

**KNM GROUP BERHAD**  
Registration No.: 200001018741 (521348-H)  
Incorporated in Malaysia

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**MINUTES OF THE ADJOURNED EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD AT HANG TUAH BALLROOM, LEVEL 3, MINES BEACH RESORT, JALAN DULANG, THE MINES RESORT CITY, 43300 SERI KEMBANGAN, SELANGOR DARUL EHSAN ON THURSDAY, 6 NOVEMBER 2025 AT 10.30 A.M.**

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**PRESENT**

**Board of Directors**

Tunku Dato' Yaacob Khyra

*(Non-Executive Chairman)*

James Beltran

*(Non-Executive Deputy Chairman)*

Ravindrasingham A/L Balasingham

*(Group Chief Executive Officer / Executive Director)*

Yee Hong Ho

*(Senior Independent Non-Executive Director)*

Ho Soo Woon

*(Independent Non-Executive Director)*

Dato' Abd.Gani bin Yusof

*(Independent Non-Executive Director)*

Andrew Veno

*(Independent Non-Executive Director)*

Dato' Sri Naresh Mohan

*(Non-Independent Non-Executive Director)*

Cha Fui Min

*(Group Chief Financial Officer)*

Lee Yao Lung

*(Senior Group Accountant)*

**SHAREHOLDERS & PROXIES**

AS PER THE ATTENDANCE LIST ATTACHED, EXCLUDING THE CHAIRMAN OF THE MEETING WHO WAS APPOINTED BY THE SHAREHOLDERS TO REPRESENT THEIR INTEREST

**IN ATTENDANCE**

Kenneth Goh Kwan Weng

*(Company Secretary)*

**CHAIRMAN OF THE MEETING**

Tunku Dato' Yaacob Khyra ("Tunku Dato' Chairman").

**NOTICE OF MEETING**

No new Notice was issued for this adjourned meeting, as the Company's Constitution Article 87 does not require fresh notice to be given when a meeting is adjourned to a date, time and venue not more than 30 days than the earlier meeting.

**QUORUM**

- (A) As at 24 October 2025, being the cut-off date for determining who shall be entitled to attend the Company's EGM, the Company had 33,231 depositors, and the total number of issued shares stood at 4,044,064,080 ordinary shares.

Based on the registration data given by the Share Registrar as at 10.30 a.m. on 6 November 2025, 54 members registered for attendance at the EGM.

- (B) The Meeting noted that shareholders of 1,692,057,884 shares lodged their proxies within the stipulated time and holders of 804,151,629 shares appointed the Chairman of the Meeting to be their proxy.

The requisite quorum being present pursuant to Article 82 of the Company's Constitution, Tunku Dato' Chairman declared the Meeting duly convened.

- (C) The Chairman informed the meeting that, pursuant to the provisions of the Companies Act 2016 and the Company's Constitution, a resolution at a general meeting shall be decided on a show of hands unless a poll is demanded.
- (D) To ensure transparency and to accurately reflect the number of votes held by each shareholder, the Chairman demanded that the voting on the Proposed Special Resolution be conducted by way of poll in accordance with the Company's Constitution and the Companies Act 2016.
- (E) The Chairman further informed that, on a poll, every person present who is a member or a member's representative or proxy shall have one vote per share.
- (F) It was noted that Symphony Corporate Services Sdn Bhd had been appointed as the Poll Administrator to conduct the polling process, and Propoll Solutions Sdn Bhd had been appointed as the Independent Scrutineer to verify the poll results.
- (G) The Chairman also informed the meeting that a declaration by him that a resolution has been "carried" or "not carried" shall be conclusive.

## **1. PROPOSED SPECIAL RESOLUTION**

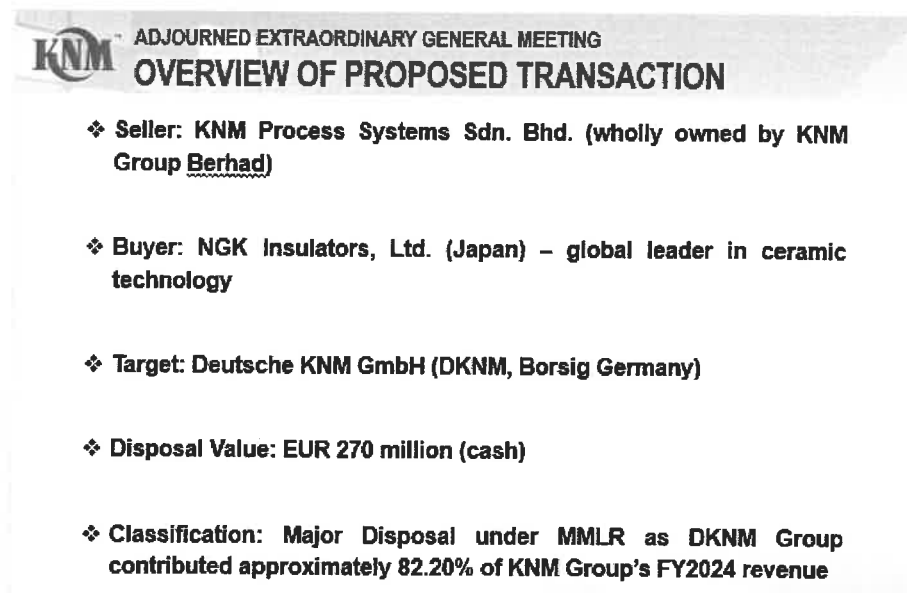
### **PROPOSED DISPOSAL BY KNM PROCESS SYSTEMS SDN BHD ("KNMPS"), A WHOLLY-OWNED SUBSIDIARY OF KNM GROUP BERHAD, OF 1 SHARE IN DEUTSCHE KNM GMBH ("DKNM"), REPRESENTING 100% EQUITY INTEREST IN DKNM FOR A TOTAL CASH CONSIDERATION OF €270.00 MILLION ("PROPOSED DISPOSAL OF DKNM")**

