

## **General Announcement**

Reference No **CU-060918-60908**

Submitting Merchant Bank : ASEAMBANKERS MALAYSIA BERHAD  
Company Name : **KNM GROUP BERHAD**  
Stock Name : KNM  
Date Announced : 18/09/2006

Type : **Announcement**  
Subject : **KNM GROUP BERHAD ("KNM")**  
**Issuance of up to RM300.0 million in Nominal Value Islamic Commercial Papers/Islamic Medium Term Notes Under an ICP/IMTN Programme ("ICP/IMTN Programme") by KNM Capital Sdn Bhd ("KNMC")**

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### **1. Introduction**

On behalf of KNM, Aseambankers Malaysia Berhad and AmMerchant Bank Berhad acting as the Joint Principal Advisers and Joint Lead Arrangers for the ICP/IMTN Programme are pleased to announce that KNMC, a wholly-owned subsidiary of KNM Group Berhad, has obtained approval from Securities Commission ("SC") vide their letter dated 14 September 2006 to issue up to RM300.0 million in Nominal Value Islamic Commercial Papers/Islamic Medium Term Notes under the ICP/IMTN Programme.

KNMC was established as the financial hub for KNM Group Berhad to centralise all treasury and funding activities of the KNM Group of companies.

### **2. Tenure, Rating, Purpose and Rationale of the ICP/IMTN Programme**

The ICP/IMTN Programme shall have a maturity of up to seven (7) years from the date of the first issuance under the ICP/IMTN Programme and has been accorded an indicative short term rating of MARC-1ID and long term rating of A+ ID by Malaysian Rating Corporation Berhad.

The ICP of up to RM150.0 million to be issued under the ICP/IMTN Programme shall be underwritten subject to terms and conditions whilst the IMTN will not be underwritten. The ICP/IMTN under the ICP/IMTN Programme will be issued without prospectus via either bought deal, private placement, book-building or tender, as KNMC may decide.

The proceeds raised from the issuance of the ICP/IMTN will be advanced by KNMC to KNM and/or its other subsidiaries for the following purposes:

(i) to redeem the KNM's entire outstanding amount of the Murabahah Underwritten Notes Issuance Facility/Islamic Medium Term Note Programme of up to RM150.0 million;

(ii) for investments to be undertaken by KNM and/or its subsidiaries in connection with the expansion of plants in China;  
(iii) to finance future investments to be undertaken by KNM and/or its subsidiaries and its/their capital expenditure requirements; and  
(iv) for working capital requirements of KNM and/or its subsidiaries and for payment of all fees and expenses in relation to the ICP/IMTN Programme.

This announcement is dated 18 September 2006.

cc. Securities Commission (By Fax/Hand)  
The Issue and Investment Division  
No 3 Persiaran Bukit Kiara  
Bukit Kiara 50490 Kuala Lumpur.

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