

**BKM MANAGEMENT LIMITED**

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30 November 2018

**Business Update: Zenith Agro Group acquisition**

On 26 July 2017, BKM Management Limited (BKM) entered a trading halt. It subsequently announced that it had entered a non-binding Term Sheet to acquire 100% of Zenith Agro Group Pte Ltd (ZAG), an agricultural company focused on Agarwood tree plantation production and technology in South East Asia subject to mutual due diligence and other conditions. This resulted in BKM's suspension from official quotation since 28 July 2017.

After extensive due diligence and negotiations, the parties have mutually agreed not to proceed at this time. BKM will commence taking the necessary steps to apply for reinstatement of official quotation to the ASX.

Yours sincerely,



Phillip Hains  
Company Secretary