

General Announcement

Reference No **MM-040816-52601**

Submitting Merchant Bank : COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD
Company Name : **KNM GROUP BERHAD**
Stock Name : KNM
Date Announced : 16/08/2004

Type : **Announcement**
Subject : **KNM GROUP BERHAD (“KNM” OR “COMPANY”)**

Contents :

- PRIVATE PLACEMENT OF UP TO 4,400,000 NEW ORDINARY SHARES OF RM1.00 EACH IN KNM (“KNM SHARES”) (“PLACEMENT SHARES”), REPRESENTING UP TO TEN PERCENT (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF RM3.50 EACH (“PLACEMENT”);
- BONUS ISSUE OF UP TO 27,830,000 NEW ORDINARY SHARES OF RM1.00 EACH IN KNM (“BONUS SHARES”), TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING KNM SHARES HELD AT 5.00 P.M. ON 2 SEPTEMBER 2004 (“ENTITLEMENT DATE”) (“BONUS ISSUE”);
- SHARE SPLIT OF EVERY ONE (1) EXISTING KNM SHARE INTO TWO (2) NEW ORDINARY SHARES OF RM0.50 EACH (“SUBDIVIDED KNM SHARES”) HELD ON THE ENTITLEMENT DATE (“SHARE SPLIT”);
- EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) FOR ELIGIBLE EMPLOYEES AND DIRECTORS OF KNM AND ITS SUBSIDIARIES (“KNM GROUP”) (“ESOS”);
- INCREASE IN THE AUTHORISED SHARE CAPITAL OF KNM FROM RM50,000,000 COMPRISING 50,000,000 KNM SHARES TO RM200,000,000 COMPRISING 400,000,000 SUBDIVIDED KNM SHARES (“CAPITAL INCREASE”); AND
- AMENDMENT TO THE ARTICLES OF ASSOCIATION TO ENABLE THE NON-EXECUTIVE DIRECTORS TO PARTICIPATE IN THE ESOS

(COLLECTIVELY REFERRED TO AS THE “EXERCISE”)

We refer to the announcements dated 27 February 2004, 25 March 2004, 25 May 2004, 22 June 2004, 23 June 2004 and 27 July 2004 in relation to the Exercise.

On behalf of the Board of Directors of KNM, Commerce International Merchant Bankers Berhad wishes to announce that the Company had on 13 August 2004 allotted 4,400,000 Placement Shares to identified investors pursuant to the Placement.

This announcement is dated 16 August 2004.