

General Announcement

Reference No **KG-100325-66140**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **25/03/2010**

Type : Reply to query
Reply to Bursa : IJ-100324-59193
Malaysia's Query Letter - Reference ID
Subject : Reply to Bursa Securities' queries dated 24 March 2010 on Proposed Acquisition of the entire business and undertakings of the Company
Contents : We refer to Bursa Malaysia Securities Berhad's Query Letter dated 24 March 2010 (reference number : IJ-100324-59193) in respect of the Proposed Acquisition and the Company's announcements dated 4 February 2010, 8 February 2010 and 22 March 2010.

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

Question 1: Whether the due diligence has been completed to-date. If yes, to state the outcome of the due diligence and whether it is satisfactory to BlueFire Capital Group Ltd ("Bidco")

Reply: We were informed by Bidco that the due diligence review work has been substantially completed but the findings are yet to be finalised.

Question 2: The nature of the continued discussion between Bidco and the Company

Reply: The nature of discussion is on the pricing in light of the company's results announced on 25 February 2010, structure and terms of the Sale and Purchase Agreement.

Question 3: The other conditions that Bidco needs to satisfy pursuant to the Proposed Acquisition

Reply: Depending on the outcome of discussions, the other conditions (if any) will be contained in the definitive Sale and Purchase Agreement, if entered into, and will be announced in due course once finalised.

This announcement is dated 25 March 2010.

Query Letter content : We refer to your Company's announcements dated 22 March 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:-

Whether the due diligence has been completed todate. If yes, to state the outcome of the due diligence and whether it is satisfactory to Bidco; The nature of the continued discussion between Bidco and the Company; and
The other conditions that Bidco needs to satisfy pursuant to the proposed acquisition.

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

Yours faithfully

CHONG FUI TZY
Head, Issuers
Listing Division
Regulation

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

Announcement Details :