

OTHERS KNM GROUP BERHAD ("KNM" OR "THE COMPANY") ACCEPTANCE OF LOAN GRANTED BY MAA CREDIT BERHAD TO KNM PROCESS SYSTEMS SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF KNM

KNM GROUP BERHAD

Type	Announcement
Subject	OTHERS
Description	KNM GROUP BERHAD ("KNM" OR "THE COMPANY") ACCEPTANCE OF LOAN GRANTED BY MAA CREDIT BERHAD TO KNM PROCESS SYSTEMS SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF KNM

1. INTRODUCTION

Pursuant to Part C of Chapter 9.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of KNM wishes to announce that MAA Credit Berhad ("**MAA Credit**"), a sub-subsidiary of MAA Group Berhad ("**MAAG**"), has agreed to grant a loan of up to RM13.5million via a Letter of Offer dated 8 May 2024 (the "**Loan**") to KNM Process Systems Sdn Bhd ("**Borrower**" or "**KNMPS**"), a wholly-owned subsidiary of the Company.

2. INFORMATION ON MAA CREDIT

MAA Credit is principally involved in money lending, hire purchase and other credit businesses.

3. INFORMATION ON THE LOAN

The salient terms of the Loan include, among others, the following:

Loan	:	Principal sum of up to RM13.50 million
Purpose of Loan	:	For working capital purposes
Term of the Loan	:	Not exceeding 12 months from the date of disbursement of the Loan.
Interest Rate	:	12% per annum

Mode and source of Repayment : The principal sum of the Loan and the total interest or any balance thereof shall be repaid in full immediately upon expiry of the loan period from the sale proceeds of the Inventories.

Security :
1. Moneylending Agreement;
2. Corporate guarantee in favour of MAA Credit to be given by KNM;
3. Memorandum of charge over part of its inventories (“Inventories”);
4. Power of attorney in favour of MAA Credit to deal with the Inventories for and on behalf of the Borrower; and
5. Assignment of all the rights, title and interest in respect of sale proceeds from the disposal of the Inventories in favour of MAA Credit.

4. RATIONALE FOR THE LOAN

The Loan is for funding of the Company’s working capital requirements.

5. APPROVALS REQUIRED

The Loan is not subject to and conditional upon approvals from the shareholders of the Company or any other relevant government authorities.

6. DIRECTORS’ AND/OR MAJOR SHAREHOLDERS’ INTERESTS AND/OR PERSONS CONNECTED TO THEM

Tunku Dato’ Yaacob Khyra (“TY”) is the Chairman of MAAG. He has an indirect interest in KNM by virtue of his indirect interest in MAAG, Imperium Edumaax Sdn Bhd as well as Melewar Industrial Group Berhad, who collectively are substantial shareholders of KNM and accordingly, is deemed interested in the Loan. TY had abstained and will continue to abstain from deliberations and voting at the relevant board meetings of KNM in relation to the Loan.

Save as disclosed above, none of the directors and/or major shareholders of KNM and/or persons connected to them have any interest, direct or indirect, in the Loan.

This announcement is dated 9 May 2024.

Announcement Info

Company Name	KNM GROUP BERHAD
Stock Name	KNM
Date Announced	09 May 2024
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