

PRACTICE NOTE 17 / GUIDANCE NOTE 3 : FIRST ANNOUNCEMENT

KNM GROUP BERHAD

Type	Announcement
Subject	PRACTICE NOTE 17 / GUIDANCE NOTE 3 FIRST ANNOUNCEMENT
Description	FIRST ANNOUNCEMENT PURSUANT TO THE PRACTICE NOTE 17 ("FIRST ANNOUNCEMENT") OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

INTRODUCTION

Pursuant to Paragraph 8.04 and Paragraph 2.1(e) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (the "Listing Requirements"), the Board of Directors of the Company wishes to announce that the Company has become an affected listed issuer under PN17 on the basis that Paragraph 2.1(e) of the Practice Note 17 has been triggered in the Company's audited consolidated financial statements for the period ended 30 June 2022 published on 31 October 2022.

"Paragraph 2.1:

(e) the auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed issuer's ability to continue as a going concern in the listed issuer's latest audited financial statements and the shareholders' equity of the listed issuer on a consolidated basis is 50% or less of share capital (excluding treasury shares) of the listed issuer;

OBLIGATIONS PURSUANT TO PN17

Pursuant to paragraph 8.04(3)(b) of the Listing Requirements, a PN17 Issuer must announce to the Bursa Malaysia Securities Berhad ("**Bursa Securities**") -

(a) on an immediate basis ("**First Announcement**") upon the PN17 Issuer triggering one or more of the Prescribed Criteria -

(i) that the listed issuer is a PN17 Issuer pursuant to this Practice Note;

(ii) the listed issuer's obligations pursuant to this Practice Note;

(iii) the consequences of non-compliance with such obligations; and

(iv) the status of the listed issuer's regularisation plan or the status of its endeavours to formulate such a plan, whichever is applicable, or where neither a plan nor any endeavour to formulate such a plan has been undertaken, an appropriate negative statement to such effect;

(b) Announce within 3 months from this First Announcement, as to whether the regularisation plan will result in a significant change in the business direction or policy of the Company;

(c) Announce the status of the regularisation plan and the number of months to the end of the relevant timeframes referred to in Paragraphs 5.1 and 5.2 of PN17, as may be applicable, on a monthly basis until further notice from Bursa Securities;

(d) Announce its compliance or non-compliance with a particular obligation imposed pursuant to PN17, on an immediate basis;

(e) Announce the details of the regularisation plan and sufficient information to demonstrate that the Company is able to comply with all the requirements set out in Paragraph 5.2 of PN17 after implementation

of the regularisation plan, which announcement must include a timeline for the complete implementation of the regularisation plan and be made by the Company's Principal Adviser; and

(f) Regularise its condition in the following manner:-

(a) within 12 months from the date of the First Announcement:-

(1) submit a regularisation plan to the Securities Commission Malaysia ("SC") if the plan will result in a significant change in the business direction or policy of the Company; or

(2) submit a regularisation plan to Bursa Securities if the plan will not result in a significant change in the business direction or policy of the Company and obtain Bursa Securities' approval to implement the plan; and

(b) implement the plan within the timeframe stipulated by the SC or Bursa Securities, as the case may be;

(g) Provide such information as may be prescribed by Bursa Securities from time to time for public release;

(h) where the PN17 Issuer fails to regularise its condition, the dates of suspension and de-listing of its listed securities, immediately upon notification of suspension and de-listing by the Exchange.

(i) Do such other acts or things as may be required by Bursa Securities;

CONSEQUENCE OF NON-COMPLIANCE

In the event the Company fails to comply with any part of its obligation to regularise its condition within the timeframes permitted by Bursa Securities, Bursa Securities shall:

(i) Suspend the trading of the Company's listed securities on the 6th market day after the date of notification of suspension by Bursa Securities; and

(ii) De-list the Company subject to the Company's right to appeal against the de-listing within 5 market days from the date of notification of de-listing by Bursa Securities.

STATUS OF PLAN TO REGULARISE CONDITION

The Company is formulating a regularisation plan to address its PN17 status and will make monthly announcement on its progress.

This announcement is dated 31 October 2022.

Announcement Info

Company Name	KNM GROUP BERHAD
Stock Name	KNM
Date Announced	31 Oct 2022
Category	General Announcement for PLC
Reference Number	GA1-31102022-00093