

## General Announcement

Reference No **CU-080411-62971**

Submitting Merchant Bank : ASEAMBANKERS MALAYSIA BERHAD  
Company Name : **KNM GROUP BERHAD**  
Stock Name : KNM  
Date Announced : 11/04/2008

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 ("Proposed Bonus Issue");

(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 Bond 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 announcement dated 19 March 2008.

On behalf of KNM, Aseambankers Malaysia Berhad ("Aseambankers") is pleased to announce that the Securities Commission ("SC") had, vide its letter dated 10 April 2008 (which was received on 11 April 2008) approved the following:

(i) Proposed Rights Issue;

(ii) proposed issuance of such number of new KNM Shares pursuant to the Proposed Exchangeable Bond Issue; and

(iii) the listing of and quotation of the new KNM Shares to be issued pursuant to the Proposed Rights Issue and the Proposed Exchangeable Bond Issue on the Main Board of Bursa Malaysia Securities Berhad.

The aforementioned SC's approval is subject to the following conditions:

- (i) KNM should increase its Bumiputera equity by 0.57% (i.e. 8,692,312 new KNM shares) of the new enlarged issued and paid-up share capital of KNM within 2 years after the date of implementation of the Proposed Exchangeable Bond Issue;
- (ii) Aseambankers/KNM should inform the SC upon completion of the Proposed Rights Issue and the Proposed Exchangeable Bond Issue;
- (iii) KNM is reminded that its foreign equity should not exceed 70% upon full conversion of the Exchangeable Bonds; and
- (iv) Aseambankers and KNM should fully comply with all relevant requirements stipulated in the Guidelines on the Offering of Equity and Equity-Linked Securities pertaining to the implementation of the Proposed Rights Issue.

This announcement is dated 11 April 2008.