

**OTHERS [ 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	[ 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

Reference is made to the previous announcement dated 16 December 2021.

We wish to announce the following additional information :

1. Particulars of demand notice
2. Brief details of circumstances leading to the issuance of the demand notice
3. Financial & Operational Impact to KNMG

Please refer attachment below.

**Attachments**

[Announcement-Default in Payment-addn-21.12.2021-FINAL.pdf](#)

193.8 kB

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**Subject** : **Others**  
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Reference is made to the previous announcement dated 16 December 2021.

We wish to announce the following additional information :

#### **1. Particulars of demand notice**

In the demand notice dated 15 December 2021, CGIF has demanded immediate payment of the following from KNM Group Berhad (“KNMG”) and KNM Process Systems Sdn Bhd (“KNMPS”) (collectively the “Obligors”) :

- a. the principal amount paid by CGIF of the Thai Bonds, being THB 2,780,000,000;
- b. the interest amount paid by CGIF pursuant to the Thai Bonds, being THB 42,042,740.73 reflecting the Interest due and unpaid under the Thai Bonds from (and including) 18 May 2021 to (and excluding) the 18 November 2021 and THB 6,626,302.24 reflecting the accrued interest from (and including) the 18 November 2021 to (but excluding) the 17 December 2021, totalled THB 48,669,042.97;
- c. interest on the amounts set out in paragraphs (a) and (b) above from (and including) 17 December 2021 until (and including) the date on which the amounts are paid in full by the Obligors, at a rate of interest equal to the Indemnity Interest Rate (5%), made in immediately available funds to CGIF accounts; and
- d. additional guarantee fee of the amount equal to the 5% per annum calculated on the principal amount of THB 2,780,000,000 from 27 October 2021 until the end of the Default Period. As of today 15 December 2021, such the additional guarantee fee accrued is THB 19,041,095.89. This amount shall keep accruing beyond today until the end of the Default Period, therefore the next Reimbursement Demand Notice shall include the increased amount, if unpaid until then. The Indemnity Interest Rate shall also apply to the additional guarantee fee.

CGIF has also demanded for reimbursement of the cost and expenses incurred by CGIF amounted to USD103,327.83 as of 15 December 2021, which is also liable to indemnity interest charge as explained in (d) above.

In addition, CGIF has requested KNMG to submit a reimbursement plan within 5 business days from the date of the demand notice, i.e. by 21 December 2021.

#### **2. Brief details of circumstances leading to the issuance of the demand notice**

With reference to our announcements on 18 November 2021, 6 December 2021 and 10 December 2021, KNMG has announced the events of default in payment of principal and interest pursuant to the Thai Bonds which was guaranteed by CGIF.

Subsequently, CGIF had on 15 December 2021 made the payment to Bank of Ayudhya, the Bondholders’ Representative for the outstanding principal (THB 2,780,000,000) and interest payment (THB 48,669,042.97) in accordance with the demand notice issued by the Bondholders’ Representative to CGIF.

Consequently, CGIF has issued the demand notice to Obligors on 15 December 2021.

### **3. Financial & Operational Impact to KNMG**

The financial and operational impact to KNMG is similar as stated in the announcements on 6 December 2021 and 10 December 2021 pursuant to the occurrence of events of default in payment of principal and interest of Thai Bonds. The only difference is that KNMG will enter into bilateral discussion with CGIF instead of the Bondholders to resolve the outstanding amount arising from the Thai Bonds.

This announcement is dated 21 December 2021.

*Note : 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.*