

MATERIAL LITIGATION KNM GROUP BERHAD ("KNM" OR "THE COMPANY") HIGH COURT OF MALAYA AT KUALA LUMPUR ORIGINATING SUMMONS NO. WA-24FC-198-02/2025 KNM OGPET (EAST COAST) SDN BHD (DEFENDANT) VS AFFIN BANK BERHAD (PLAINTIFF)

KNM GROUP BERHAD

|             |  |
|-------------|--|
| Type        | Announcement   |
| Subject     | MATERIAL LITIGATION  |
| Description | KNM GROUP BERHAD ("KNM" OR "THE COMPANY")<br><br>HIGH COURT OF MALAYA AT KUALA LUMPUR ORIGINATING SUMMONS NO. WA-24FC-198-02/2025<br>KNM OGPET (EAST COAST) SDN BHD (DEFENDANT) VS AFFIN BANK BERHAD (PLAINTIFF) |

On 6 February 2025, Affin Bank Berhad (“Affin”) initiated foreclosure proceedings under Originating Summons No. WA-24FC-198-02/2025 against KNM OGPET (East Coast) Sdn. Bhd. (“KNM OGPET”), seeking to foreclose the Gebeng Plant (Title No. PN7099, Lot 8936, Mukim Sungai Karang, Daerah Kuantan, Negeri Pahang), an asset owned by KNM OGPET, being a 100% owned subsidiary of KNM Process Systems Sdn. Bhd. (“KNMPS”).

The foreclosure proceedings initiated by Affin against KNM OGPET stem from a default on term loan facilities totaling RM21 million granted to KNMPS. KNM OGPET, as the chargor, had executed a third-party charge over the Gebeng Plant (Title No. PN7099, Lot 8936, Mukim Sungai Karang, Daerah Kuantan, Negeri Pahang) as security for the loan. Affin is seeking to recover RM15,601,414.84 from KNM OGPET through the foreclosure proceedings.

Reference is made to the previous announcement dated 3 March 2025.

Reference is also made to the announcement on 26 April 2024 made by the Company in respect of the application to the High Court of Kuala Lumpur under Sections 366 and 368 of the Companies Act 2016 (“CA 2016”) to sanction a new Proposed Scheme of Arrangement with its creditors and for a Restraining Order pursuant to Section 368(1) of the CA 2016, filed by the Company and KNMPS (collectively referred to as the “Applicants”). An automatic moratorium under Section 368(1A) of the Companies (Amendment) Act 2024 was granted to the Applicants from the date of filing of the application on 26 April 2024 for a maximum of two months or until the High Court decides on the application, whichever is earlier. On 25 June 2024, the Company was granted an ad interim Restraining Order by the Kuala Lumpur High Court pending disposal of the Applicants' application to the High Court for a 3-month Restraining Order (“RO”) and a Court Convened Creditors Meeting. The hearing of the RO took place at the Kuala Lumpur High Court on 21 January 2025, 23 January 2025 and 24 January 2025 and the decision of the Court on the Applicants' application for the RO, which was initially expected on 3 March 2025, is now postponed and scheduled on 12 March 2025.

In light of this, the High Court has directed that the foreclosure proceedings under Originating Summons No. WA-24FC-198-02/2025 shall await the outcome of the Applicants' RO application on 12 March 2025 before any further directions are given.

The next Case Management for the foreclosure proceedings is scheduled for 13 March 2025.

This announcement is dated 11 March 2025.

| Announcement Info |                              |
|-------------------|------------------------------|
| Company Name      | KNM GROUP BERHAD             |
| Stock Name        | KNM                          |
| Date Announced    | 11 Mar 2025                  |
| Category          | General Announcement for PLC |
| Reference Number  | GA1-11032025-00050           |