

General Announcement

Reference No **KG-081015-65197**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **15/10/2008**

Type : Reply to query
Reply to Bursa : IJ-081015-56661
Malaysia's
Query Letter -
Reference ID
Subject : Unusual market activity

Contents : KNM Group Berhad (KNM or Company) wishes to confirm that -

1. after due inquiry with the directors and major shareholders of the Company, the Company is unaware of the cause of the unusual market activity in the Company's shares;
2. there is no corporate development relating to the Group's business and affairs that has not been previously announced that may account for the unusual market activity including those in the stage of negotiation/discussion.
3. the Company is not aware of any other possible explanation to account for the unusual market activity, save for an announcement by the Company today (15 October 2008) on the Company's receipt and acceptance of a term loan from Malayan Banking Berhad (MBB) for the full settlement of the Company's Euro Dollar 150.0 million bridging loan with MBB; and
4. the Company is in full compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, in particular paragraph 9.03 on disclosure of material information.

This announcement is dated 15 October 2008.

Query Letter content : We draw your attention to the sharp decrease in price and high volume in your Company's shares recently.

In accordance with the Corporate Disclosure Policy on Response To Unusual

Market Activity pursuant to paragraph 9.11 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR"), you are requested to furnish Bursa Malaysia Securities Berhad ("Bursa Securities") with an announcement for public release after making a due enquiry with your directors and major shareholders seeking the cause of the unusual market activity in the Company's shares.

In this respect, you are also required to publicly confirm, amongst others, the following:-

1. whether there is any corporate development relating to your Group's business and affairs that has not been previously announced that may account for the unusual market activity including those in the stage of negotiation / discussion. If yes, kindly provide the details including the status of the corporate development to enable investors to make informed investment decision;
2. whether there is any rumour or report concerning the business and affairs of the Group that may account for the unusual market activity and in this respect, you are required to comply with paragraphs 9.09 and 9.10 of the Bursa Securities LR;
3. whether you are aware of any other possible explanation to account for the unusual market activity; and
4. your compliance with the Bursa Securities LR, in particular paragraph 9.03 on disclosure of material information.

Please note that the contents of the announcement must be endorsed by the Board

of Directors of the Company and the announcement must reach
Bursa Securities
immediately via Bursa LINK.

Yours faithfully

HENG TECK HENG
Senior Manager, Issuers
Listing Division
Regulation

HTH/IJ