

General Announcement

Reference No **KG-100323-63262**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **23/03/2010**

Type : Reply to query
Reply to Bursa : IJ-100322-50546
Malaysia's Query
Letter - Reference
ID
Subject : Article entitled : "Proposed acquisition of KNM Group Bhd's
assets"

Contents : We refer to Bursa Malaysia Securities Berhad's Query Letter dated
22 March 2010 in respect of the above article which appeared in
The Star, Starbizweek section, page SBW21, on 20 March 2010.

We wish to clarify that Mr Lee Swee Eng, the Group Managing
Director of KNM Group Berhad ("KNM" or "the Company"), did
not make any statement to The Star as implied in the article.

Referring to the statements "...the shareholders will have an option
of exchanging their shares in KNM for shares in the special
purpose vehicle that will own the assets of KNM" and "...the
offerors may reduce their offer price or withdraw their offer
altogether", the Company wishes to clarify that as at to-date, the
terms and conditions and pricing have not been finalised by Bidco
and the Company. As announced by the Company on 22 March
2010, the discussions are expected to be concluded by 16 April
2010 and the Company will make the appropriate announcement in
due course.

This announcement is dated 23 March 2010.

Query Letter : We refer to the above article appearing in the The Star,
content Starbizweek section,
page SBW21, on 20 March 2010, a copy of which is enclosed for
your reference.

In particular, we would like to draw your attention to the
underlined sentences
which are reproduced as follows:-

“... shareholders will have an option of exchanging their shares in KNM for shares in the special purpose vehicle that will own the assets of KNM”.

"... the offerors may reduce their offer price or withdraw their offer altogether."

In accordance with Bursa Securities' Corporate Disclosure Policy, kindly furnish Bursa Securities with an announcement for public release confirming or denying the above reported article in particular the underlined sentences after due and diligent enquiry with all the directors, major shareholders and all such other persons reasonably familiar with the matters about which the disclosure is to be made in this respect. In the event you deny the above reported sentences or any other part of the article, you are required to set forth facts sufficient to clarify any misleading aspects of the same. In the event you confirm the above reported sentences or any other part of the article, you are required to set forth facts sufficient to support the same.

Please furnish Bursa Securities with your reply within one (1) market day from the date hereof.

Yours faithfully

CHONG FUI TZY

Head, Issuers
Listing Division
Regulation

CFT/IJ
copy to:- Head, Market Surveillance, Securities Commission (via
fax)

Announcement Details :