

General Announcement

Reference No **KG-100416-64461**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **16/04/2010**

Type : Reply to query
Reply to Bursa : IJ-100415-59341
Malaysia's Query Letter - Reference ID
Subject : Reply to Bursa Securities' queries dated 15 April 2010 on the Proposed Acquisition of the entire business and undertakings of the Company
Contents : We refer to Bursa Malaysia Securities Berhad's Query Letter dated 15 April 2010 (reference number : IJ-100415-59341) in respect of the Proposed Acquisition and the Company's announcements dated 4 February 2010, 8 February 2010, 9 February 2010, 22 February 2010, 22 March 2010, 23 March 2010, 25 March 2010 and 14 April 2010.

The Company's replies to the queries are as follows:

Question 1:

Other than the pricing issue, to disclose in detail on whether there are any other outstanding issues including the findings of the due diligence exercise or funding requirements by BlueFire Capital Group Ltd ("BlueFire"), that led to the lapse of the proposal.

Reply:

The proposal lapsed solely due to pricing issue. Other than pricing, there were no outstanding issues discussed at the Board Meeting of KNM held on 14 April 2010.

Question 2:

Whether BlueFire has presented any revised offer to the Board of KNM for consideration. If yes, the detail of the revised offer.

Reply:

As the Company and BlueFire, including its partners, GS Capital Partners VI Fund L.P and Mettiz Capital Limited, did not reach an agreement on the pricing of the Proposed Acquisition, there was no revised offer extended by BlueFire.

This announcement is dated 16 April 2010.

Query Letter content : We refer to your Company's announcements dated 14 April 2010, in respect of the

aforesaid matter.

In this connection, kindly furnish Bursa Malaysia Securities Berhad ("Bursa Securities") with the following additional information for public release:-

Other than the pricing issue, to disclose in detail on whether there are any other outstanding issues including the findings of the due diligence exercise or funding requirements by BlueFire Capital Group Ltd, that led to the lapse of the agreement; and Whether BlueFire Capital Group Ltd has presented any revised offer to the Board of KNM for consideration. If yes, the detail of the revised offer.

Please furnish Bursa Securities with your reply within one (1) market day from the date hereof.

Yours faithfully

HENG TECK HENG
Senior Manager, Issuers
Listing Division
Regulation

HTH/IJ
copy to:- Head, Market Surveillance, Securities Commission (via fax)

Announcement Details :