- 1.1 Before proceeding further, Tunku Dato' Chairman invited shareholders to raise any questions on the Proposed Special Resolution. He requested that any shareholder, proxy or representative wishing to speak should step up to the microphones and state their full name and/or the name of the shareholder(s) they represent.
- 1.2 A shareholder by the name of En Ismet Yusoff ("En Ismet") who claimed to represent Minority Shareholders Watch Group ("MSWG") asked about the following issues:
  - Fair Value of the Proposed Disposal of DKNM; and
  - Viewpoints of Independent Directors
- 1.3 En Ismet stated that he had to put these questions to the Board as there was no independent advisor's letter to refer to, although he acknowledged that, with the de-listing of the Company, he did not intend to dwell on this issue.
- 1.4 As regards the fair value issue, citing the (rejected) Regularisation Plan as his source of information, En Ismet referred to the Enterprise Value over Earnings Before Interest, Taxes, Depreciation, and Amortization ("EV/EBITDA") multiple of DKNM and its subsidiaries, including Borsig GmbH ("Borsig") ("DKNM Group"), which stood at 33 times based on audited financial statements ("AFS") for Financial Year Ended 2025 ("FYE2023") as compared to only 6 times based on AFS for Financial Year Ended 2024 ("FYE2024"). Additionally, the EV/EBITDA of the DKNM Group was almost half of the average of the EV/EBITDA of 12.79 times accorded to the comparable companies. He wanted to know what the Board considered was fair value of the Proposed Disposal of DKNM. Secondly, he wanted to know the viewpoints of the independent directors as regards the fair value of the Proposed Disposal of DKNM.

- 1.5 Tunku Dato' Chairman reply was that ultimately, the fair value was based on a willing buyer, willing seller basis. The DKNM Group was put on the market for over three years. There were negotiations with various parties and sale and purchase agreements signed with previous parties which did not go through. He invited Mr Ravi to go through the history of the efforts to dispose DKNM Group.
- 1.6 Mr Ravi's narrative was as follows:
- 1.7 (a) In the proposed disposal of the DKNM Group which Bursa Malaysia Securities Berhad ("Bursa") approved in 2022, the price was €220 million with €30 million deferred, so only €180 million was to come to the Company. In the present Proposed Disposal of DKNM, the purchase price was €270 million with all inter-company debts owed by the Company (KNM Group of Companies) to Borsig Group, amounting to almost €3 million written off or waived. There were no further final downward adjustments to the purchase price unlike most other transactions of this nature. So, the present deal had a higher price, waiver of debts and no final adjustment as compared to the previous deal.
- (b) As to the market averages, Borsig followed German accounting system, so most of the profits were recognised in its books at the end of the project. So if the project ended on the 1<sup>st</sup> of January rather than 31<sup>st</sup> of December, profits were taken in the following year. When negotiations took place, the figures available at that time were taken and once the deal was concluded, the figures could not influence the negotiated price.
- (c) So the question was whether the price was acceptable. The track record should show that the answer was yes. The Company ran two tracks (in parallel), the Initial Public Offering ("IPO") track and the sale and purchase track (i.e. the outright sale of Borsig). The second track, was very disappointing, attracting the highest offer of only €100 million; nowhere near the present €270 million. As for the first track, an IPO, the best valuation obtained in 2022 was €220 million.
- (d) NGK Insulators, Ltd ("NGK") was initially a cornerstone investor for the IPO track, coming in for a 10% stake. After due diligence, NGK decided it wanted 100% of Borsig. From about June to August 2024, negotiations were held, based on 2023 figures. The final negotiation took place in January 2025 in Singapore and eventually the Sale and Purchase Agreement ("SPA") was signed in late February 2025.
- (e) What made NGK's offer so attractive was that it had the cash to pay for the purchase outright. It did not have to borrow any moneys to fund the purchase. Moreover, importantly, Borsig was also interested to be with NGK because NGK could grow Borsig. Therefore, it was a happy solution for all three parties.
- (f) As regard the absence of an independent advisor's letter, it was MAA Group Berhad ("MAAG") that called the meeting and it was unable to issue the independent advisor's letter (and the circular) due to the laws on insider information. Any shareholder holding 10% or more shares in a company, is entitled to instruct that the company is to call for the extraordinary general meeting, and if the company failed to do so, then that shareholder would be entitled to call for the same. This is exactly what MAAG did in the present case. The Company could not call for the EGM as it would have to abide by Bursa's Listing Requirements and produce a circular and an independent advisor's letter, which could only be done had Bursa agreed to an interim proposal to allow an EGM to approve the Proposed Disposal of DKNM.
- (g) On 20 August 2025, right after announcing the Regularisation Plan on 19 August 2025, the Company submitted an application to Bursa for the approval of the Proposed Disposal of DKNM. Bursa never approved this. So the Company could not call for an EGM.

