

OTHERS [Monthly Status Update] Default in Payment by KNM Group Berhad pursuant to Paragraph 9.19A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

KNM GROUP BERHAD

Type	Announcement
Subject	OTHERS
Description	[Monthly Status Update] Default in Payment by KNM Group Berhad pursuant to Paragraph 9.19A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Unless otherwise defined herein, all terms and acronyms used herein shall be the same as those defined in the Company's previous announcements dated 18 November 2021 onwards in relation to default in payment of Thai Bonds and the loan facilities granted by TransAsia Private Capital Limited and Danos Limited ("TA/Danos") and the loan facilities granted by Bank of China (Malaysia) Berhad.

Reference is made to the previous announcements dated 18 November 2021, 22 November 2021, 6 December 2021, 10 December 2021, 16 December 2021, 21 December 2021, 29 December 2021, 31 January 2022, 1 March 2022, 1 April 2022, 29 April 2022, 1 June 2022, 1 July 2022, 1 August 2022, 1 September 2022, 30 September 2022, 1 November 2022, 1 December 2022, 27 December 2022, 3 January 2023, 1 February 2023, 1 March 2023, 3 April 2023, 2 May 2023, 1 June 2023, 3 July 2023, 1 August 2023, 1 September 2023, 25 September 2023, 2 October 2023, 1 November 2023, 1 December 2023, 2 January 2024, 2 February 2024, 1 March 2024, 1 April 2024, 2 May 2024, 4 June 2024, 1 July 2024, 1 August 2024, 2 September 2024, 1 October 2024, 1 November 2024, 2 December 2024, 2 January 2025, 3 February 2025 and 3 March 2025.

In respect of the application to the High Court of Kuala Lumpur under Sections 366 and 368 of the Companies Act 2016 ("CA 2016") to sanction a new Proposed Scheme of Arrangement with its creditors and for a Restraining Order ("RO") pursuant to Section 368(1) of the CA 2016, filed by the Company and KNM Process Systems Sdn Bhd (collectively referred to as the "Applicants"), on 12 March 2025, the Court granted the Company an order to summon a Court Convened Creditors Meeting Order ("CO") and hold meetings with the respective creditors of the Applicants for the purpose of considering the scheme of arrangement, as the Court found that the proposed Scheme of Arrangement had evolved positively, providing a real prospect for the Applicants to continue their business. However, the Court did not grant the RO.

On 14 March 2025, the Applicants filed a Notice of Application for an Extension of the RO ("RO Extension Application") under Section 368(2) of the CA 2016 and/or under the Court's inherent powers pending the Court-convened creditors' meeting.

On 26 March 2025, the Applicants successfully withdrew its RO Extension Application with no order as to costs. The Applicants, through their solicitors, have made an application for an Erinford Order to be granted to restrain all proceedings and/or enforcement actions by all creditors pending the disposal of the Applicants' appeal to the Court of Appeal.

On 27 March 2025 the Applicants filed an appeal with the Court of Appeal against the High Court's decision on the RO. On the same day, the High Court granted the Applicants an Ad-Interim Restraining Order pending appeal, which will remain in effect until the Applicants' Section 44 Courts of Judicature Act 1964 application to the Court of Appeal is disposed of.

On 27 February 2025, KNM Process Systems Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a conditional sale, purchase and transfer agreement with NGK Insulators, Ltd for the proposed disposal of 1 share in Deutsche KNM GmbH ("DKNM") (the immediate holding company of the Borsig Group), representing 100% equity interest in DKNM for a disposal consideration of EUR270.00 million (the "Borsig Disposal"). The proceeds raised from this disposal are intended to be utilised to settle the Company's

indebtedness. For further details of the disposal, please refer to the Company's announcement made on 27 February 2025 regarding the Transactions (Chapter 10 of Listing Requirements) Non-Related Party Transactions.

CGIF, TA/Danos and majority of the lenders are still working in close cooperation with the Board of Directors and KNMG GCEO, Mr Ravi Balasingham towards achieving a mutually acceptable resolution of the settlement of the monies due to the respective lenders from the monetization of non-core assets and the Borsig Disposal.

In this respect, KNMG has been in continuous close discussion with the respective lenders on various measures to address the abovementioned events of default. The repayments will be dealt with, addressed and/or restructured under the Proposed Scheme of Arrangement as announced on 26 April 2024.

The Company will make the necessary announcement to Bursa Malaysia Securities Berhad as and when there is any material development in relation thereto.

This announcement is dated 2 April 2025.

Announcement Info

Company Name	KNM GROUP BERHAD
Stock Name	KNM
Date Announced	02 Apr 2025
Category	General Announcement for PLC
Reference Number	GA1-02042025-00053