

General Announcement

Reference No **KG-091005-67897**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **05/10/2009**

Type : **Announcement**
Subject : **Substantial orders secured by subsidiaries of KNM Group Berhad amounting to approximately RM155 million**
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Announcement Details :

1. Introduction

KNM Group Berhad ("KNM") is pleased to announce that FBM-KNM FZCO ("FBM"), KNM Process Systems Sdn Bhd ("KNMPS") and Borsig Boiler Systems GmbH ("Borsig"), have secured substantial new orders from international clients for overseas projects.

KNMPS and Borsig are wholly-owned subsidiaries of KNM and were incorporated in Malaysia and Germany respectively. FBM is a wholly-owned subsidiary of KNM and was incorporated in Jebel Ali Free zone, Dubai, United Arab Emirates.

2. The secured orders

From 24 September 2009 until to-date, FBM, KNMPS and Borsig have secured the following substantial orders:-

- (i) FBM, from Danieli & C Officine Meccaniche SpA, for Reactor Vessels for the Gulf Steel Plant Project in Egypt;
- (ii) KNMPS, from Technip Itally SpA, for Shop Assembled Columns for the Jubail Export Refinery Project in Saudi Arabia; and
- (iii) Borsig, from EdeA V.O.F., for the engineering, supply and installation of Steam Boilers at Chemelot Industrial Estate in Geleen, Netherlands.

The total value of the above secured substantial orders amounts to approximately RM155 million.

3. Information on FBM

FBM was incorporated as a private limited company under the laws of

United Arab Emirates on 1 September 2004. Its registered address and principal place of business are at P.O. Box 17101, Jebel Ali Free Zone, Dubai, United Arab Emirates. It is mainly involved in the design and manufacturing of air-cooled heat exchangers, specialty shell and tube heat exchangers and process gas waste heat boilers for the oil, gas, petrochemical and desalination industries. Its authorized and paid-up share capital is AED64,800,000 divided into 648 ordinary shares of AED100,000.00 each. FBM is an ultimate wholly owned subsidiary of KNM.

4. Information on KNMPS

KNMPS was incorporated as a private limited company under the laws of Malaysia on 28 June 1990. Its registered address is at 15 Jalan Dagang SB 4/1, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan. KNMPS is 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, minerals processing and renewable energy industries worldwide.

5. Information on Borsig

Borsig was incorporated as a private limited company under the laws of Germany on 13 January 2000. Its registered address and principal place of business are at Egellsstrasse 21, Berlin, Germany. It is mainly involved in supply of complete range of products and services relating to industrial boilers used to generate steam and hot water. Its authorized capital is EUR25,000 divided into 500 ordinary shares of EUR50.00 each and its issued and paid-up capital is EUR25,000. Borsig is a wholly owned subsidiary of Borsig GmbH, which in turn is ultimately owned by KNM via Borsig Beteiligungsverwaltungsgesellschaft mbH, Borsig GmbH and KNM Process Systems Sdn Bhd.

6. Approvals

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

7. 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.

8. Effects of the orders

The above orders are expected to contribute positively to the KNM Group's earnings for the financial years ending 31 December 2009 and 31 December 2010.

This announcement is dated 5 October 2009.