- 1.8 Mr Ravi invited MSWG to engage directly with the minority shareholders of the Company to address any concerns they had, so that they can obtain direct feedback, in addition to addressing the questions they raised.
- 1.9 Tunku Dato' Chairman reminded the attendees that the present purchase price of €270 million was a major improvement over the €220 million one for the previous transaction in 2022, which the shareholders at that time approved. The buyer however could not close the deal because it could not raise the financing mainly due to the onset of the Russia-Ukraine war.
- 1.10 Continuing his response, Mr Ravi explained that the present €270 million purchase price amounted to a price to earnings ("P/E") ratio of 150 times. Whereas, in 2022, it was 9.99 times. And on the EV/EBITDA ratio, it was at 33.33 times; whereas in 2022, it was 6.63 times. As Tunku Dato' Chairman added, from a P/E basis, this was very good because Borsig's recent performance was not as good as expected. In addition, hopefully, NGK would continue with the deal.
- 1.11 Mr Steve Ho, the independent director, was invited by Tunku Dato' Chairman to present his viewpoint on the fair value issue, which is summarised below:
- (a) He revealed that he had been on the Board for the past 3½ years, during which period, the main objective of the new Board after taking over from the founder, was to turn the Company around. He never expected Bursa to reject the Regularisation Plan, and described the ruling requiring PN17 companies to get Bursa's approval for any disposal (only announced late last year and implemented in March 2025), as being too inflexible. He revealed that the Company appealed to Bursa, pointing out that the Proposed Disposal of DKNM was very critical to the Regularisation Plan.
  - (b) According to Mr Ho, as an engineering company, the Company would procure contracts but to execute them the Company would need to procure bank guarantees. Ever since the Company fell into PN17 status, all the banks withdrew all bank guarantee lines from the Company. Had Bursa allowed the Proposed Disposal of DKNM, the Company would at least have gotten RM100 million to restart its operations.
  - (c) He conceded that it was the prerogative of Bursa to have its own rulings and claim to be protecting the minority shareholders. Nevertheless, as an independent director, Mr Ho felt that this rule is a bit too strict and suffocating.
  - (d) He described Borsig as the Company's crown jewel and the Company would not have wanted to sell it if not for its dire financial circumstances. But the Company had very large creditors; Credit Guarantee & Investment Facility (CGIF), which is a unit of the Asian Development Bank and a private equity fund, TransAsia Private Capital Ltd/Danos Ltd, who were owed about USD200 million. These creditors have been pressing the Company for payment and over the last two years, they have been working very closely with the Company to such ends.
  - (e) The Company then undertook a scheme of arrangement with its creditors ("SOA"), which he described as the most generous scheme he had come across, with proposed payment of 100% principal and all accrued interest up to a cut-off point (for Class A Creditors). Not surprisingly, the creditors gave their full support to the SOA. By comparison, in AirAsia's scheme of arrangement, its creditors only got paid five sen to a ringgit
  - (f) As for the valuation, he reminded all that the deal was made before Donald Trump became the President of USA. After he became President, havoc ensued. He reiterated that the Proposed Disposal of DKNM was a good deal and with RM100 million, the Company can restart its operations.

- 1.12 Tunku Dato' Chairman re-iterated that in holding the EGM, it was not the intention of the Company not to produce a circular or an independent advisor's letter. Bursa rejected the Regularisation Plan as well as the Proposed Disposal of DKNM, and therefore did not approve the circular. Without the circular, the Company could not call for an EGM. The only way forward was for a shareholder to call for one. He recalled a similar event 3 years ago when a block of shareholders with 10% shareholding called for an extraordinary meeting attempting to remove the present directors. At that time the Company called the meeting within 28 days in accordance with the Companies Act 2016. Be that as it may, now that the Company was no longer a listed company, the Bursa rules no longer applied.
- 1.13 After dealing with the shareholders' questions, with the aid of a slide presentation, Mr Ravi gave a brief presentation of the Proposed Disposal of DKNM, starting with an Overview as shown in the slide capture below:



- (i) In addition, Mr Ravi volunteered the reason DKNM, and not Borsig itself, was being sold, this was done to reduce the withholding taxes.
- 1.14 Mr Ravi continued his presentation, with the next slide showing the Financial Performance of the Company (Malaysian Operation) for FYE2019 as shown below:

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## ADJOURNED EXTRAORDINARY GENERAL MEETING

## FINANCIAL PERFORMANCE IN FY2019

## Financial Performance in FY2019 (Malaysian Operation)

	2019 RM'000
Revenue	262,723
GP	69,988
PBT	18,960
PAT	18,960
EBITDA	43,117
No. of employee	More than 800
Revenue	Proportion
Domestic	26%
Export (13 countries in Asia & Europe)	74%



## ADJOURNED EXTRAORDINARY GENERAL MEETING

## RATIONALE FOR DISPOSAL

- ❖ The disposal proceeds are utilized in reducing KNM Group's total borrowings, which stood at approximately RM1.33 billion in FY2024
- ❖ RM100 million from the proceeds will be retained by KNM as working capital, enabling KNM to fund its turnaround efforts and future growth
- ❖ The EUR270 million offer from NGK represents the highest and most credible proposal
- ❖ Completion of the sale prevents enforcement by the European banking consortium on Borsig's EUR60 million credit facility and potential liquidation by the Malaysian creditors

- (i) At this stage, Mr Ravi gave a quick historical background of Borsig's financial position. In 2019, the then management of the Company then took an "advance dividend" of about €60 million from the Borsig Group. Borsig's bankers in Germany reacted by putting a ring fence around the Borsig Group, which meant that any profits that Borsig Group made could not be distributed without their approval.
- (ii) By the time the advance dividend was repaid, the Company went into financial distress. Notwithstanding repayment of the advance dividend, the banks refused to remove the ring fence so the Company could not benefit from ownership of the Borsig Group. That's the main reason why the Company had to monetize the asset by either going for an IPO or an outright disposal.

1.15 Mr Ravi moved on to the Utilisation of the Proceeds and the Pro Forma Financial Effects as shown in next few slides below:

## KNM ADJOURNED EXTRAORDINARY GENERAL MEETING UTILISATION OF EUR 270 MILLION PROCEEDS

Purpose	Item	Timeframe for utilisation from completion of the Proposed Disposal of DKNM	EUR million	RM million	*
Repayment to Scheme Creditors	(A)	Within 6 months	203.90	1,009.25	75.52
12% Escrow Account	(B)	Within 60 months	32.40	160.37	12.00
Retained working capital	(C)	Within 48 months	20.20	100.00	7.48
Estimated expenses	(D)	Upon completion	13.50	66.82	5.00
<b>Total</b>			<b>270.00</b>	<b>1,336.44</b>	<b>100.00</b>

### Retained Working Capital of RM100 million

This is further allocated into:

- i. RM50 million: 100% cash margin for bank guarantees to support new project tenders with an estimated total project value of RM500 million.
- ii. RM50 million: To fund start-up and operating costs - materials, subcontractors and overheads.

