

General Announcement

Reference No **KG-100107-66753**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **07/01/2010**

Type : Announcement
Subject : Substantial Order secured by KNM Group Berhad's subsidiary amounting to approximately RM143 million
Contents : 1. Introduction

KNM Group Berhad ("KNM") is pleased to announce that its wholly owned subsidiary, KNM Process Systems Sdn Bhd ("KNMPS") and its affiliated company, KNM Projects (Thailand) Co. Ltd ("KNMPT"), had on 7 January 2010, collectively secured a substantial new order ("the Order") amounting to Baht 1.3 billion (equivalent to approximately RM143 million based on the exchange rate of Baht 100 : RM11.02) from Impress Ethanol Co. Ltd for its Bioethanol Project in Thailand ("the Project").

The Project involves the engineering, procurement, construction and commissioning ("EPCC") of a 200,000 litres per day cassava based bioethanol plant in Chachaengsao, Thailand and is expected to be completed within 18 months.

2. Information on KNMPS and KNMPT

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.

KNMPT was incorporated on 17 November 2009 as a private limited company under the laws of Thailand and having its registered address at

19/125 Sukhumvit Suite , 13th Floor, Soi Sukhumvit 13 (Saeng Chan), Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110, Thailand. Its registered capital is THB4,000,000 comprising 40,000 ordinary shares of THB100 each. KNMPT is principally involved in the provision of design, engineering, procurement, construction and commissioning and all other related services for the oil, gas, petrochemical, minerals processing, biofuel and energy industries. KNMPT is effectively a 73.48% owned subsidiary of KNM.

3. Approvals

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

4. 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 Order.

5. Effect of the Orders

The above Order is expected to contribute positively to KNM Group's earnings for the financial years ending 31 December 2010 and 31 December 2011.

This announcement is dated 7 January 2010.

Announcement Details :