

OTHERS KNM GROUP BERHAD ("KNM" OR "THE COMPANY") ACCEPTANCE OF EUR60,000,000 MULTICURRENCY GUARANTEE FACILITY BY BORSIG GMBH FROM LANDESBANK BADEN-WÜRTTEMBERG

KNM GROUP BERHAD

Type	Announcement
Subject	OTHERS
Description	KNM GROUP BERHAD ("KNM" OR "THE COMPANY") ACCEPTANCE OF EUR60,000,000 MULTICURRENCY GUARANTEE FACILITY BY BORSIG GMBH FROM LANDESBANK BADEN-WÜRTTEMBERG

Pursuant to Part C of Chapter 9.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of KNM wishes to announce that in place of a Facility Agreement dated 2 May 2019 with IKB Deutsche Industriebank AG, which expired on 16 December 2024, Borsig GmbH ("Borsig"), Deutsche KNM GmbH ("DKNM"), both wholly owned subsidiaries of the Company, and other companies in the Borsig Group, have entered into a new replacement Facility Agreement with Landesbank Baden-Württemberg and other participating financial institutions. In respect of the credit facility described below (hereinafter referred to as the "Credit Facilities"):

Type of Facility	Amount (EUR)	Borrowers
Multicurrency Guarantee	60,000,000 (with an option for a further EUR40,000,000)	<ol style="list-style-type: none"> 1. Borsig GmbH 2. Borsig Process Heat Exchanger GmbH 3. Borsig ZM Compression GmbH 4. Borsig Membrane Technology GmbH 5. Borsig Service GmbH 6. Borsig ValveTech GmbH <p>(all the above companies shall collectively be referred to as the "Borsig Group")</p>

Purpose of Credit Facilities

This facility will ensure Borsig Group is able to continue with its operations as normal.

Security

1. A subordination agreement between, inter alia, KNM Process Systems Sdn Bhd ("KNMPS") as subordinated creditor and DKNM as parent;
2. A share pledge agreement regarding the shares in Borsig between, inter alia, DKNM as pledgor and others as pledgees;
3. A trust agreement regarding the shares in Borsig or in DKNM between, inter alia, DKNM or KNMPS as trustor and a special entity formed/ to be formed as trustee; and
4. A release agreement between, inter alia, the Company and DKNM as security grantors, IKB Deutsche Industriebank AG as pledgee and others as pledgees and secured parties.

Tenure

3 years after the Signing Day and two options to further extend by one year each.

Financial Effects

(a) Issued and Paid-up Share Capital and shareholdings of substantial shareholders

The Credit Facilities is not expected to have any effect on the issued and paid-up share capital of the Company nor the shareholdings of the Company's substantial shareholders.

(b) Earnings

The Credit Facilities will not have any material effect on the earnings for the financial years of the Company within the Term Period.

(c) Net assets and gearing

The Credit Facilities is not expected to have any material effect on the net assets and gearing of the Company for the financial years within the Term Period.

Approvals

The Credit Facilities are not subject to the approval of the shareholders of KNM or any regulatory authority in Malaysia or anywhere else.

Directors' Statement

Having considered all aspects of this Credit Facilities, the Board of Directors is of the opinion that the acceptance of the Credit Facilities is in the best interest of the Company and the Borsig Group in general.

This announcement is dated 17 December 2024.

Announcement Info

Company Name	KNM GROUP BERHAD
Stock Name	KNM
Date Announced	17 Dec 2024
Category	General Announcement for PLC
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