## KNM ADJOURNED EXTRAORDINARY GENERAL MEETING PRO FORMA FINANCIAL EFFECTS

Item	Before Disposal	After Disposal	Financial Effects
Increase in Shareholders' value from DKNM disposal	-	RM201.44m ↑	One-off gain on DKNM disposal (before FCTR reclassification)
Gain on Debt Waiver	-	RM325.02m ↑	One-off gain on debt and penalty/interest waiver
Net Assets per Share	9.86 sen	12.76 sen ↑	29.4% increase in Net Assets per share
Total Borrowings	RM1,332m	RM3m ↑	99.7% interests bearing debts reduction
Gearing Ratio	3.34x	0.01x ↑	99.7% improvement in gearing ratio

\* The above pro forma financial effects are computed based on KNM Group Berhad's audited financial statements as at 31 December 2024

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KNM ADJOURNED EXTRAORDINARY GENERAL MEETING PRO FORMA FINANCIAL EFFECTS		
	EUR million	RM million
DKNM Disposal Consideration	270.00	1,255.67
Waiver of intercompany debt	3.17	14.73
Less: Estimated expenses	(11.10)	(51.62)
Net DKNM Disposal Consideration	262.07	1,218.78
Less: NA of DKNM Group as at 31 December 2024 based on its consolidated financial statements prepared under IFRS for FYE 31 December 2024	(220.61)	(1,026.93)
i) Assets classified as held for sale as at 31 December 2024	(310.75)	(1,445.20)
ii) Liabilities classified as held for sale as at 31 December 2024	89.54	418.27
Add: Non-controlling interest	2.06	9.59
	43.32	201.44
Less: Reclassification of foreign currency translation reserves (FCTR) to profit or loss	(65.61)	(306.06)
Total estimated loss upon completion of the Proposed Disposal of DKNM	(22.49)	(104.62)

KNM ADJOURNED EXTRAORDINARY GENERAL MEETING PRO FORMA FINANCIAL EFFECTS				
	Audited as at 31 December 2024	Pro forma subsequent adjustments	After the Proposed Disposal of DKNM	After (i) and the Proposed Scheme of Arrangement
	RM'000	RM'000	RM'000	RM'000
Share capital	2,125,969	2,125,969	2,125,969	2,125,969
Treasury shares	(4,215)	(4,215)	(4,215)	(4,215)
Retained earnings / (Accumulated losses)	(1,417,272)	<sup>(a)</sup> (1,845,907)	<sup>(a)</sup> (1,940,732)	<sup>(a)</sup> (1,594,578)
Revaluation reserve	138,962	<sup>(a)</sup> 137,411	<sup>(a)</sup> 127,620	127,620
Translation reserve	(445,953)	(445,953)	<sup>(b)</sup> (139,895)	(139,895)
Other reserve	1,510	1,510	1,510	1,510
Shareholders' funds / NA	399,001	(31,185)	170,257	516,411
Non-controlling interests	(125,328)	<sup>(a)</sup> (217,689)	<sup>(c)</sup> (227,277)	(227,277)
Total equity	273,673	(246,874)	(57,020)	299,134
No. of KNMG Shares in issue ('000) <sup>(1)</sup>	4,045,905	4,045,905	4,045,905	4,045,905
NA per KNMG Share (sen)	9.86	(0.77)	4.21	12.76
Total borrowings	1,332,415	1,332,415	1,332,415	<sup>(b)</sup> 3,345
Gearing (times) <sup>(2)</sup>	3.34	(42.73)	7.83	0.01

1.16 Mr Ravi then dealt with the Basis for the Disposal Consideration as shown in the slide below:

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KNM - ADJOURNED EXTRAORDINARY GENERAL MEETING			
BASIS FOR THE DISPOSAL CONSIDERATION			
Comparable Company	Country	PE (times)	EV/EBITDA (times)
Billfinger SE	Germany	11.54	7.52
GEA Group AG	Germany	24.04	13.00
Alfa Laval AB	Sweden	31.38	17.85
	Low	11.54	7.52
	High	31.38	17.85
	Simple Average	22.32	12.79
	DKNM Group	150.00	33.33

\* The above valuation multiples are based on the respective companies' FY2023 audited financial statements and their last trading day prices prior to the SPA signing date on 26 February 2025.

- 1.17 The members were then briefed on the Delisting Considerations as shown in the slides below:

KNM - ADJOURNED EXTRAORDINARY GENERAL MEETING	
DELISTING CONSIDERATIONS	
<b><u>Advantages</u></b>	
<b>1.Faster Turnaround</b>	
<b>2.Improved Focus</b>	
<b>3.Operational Flexibility</b>	
<b>4.Direct Shareholder Communication</b>	
<b>5.Future Relisting Potential</b>	
<b>6.Experienced Leadership</b>	

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ADJOURNED EXTRAORDINARY GENERAL MEETING

**DELISTING CONSIDERATIONS - CONTINUED**

**Disadvantages**

- 1. Loss of Liquidity** — Shares can no longer be traded on Bursa Malaysia but shares have tanked.
- 2. No Capital Market Access** — KNM cannot raise funds because shares have tanked.
- 3. Reduced Public Visibility** — As an unlisted entity, KNM will receive less market attention and analyst coverage.



ADJOURNED EXTRAORDINARY GENERAL MEETING

**DELISTING CONSIDERATIONS - CONTINUED**

**Main Driving Force for Delisting**

- 1. Completion of DKNM Disposal** — will reduce RM1.33 billion interest-bearing debts, fund RM100 million working capital to support KNM's turnaround strategy.
- 2. Creditor Supports** — Creditors agreed to waive interest and penalties, advance RM100 million for working capital, and accept a five-year zero-coupon deferred settlement for the remaining of RM200 million.
- 3. Immediate Payment Assurance** — NGK can settle the full purchase price in cash at completion without external financing.
- 4. Strategic Necessity** — RM100 million – up to RM500 million of new orders by leveraging on 35 years track record to restore growth and strengthen shareholder value.
- 5. Relisting** — The foregoing will accelerate the recovery of KNM and the potential relisting of the Group.

