

General Announcement

Reference No **KG-060124-51790**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **24/01/2006**

Type : **Reply to query**
Reply to : **MM-060123-55127**
Bursa
Malaysia's
Query
Letter -
Reference
ID
Subject : **Article entitled "Big contract in the offing for KNM"**

Contents :

We refer to your letter of 23 January 2005 in relation to the statement "*It is believed that the oil and gas company is close to inking a large contract for process equipment in Brazil, which could be between USD300 mil (RM1.1 bil) and USD500 mil (RM1.9 bil).*" in the article entitled "Big contract in the offing for KNM", which appeared in The Star, Bizweek section, page 3 on Saturday, 21 January 2006.

We deny the statement in relation to our company.

We trust the above meets your requirement.

Query Letter content :

We refer to the above article appearing in The Star, BizWeek section, page 3 on Saturday, 21 January 2006, a copy of which is enclosed for your reference.

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

"It is believed that the oil and gas company is close to inking a large contract for process equipment in Brazil, which could be between US\$300mil (RM1.1bil) and US\$500mil (RM1.9bil)."

In accordance with Bursa Securities' Corporate Disclosure Policy, you are requested to furnish Bursa Securities with an announcement for public release confirming or denying the above reported article and in particular the underlined sentence 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 sentence or any other part of the above reported article, you are required to set forth facts sufficient to clarify any misleading aspects of the same. In the event you confirm the above sentence or any other part of the above reported 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

Sector Head

Issues & Listing

Group Regulations

HTH/MZM

c.c. Encik Onn Ismail, Securities Commission (via fax)