

General Announcement

Reference No **CU-070515-54616**

Submitting Merchant Bank : ASEAMBANKERS MALAYSIA BERHAD
Company Name : **KNM GROUP BERHAD**
Stock Name : KNM
Date Announced : 15/05/2007

Type : **Announcement**
Subject :

**KNM Group Berhad ("KNM" or "the Company")
(I) Proposed Bonus Issue On The Basis Of One (1) New Ordinary Share Of
RM0.50 Each In KNM ("KNM Shares") For Every One (1) Existing KNM Share
Held ("Proposed Bonus Issue"); and**

**(II) Proposed Share Split Involving Subdivision Of Each Of The Existing KNM
Shares Into Two (2) Ordinary Shares Of RM0.25 Each In KNM ("Proposed Share
Split")**

(Collectively referred to as the "Proposals")

Contents :

We wish to refer to the announcement dated 24 April 2007 in regards to the Proposals.

In conjunction with the Proposed Bonus Issue, the Company proposes to increase its present authorised share capital of RM200.0 million comprising 400.0 million KNM Shares to RM300.0 million comprising 600.0 million KNM Shares by the creation of an additional 200,000,000 new KNM Shares ("Proposed IASC").

In this regards, the Proposed Bonus Issue is conditional upon the Proposed IASC but not vice versa. The Proposed Bonus Issue is not conditional upon the Proposed Share Split. The Proposed Share Split and the Proposed M&A Amendments are inter-conditional. The Proposed IASC is conditional upon the Proposed M&A Amendments.

This announcement is dated 15 May 2007.