- (i) Mr Ravi also mentioned that the main driving force for delisting was to facilitate the completion of the Proposed Disposal of DKNM, which needed to be closed by 30 October 2025, hence that was why the meeting was initially fixed on 30 October 2025. However, the meeting on that date could not go on because of Bursa's challenges, but more importantly, the buyer (NGK) had questioned the validity of that meeting. So that was why it had to be postponed till today.

1.18 Lastly, Mr Ravi dealt with the Status of the SPA as summarised in the slide capture below:



## ADJOURNED EXTRAORDINARY GENERAL MEETING STATUS OF THE SPA

The following are the current status of the CPs :

No.	SPA Ref.	Action / Item	Status	Updates
1.	6.1.1(a)	Regulatory Clearance	Done	Fulfilled
2.	6.1.1(b)(i)	Malaysian Court Approval	Done	Fulfilled
3.	6.1.1(b)(ii)	Creditor Approval	Done	Fulfilled
4.	6.1.1(c)(i)	Bursa Securities' Approval	N/A	Not required as delisting will occur on 5 Nov 2025
5.	6.1.1(c)(ii)	KNM Group Berhad's Approval	WIP	Upon Shareholders' approval in EGM
6.	6.1.1(d)	Seller's Shareholders' Approval	Done	Fulfilled
7.	6.1.1(e)(i)	Evidence regarding Waiver under Finance Agreements	Done	Fulfilled
8.	6.1.1(e)(ii)	Evidence regarding Amendments under Finance Agreements	Done	Fulfilled
9.	6.1.1(e)(iii)	Termination of Trust Agreement	Done	Fulfilled
10.	6.1.1(f)	Completion of the Carve-Out Plan	Done	Fulfilled
11.	6.1.1(g)	Receipt of Final 2024 Group Reporting Accounts	Done	Fulfilled

- 1.19 Mr Ravi also showed the questions that some shareholders had emailed to the Company and then gave the appropriate replies, as reproduced in the slides below:



## ADJOURNED EXTRAORDINARY GENERAL MEETING QUESTIONS FROM SHAREHOLDERS

QUESTION 1 out of 5	ANSWER
Page 20 to the Proposed Regularisation Plan announced on 19 August 2025 – The EV/EBITDA multiple and PE Multiple based on FY2024 Audited results of DKNM Group is 6.08X and 11.27X respectively, which are below the lowest range among the comparable companies of 7.52X and 11.54X respectively. Why the Board considers these FY2024 valuation statistics as 'for information purpose' only and deemed the DKNM Disposal Consideration reasonable based on the FY2023 valuation statistics which are both significantly higher than the comparable companies? How to reconcile or what explained about the big gap between FY2024 vs FY2023 valuation statistics?	<p>The valuation of DKNM Group was determined at the point of signing the Sale, Purchase and Transfer Agreement (SPA) on 26 February 2025, based on the audited consolidated financial statements for the financial year ended 31 December 2023, which were the latest available audited accounts at that time. Accordingly, the EV/EBITDA and PE multiples for FY2023 were used in assessing the reasonableness of the DKNM Disposal Consideration.</p> <p>The FY2024 valuation statistics, which became available only after the SPA signing, were included for information purposes only to provide full transparency and uphold good governance.</p>

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## ADJOURNED EXTRAORDINARY GENERAL MEETING

## QUESTIONS FROM SHAREHOLDERS

	Current Deal (2025)	Previous Failed Deal (2022)
Target Company	DKNM (Borsig Group)	Borsig Group
Sales Proceed	EUR270m (equivalent to RM1,328m)	EUR220.8m (equivalent to RM1,086m)
Inter-company Debt Waiver	EUR3.17m (equivalent to RM15.59m)	Deducted from sale proceed
Withholding Tax	None	Yes
Financial Strength of Buyer	Cash readily available	Buyer was unable to complete
PE multiple (times)	150.00	9.99
EV/EBIDTA multiple (times)	33.33	6.63



## ADJOURNED EXTRAORDINARY GENERAL MEETING

## QUESTIONS FROM SHAREHOLDERS

QUESTION 2 out of 5	ANSWER
How to reconcile the RM104.62 million total estimated loss upon completion of the Proposed Disposal of DKNM vs. the Pro Forma NA per KNMG Share is expected to increase from 9.86 sen to 12.76 sen per Shareholder Statement by MAA Group Berhad on 14 October 2025? Had the gain on debt waiver of approximately RM325.02 million included and considered in the total estimated loss?	<p>The total estimated loss of RM104.62 million upon completion of the Proposed Disposal of DKNM does not include the gain on debt waiver of RM325.02 million.</p> <p>The loss figure reflects only the accounting impact from the disposal of DKNM, whereas the gain on debt waiver arises separately upon the completion of the Proposed Scheme of Arrangement.</p> <p>For detailed reconciliation and computation, shareholders may refer to Section 8.2 (pages 72–73) of the details for the Proposed Regularisation Plan as disclosed in KNM's announcement dated 19 August 2025.</p>

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## ADJOURNED EXTRAORDINARY GENERAL MEETING

## QUESTIONS FROM SHAREHOLDERS

QUESTION 3 out of 5	ANSWER
What are the Board's and the Company's responses in addressing the concerns raised by Bursa Securities for the viability, sustainability, and profitability of the Group's remaining continuing operations which is quoted as 'smaller but viable domestic Malaysian fabrication business'?	<p>KNM is unable to win projects without being able to issue bank guarantee to our customers.</p> <p>The Proposed Disposal of DKNM directly addresses this issue by allocating RM50 million as a cash margin for bank guarantees, enabling KNM to participate in tenders worth up to RM500 million. In parallel, KNM will also continue to review its cost structure based on its operation level and undertake cost rationalisation measures to enhance operational efficiency.</p>



