

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

Amended Announcements

Please refer to the earlier announcement reference number: GA1-07122022-00069

KNM GROUP BERHAD

Type	Announcement
Subject	OTHERS
Description	[Status Update] Default in Payment by KNM Group Berhad (KNM or the Company) 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 announcement dated 7 December 2022 in relation to default in payment of the loan facilities granted by TransAsia Private Capital Limited and Danos Limited.

Reference is made to the previous announcement dated 7 December 2022.

Appended below is further details regarding thereto :

a. The date of the presentation of the Summons in Chambers.

The Summons in Chambers was presented on 1 December 2022 and was served on the solicitors for KNM Process Systems Sdn Bhd on 6 December 2022 evening.

b. The particulars of the claim/demand under the Summons in Chambers, including the amount claimed for under the Summons in Chambers and the interest rate.

The Summons in Chambers was filed by TA Private Capital Security Agent Ltd ("**Applicant**") as security agent for TransAsia Private Capital Limited, in its capacity as Manager, for and on behalf of the Asian Trade Finance Fund 2, a sub-fund of the TA Asian Multi-Finance Fund ("**TA**") in relation to the loan of USD10 million to Splendid Investments Limited ("**Loan**") by way of a Facility Agreement dated 4 June 2021. The interest rate of the Loan is 14% p.a. with 2.0% default interest rate. The Summons in Chambers filed by the Applicant is to enforce its rights to effect the transfer of 45% shares of KNM Group Berhad ("**Company**") in KNM Process Systems Sdn Bhd that was charged by the Company in favour of the Applicant as security for the Loan.

c. The details of the default or circumstances leading to the filing of the Summons in Chambers.

As explained in Point 3 in our announcement on 7 December 2022, the Company agreed with the Lender and TA to use part of the proceeds from the Proposed Disposal of Borsig GmbH ("**Proposed Disposal**") to repay the Loan. However, the longstop date agreed in the share sale and purchase agreement regarding the Proposed Disposal had been extended various times and the last extension in principle was until 30 November 2022. On 1 December 2022, the Company announced that the Proposed Disposal had not materialised as the relevant condition precedents have not been fulfilled as of 30 November 2022. Consequently, the repayment plan to settle the Loan did not materialise and therefore led to the filing of the Summons in Chambers by the Applicant.

d. The financial and operational impact of the Summons in Chambers on the group.

At this point of time, there is no material financial and operational impact on the Company and KNM Process Systems Sdn Bhd as the hearing date for the Summons in Chambers is yet to be determined by the High Court.

e. The expected losses, if any arising from the Summons in Chambers.

It cannot be determined at the moment, pending the outcome of the hearing at the High Court.

This announcement is dated 9 December 2022.

Announcement Info

Company Name	KNM GROUP BERHAD
Stock Name	KNM
Date Announced	09 Dec 2022
Category	General Announcement for PLC
Reference Number	GA1-09122022-00029