of the KNM Group for the financial year ending 31 December 2007.

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

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

This announcement is dated 14 February 2007.