## ADJOURNED EXTRAORDINARY GENERAL MEETING

## QUESTIONS FROM SHAREHOLDERS

QUESTION 4 out of 5	ANSWER
With the public trust and reputation that are lost and faded, how the Board and Management can be confident that the Group's participation in new project tenders will have favourable outcome?	<p>The Proposed Disposal of DKNM will strengthen the Group's balance sheet (as illustrated in previous slides), enabling KNM to meet BG requirements and re-enter the tenders.</p> <p>Post-disposal, KNM will focus on its Malaysian process equipment business, leveraging its 35-year track record, 125 approved vendor listings and improved financial position to rebuild its order book and restore market confidence.</p> <p>KNM in the last 3 years has lost RM65 million of projects due to inability to issue BGs.</p>



## ADJOURNED EXTRAORDINARY GENERAL MEETING

## QUESTIONS FROM SHAREHOLDERS

QUESTION 5 out of 5	ANSWER
Why the estimated expenses are so high at RM66.82 million yet the consultants and advisers led the Group to the wrong way and crafted a rejected regularisation plan?	<p>Bursa Securities rejected the KNM's Proposed Regularisation Plan on grounds that KNM would</p> <ul style="list-style-type: none"> <li>(i) continue to trigger Paragraph 8.03A(2)(b) of the Main Market Listing Requirements post-implementation</li> <li>(ii) the viability of its remaining business</li> <li>(iii) concerns over its PETRONAS license</li> </ul> <p>All three issues, however, stem from KNM's insignificant order book, which is a direct result of its inability to issue BGs.</p>



## ADJOURNED EXTRAORDINARY GENERAL MEETING

## QUESTIONS FROM SHAREHOLDERS

QUESTION 5 out of 5 - continued	ANSWER
	The disposal is the key enabler for KNM to rebuild its order book and restore financial stability. However, Bursa's decision was based on KNM's financials and order position at the time, without considering future project potential that could only materialise after completion of the disposal and availability of the RM100 million working capital.



## ADJOURNED EXTRAORDINARY GENERAL MEETING

## QUESTIONS FROM SHAREHOLDERS

The following is the chronology of KNM Regularisation Plan ("KNM Reg Plan") :

Date	Event
27 Feb 25	Signing of SPA, however Bursa rejected the circular for Shareholders (as a standalone transaction) and requested that a Condition Precedent to be incorporated into the SPA, making the transaction subject to Bursa's approval of both the disposal transaction & KNM Reg Plan
15 May 25	Meeting with Bursa was held as a preparatory discussion on the submission of an Interim Corporate Proposal (to treat the disposal as a standalone transaction), together with the submission of the KNM Reg Plan
11 Aug 25	Court Convened Meetings concluded, a pre-condition of KNM Reg Plan submission
19 Aug 25	KNM Reg Plan announcement
20 Aug 25	Interim Corporate Proposal submission
27 Aug 25	KNM Reg Plan submission
23 Sep 25	Meeting with Bursa was held to seek early approval of the KNM Reg Plan, or alternatively, approval of the Interim Corporate Proposal by 6 Oct 2025 to enable the issuance of the EGM notice to Shareholders on 8 Oct 2025 and the holding of EGM on 30 Oct 2025
3 Oct 25	Received Bursa's decision rejecting the KNM Reg Plan at about 5pm, followed by an immediate announcement on the suspension and delisting of KNM shares
7 Oct 25	Following the meeting with Bursa, an appeal letter was submitted to appeal the delisting decision and seek reconsideration of the Interim Corporate Proposal, while requesting Bursa's approval for the disposal by 31 Oct 2025
27 Oct 25	Withdrawal of the appeal to facilitate the completion of the disposal



## ADJOURNED EXTRAORDINARY GENERAL MEETING

## TO SUMMARISE

KNM Group stands at a critical turning point. The proposed disposal of Deutsche KNM GmbH (DKNM) to NGK Insulators Ltd. represents the most credible and value-maximising opportunity ever secured by the Group.

Completion of this transaction will:

- Eliminate approximately RM1.33 billion of interest-bearing debts,
- Provide RM100 million in working capital to fund turnaround and future growth, and
- Preserve KNM's operational and financial viability.

Delisting, though difficult, is a strategic and necessary step to achieve completion and unlock a sustainable future for the Group and its stakeholders.

**Fellow shareholders are therefore strongly urged to vote in favor of the proposed disposal**, as it is the only viable path to protect and enhance the value of KNM Group for the long term.

- 1.20 A shareholder by the name of William H Van Vliet III ("Mr Van Vliet") who claimed to represent CGS International Nominees Malaysia (Asing) Sdn Bhd Exempt and for CGS International

Securities Singapore Pte Ltd. (Retail Clients), asked about the purpose of the court hearing fixed for later in the afternoon.

