

General Announcement

Reference No **CU-060605-35485**

Submitting Merchant Bank : ASEAMBANKERS MALAYSIA BERHAD
Company Name : **KNM GROUP BERHAD**
Stock Name : KNM
Date Announced : 05/06/2006

Type : **Announcement**
Subject : **KNM GROUP BERHAD ("KNM" or "the Company")**

PROPOSED PRIVATE PLACEMENT OF UP TO 15,806,418 NEW ORDINARY SHARES OF RM0.50 EACH IN KNM GROUP BERHAD, REPRESENTING UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY AT AN ISSUE PRICE TO BE FIXED ("PROPOSED PRIVATE PLACEMENT")

Contents :

We refer to the announcement dated 25 April 2006 in relation to the Proposed Private Placement.

On behalf of the Board of Directors of KNM, Aseambankers Malaysia Berhad ("Aseambankers") is pleased to announce that the Ministry of International Trade and Industry ("MITI") had, vide its letter dated 29 May 2006, approved the Proposed Private Placement subject to the approval of the Securities Commission ("SC") and compliance with the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests issued by the Foreign Investment Committee. KNM is required to inform MITI upon completion of the Proposed Private Placement.

The SC had, vide its letter dated 31 May 2006 (which was received on 5 June 2006), approved the Proposed Private Placement under Section 32(5) of the SC Act 1993, subject to the following conditions:

- (i) KNM and Aseambankers are to fully comply with the relevant provisions in Guidance Note 8C and other relevant requirements under the SC's Policies and Guidelines on Issue/Offer of Securities, in implementing the Proposed Private Placement;
- (ii) KNM to discuss with MITI the equity conditions imposed on the subsidiary companies of KNM that are licensed by MITI and to inform SC of the status; and
- (iii) KNM and Aseambankers to inform SC upon completion of the Proposed Private Placement.

The SC had also approved the Proposed Private Placement under the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests.

This announcement is dated 5 June 2006.