

General Announcement

Reference No **CU-080602-64317**

Submitting Merchant Bank : ASEAMBANKERS MALAYSIA BERHAD
Company Name : **KNM GROUP BERHAD**
Stock Name : KNM
Date Announced : 02/06/2008

Type : Announcement
Subject : KNM GROUP BERHAD ("KNM" OR "COMPANY")

(1) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 267,807,215 NEW ORDINARY SHARES OF RM0.25 EACH IN KNM ("KNM SHARES") ON THE BASIS OF ONE (1) NEW KNM SHARE FOR EVERY FOUR (4) EXISTING KNM SHARES HELD ("PROPOSED RIGHTS ISSUE");

(2) PROPOSED BONUS ISSUE OF UP TO 2,678,072,150 NEW KNM SHARES ON THE BASIS OF TWO (2) NEW KNM SHARES FOR EVERY ONE (1) EXISTING KNM SHARE HELD AFTER THE PROPOSED RIGHTS ISSUE ON AN ENTITLEMENT DATE TO BE DETERMINED LATER;

(3) PROPOSED ISSUANCE OF UP TO UNITED STATES OF AMERICA DOLLAR ("USD") 350 MILLION (OR ITS EURO DOLLAR EQUIVALENT OR RINGGIT MALAYSIA ("RM") EQUIVALENT) BONDS, EXCHANGEABLE INTO NEW KNM SHARES ("EXCHANGEABLE BONDS") ("PROPOSED EXCHANGEABLE BONDS ISSUE");

(4) PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF KNM; AND

(5) PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Contents : We refer to the announcements dated 4 February 2008, 19 March 2008 and 11 April 2008.

On behalf of the Board of Directors of KNM, Aseambankers Malaysia Berhad ("Aseambankers") is pleased to announce that the Securities Commission ("SC") had vide its letter dated 30 May 2008 which was received on 2 June 2008 approved the Proposed Exchangeable Bonds Issue by KNM Capital Sdn Bhd ("KNM Cap"), a wholly-owned subsidiary of KNM.

Please refer to the attachment below for full details of the announcement.

This announcement is dated 2 June 2008.