- 1.21 Mr Ravi replied that the hearing was for the court's sanction of the SOA. The creditors had already approved the SOA on 11 August 2025 and the court now needed to sanction the distribution of the cash. The cash, when it came in, will be held by the trustees until the court sanction was obtained.
- 1.22 A shareholder by the name of Ms Rita Foo Chui Foong ("Ms Rita") who claimed to represent MSWG asked the following questions:
- Could the Board provide an update on the sale of Borsig to NGK?
  - What was the expected timeline for completion of the deal?
  - Was there any possibility that NGK may pull out of the deal?
  - Did the recent court case involving Borsig affect NGK's commitment to proceed?
- 1.23 Tunku Dato' Chairman rephrased Ms Rita's questions as whether NGK would pull out, and gave his reply as follows:
- The "long-stop" date under the SPA was 26 November 2025, but the date to actually close the transaction is 15 November 2025. There were conditions precedents that had to be achieved by 30 September 2025, including the court's approval of the SOA, Bursa's approval of the Regularisation Plan and the shareholders' approval. By 30 September 2025, nothing came back from Bursa, but the Company managed to obtain an extension to 31 October 2025 from NGK. However, by mid-October, there was still no sign from Bursa as to whether it could allow an EGM to be conducted, at which stage, MAAG, called for the EGM which was set for 30 October 2025.
  - The day before the scheduled EGM, the court held a first hearing on the suit Bursa filed against not just the Company, but also against MAAG. At the hearing, the judge allowed the parties to submit their affidavits in 2 weeks' time, which meant that the EGM could effectively proceed.
  - However, at the EGM on 30 October, the Board decided that out of prudence that the EGM should be deferred until today because it was delisted yesterday, so being an unlisted company, this meeting can proceed without requiring Bursa's approval. At the same time, on 29 October, NGK had written to the Board expressing deep concerns about the validity of the shareholders' approval obtained on 30 October if Bursa did not approve the holding of the EGM on that day. So based on that, the Company decided to adjourn the EGM till today (6 November 2025) so that it could give NGK the assurance that Bursa's approval was no longer needed as the Company was no longer listed by today.
  - The Company had asked NGK whether it would give it the extra seven days but it stayed silent, as the Japanese typically took a long time to decide. However, Tunku Dato' Chairman expressed his confidence that, since NGK gave the extension from 30 September 2025 to 31 October 2025, it would also be fine with another 6-days extension.
  - While conceding that technically, the NGK could walk away if it wanted to, Tunku Dato' Chairman felt that NGK, being a very large company in Japan and makers of spark plugs and other auto parts as well as fabricators of parts for fertilizer plants, oil and gas plants, would still see Borsig as a very valuable company because of its history. NGK was involved in ceramics and it might be planning to rebrand many of its products to Borsig to obtain higher margins on their products. It was entirely possible that NGK recoup its investment in 5 years just by rebranding its products. He was therefore confident the deal would go through.

- 1.24 Mr Van Vliet then asked would happen to the shareholders if NGK decided to walk away.
- 1.25 Tunku Dato' Chairman retorted that the Company would have to find another buyer. Unfortunately, there might be another problem. The German banks have some control over Borsig because of the bank guarantees ("BGs") they issued for Borsig. The German banks have already threatened that if the Company did not sell Borsig, they would cancel all the BGs. They insist they do not want the Company to be a shareholder (of Borsig) because of the previous management.
- 1.26 Mr Van Vliet then asked if the banks in Germany could foreclose on the shares and sink Borsig into some type of trust.
- 1.27 Mr Ravi confirmed the German banks could do that and that was the reason why they imposed a deadline on the Proposed Disposal of DKNM. Upon the invocation of the trust, Borsig will be disposed off and the proceeds used to settle any local debts of Borsig with the balance coming to the Company (as a beneficiary of the trust). Moreover, all the deals negotiated with the Company's creditors would be rendered meaningless.
- 1.28 En Ismet from MSWG referred to the 3 conditions precedent mentioned earlier by Tunku Dato' Chairman (i.e. approvals by Bursa, creditors and shareholders) and asked if the outcome of this EGM would still depend on the first condition precedent before the Company can proceed to NGK and confirm the deal.
- 1.29 Tunku Dato' Chairman and Mr Ravi confirmed that the creditors have already approved the SOA and the court has approved the transaction (Proposed Disposal of DKNM). Therefore, the members' approval was the last of the approvals to be obtained. There would be more court hearings but these were to decide on the distribution of the moneys.
- 1.30 A shareholder by the name of Mr Ganapathy A/L V. Ratanam ("Mr Ganapathy") asked the following questions:
- (i) If NGK decided not to proceed with the purchase, what was the Company's contingency plan?
  - (ii) What was the plan for other assets, including:
    - FBM Hudson Italia SpA ("FBMHI")
    - Thai assets
    - UK assets
  - (iii) Specific questions on FBMHI:
    - Has a buyer been found?
    - What was the target timeline to complete the sale?
    - What was the deal value?
    - How would the Company's financial/debt position change after the sale?
  - (iv) With the Company being delisted, how would the Company be communicating with its 33,000 shareholders?
- 1.31 Taking each of Mr Ganapathy's questions in turn, Tunku Dato' Chairman:
- (a) held the view that the Company had good grounds to take NGK to court if it refused to complete the purchase by the deadline, which is 26 November 2025. The 7-day delay was too frivolous a reason for not proceeding with the transaction. After all, the decision to adjourn the EGM was partly made to allay NGK concerns on its validity, as expressed in its letter to the Company. However, he tempered his remark by stating the



Japanese were rather adverse to litigation and he did not think NGK would let the Company having to take the litigation route;

- (b) revealed that there was another buyer for FBMHI with only a €5.5 million offer; however, since the Company owes FBMHI about €11 million (again, like Borsig, due to the previous management's actions), the actual consideration is significantly higher;
  - (c) agreed that the Company's website should be used for communications between the Company, through emails but added that the Company would still make public announcements of any big news or use the local media.
- 1.32 With no further questions from the members on the floor, the Chairman then proceeded with the formalities of taking a poll for Proposed Special Resolution.

## **2. POLLING PROCESS FOR THE PROPOSED SPECIAL RESOLUTIONS**

- 2.1 Tunku Dato' Chairman requested the Members to complete and finalize their votes on the Proposed Special Resolution and to submit to the representatives of Symphony.
- 2.2 After 5 minutes, Tunku Dato' Chairman announced the closing of the voting session and adjourned the Meeting for the casting and verification of votes by Symphony, the Poll Administrator and Propoll, the Independent Scrutineers.

## **3. ANNOUNCEMENT OF POLL RESULTS FOR THE PROPOSED SPECIAL RESOLUTIONS**

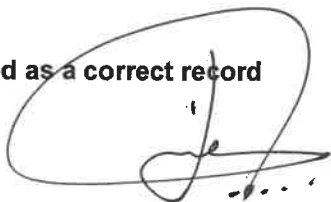
- 3.1 Tunku Dato' Chairman called the Meeting to order for the declaration of results. He informed that he had received the poll results from Symphony and Propoll, attached as Annexure 1.
- 3.2 The poll results he announced are tabulated in the table below:

	FOR		AGAINST		Results
	Number of Shares	%	Number of Shares	%	
Proposed Special Resolution	1,223,178,664	93.742152%	81,654,476	6.257848%	Carried

## **4. CLOSE OF MEETING**

- 4.1 There being no other business to be transacted, the Meeting ended at 12.10 p.m. with a vote of thanks to the Chair.

Confirmed as a correct record




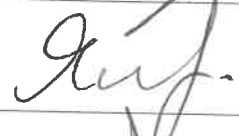





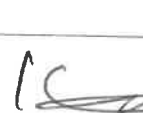


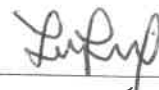



**TUNKU DATO' YAACOB KHYRA  
CHAIRMAN**

Selangor Darul Ehsan  
Dated: 6 November 2025

**KNM GROUP BERHAD**  
COMPANY NO. 200001018741 (521348-H)

**ATTENDANCE LIST FOR HOLDERS AND PROXIES**


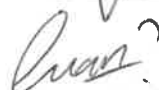






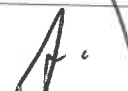


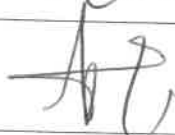

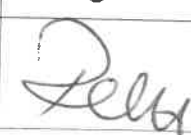
ADJOURNED EXTRAORDINARY GENERAL MEETING OF KNM GROUP BERHAD HELD AT  
HANG TUAH BALLROOM, LEVEL 3, MINES BEACH RESORT, JALAN DULANG, THE MINES  
RESORT CITY, 43300 SERI KEMBANGAN, SELANGOR, MALAYSIA ON THURSDAY, 6  
NOVEMBER 2025 AT 10:30 AM.

TYPE	HOLDER / PROXY NAME	SIGNATURE
<input checked="" type="checkbox"/> HOLDER <input type="checkbox"/> PROXY	CHANG HIN SAN	
<input checked="" type="checkbox"/> HOLDER <input type="checkbox"/> PROXY	Manj Jayce	
<input checked="" type="checkbox"/> HOLDER <input type="checkbox"/> PROXY	Ganapathy	
<input checked="" type="checkbox"/> HOLDER <input type="checkbox"/> PROXY	Lee Yuk Long	
<input type="checkbox"/> HOLDER <input checked="" type="checkbox"/> PROXY	OHG CHONG SIA	
<input checked="" type="checkbox"/> HOLDER <input type="checkbox"/> PROXY	Chuan My	
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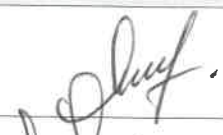

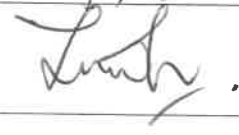






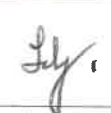
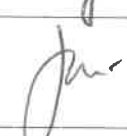



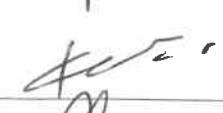

**KNM GROUP BERHAD**  
COMPANY NO. 200001018741 (521348-H)

**ATTENDANCE LIST FOR HOLDERS AND PROXIES**

ADJOURNED EXTRAORDINARY GENERAL MEETING OF KNM GROUP BERHAD HELD AT  
HANG TUAH BALLROOM, LEVEL 3, MINES BEACH RESORT, JALAN DULANG, THE MINES  
RESORT CITY, 43300 SERI KEMBANGAN, SELANGOR, MALAYSIA ON THURSDAY, 6  
NOVEMBER 2025 AT 10:30 AM.

TYPE	HOLDER / PROXY NAME	SIGNATURE
<input checked="" type="checkbox"/> HOLDER <input type="checkbox"/> PROXY	ONGI CHENG SAN	
<input checked="" type="checkbox"/> <sup>Corporate Rep</sup> HOLDER <input type="checkbox"/> PROXY	ANAND KANABASINGAM	
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<input checked="" type="checkbox"/> HOLDER <input type="checkbox"/> PROXY	Rajeswary Ristna	

**KNM GROUP BERHAD ( 200001018741 (521348-H) )**  
**ADJOURNED ATTENDANCE LIST FOR HOLDERS AND PROXIES**  
**EXTRAORDINARY GENERAL MEETING HELD ON 6 NOVEMBER 2025**

TYPE	HOLDER / PROXY NAME	SIGNATURE
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<input checked="" type="checkbox"/> HOLDER <input type="checkbox"/> PROXY	Lee Yew Thuan	
<input type="checkbox"/> HOLDER <input checked="" type="checkbox"/> PROXY	ISMET YUSOFF	
<input type="checkbox"/> HOLDER <input checked="" type="checkbox"/> PROXY	Rita Foo Chew Boon	
<input checked="" type="checkbox"/> HOLDER <input type="checkbox"/> PROXY	Mohd AZLAN BSA RAHMANN	
<input type="checkbox"/> HOLDER <input checked="" type="checkbox"/> PROXY	DATU DARUL B O AMIRUL	

**KNM GROUP BERHAD ( 200001018741 (521348-H) )  
ADJOURNED ATTENDANCE LIST FOR HOLDERS AND PROXIES  
EXTRAORDINARY GENERAL MEETING HELD ON 6 NOVEMBER 2025**

[illegible]

KNM GROUP BERHAD (200001018741 (521348-H))

EXTRAORDINARY GENERAL MEETING

HANG TUAH BALLROOM, LEVEL 3, MINES BEACH RESORT, JALAN DULANG, THE MINES RESORT CITY, 43300 SERI KEMBANGAN, SELANGOR, MALAYSIA.

Thursday, 06 November 2025 at 10:30 AM

RESULT ON VOTING BY POLL

RESOLUTION	VOTED	SHAREHOLDERS / UNITHOLDERS	NO. OF SHARES / UNITS	% OF SHARES / UNITS	ABSTAIN * NO. OF SHARES / UNITS
SPECIAL RESOLUTION	FOR		1,223,178,664	93.742152	369,608,990
	AGAINST		81,654,476	6.257848	

Note: \* These votes refer to holders who have pre-determined abstain from voting in the Proxy Form or holders refrained from voting due to conflict of interest.

