



KNM GROUP BERHAD (521348-H)

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For immediate release

Creditors Give Overwhelming Support to KNM Group's Scheme of Arrangement and Turnaround Strategy

Kuala Lumpur, 11 August 2025 – KNM Group Berhad (“KNM” or “the Company”) today announced that its Court-Convened Creditors’ Meeting (“CCM”) for the proposed debt settlement scheme received overwhelming support from its creditors. This approval marks a major milestone in KNM’s turnaround journey, delivering a fair and sustainable resolution that benefits all stakeholders.

The Scheme of Arrangement (“SoA”), developed in close consultation with the Company’s major creditors, ensures full recovery of the compromised debt amounting to RM1,188 million for the combined Group, with creditors agreeing to waive accumulated interest and penalties totaling RM182 million as of the cut-off date, 30 June 2023 — a move that reflects their confidence in KNM’s long-term prospects.

A Collaborative, Balanced Approach

Under the terms of the SoA, creditors will receive:

- 100% recovery of principal, reflecting a strong and responsible financial restructuring effort.
- Settlement through the issuance of a five-year Zero Coupon Redeemable Unsecured Loan Stock (RULS) totaling RM204 million.

Repayment of the RULS will be sourced from:

- Any funds released from the escrow account tied to the recent Borsig sale to NGK Insulators, Ltd
- Proceeds from the sale of three key assets — in Thailand, the United Kingdom, and the FBM Hudson facility.

To strengthen KNM's ability to resume and grow its core operations, creditors have agreed to lend further support for the Company by funding RM100 million in upfront cash from the proceeds of the Borsig sale to assist in the future turnaround investments in KNM. These funds will be utilised as working capital to inject into KNM's fabrication operations in Malaysia.

To reciprocate the support by the Creditors, KNM will accelerate the repayment of the remaining RM204 million outstanding to the Creditors, by using any excess funds—beyond the RM100 million initial cash injection and up to six months' working capital—to redeem outstanding RULS on a rolling basis. **Y.M. Tunku Dato Yaacob Khyra, Chairman of KNM Group Berhad** said *“The RM100 million cash funding ensures that KNM will be on a very strong footing to rebuild operations and grow the business. This marks a turning point for the Company.”* **KNM Group CEO, Ravindrasingham Balasingham** said *“We at KNM are immensely grateful for the continued understanding and support of our creditors over the past three challenging years, and for their fruitful engagement with our Management. This result of the CCM for the proposed SoA reflects the ongoing partnership with our creditors and clearly illustrates their confidence in KNM's turnaround strategy. It secures 100% settlement of principal for the creditors and the necessary funding to ensure an aggressive future growth of KNM' operations - this Scheme is great for all stakeholders and lays the founding stone for the future of KNM.”*

Moving Forward

With over 35 years in the process equipment fabrication industry, KNM has earned enduring trust from customers, suppliers, and subcontractors — trust that has been vital to delivering projects successfully in recent years.

The CCM outcome reinforces KNM's commitment to honouring obligations and building long-term stability. By aligning the interests of creditors and shareholders, KNM is firmly positioned for sustainable growth, particularly in Malaysia, where the Company is refocusing its operations.

- Ends -

ANNEXURE 1**SCHEME CREDITORS OF KNM GROUP BERHAD AND KNM PROCESS SYSTEMS SDN BHD**

NO.	RESOLUTION	MEETING DATE & TIME	APPROVAL (%)
1.	KNMPS CLASS A CREDITORS	Monday 11 August 2025, 09:30am	100
2.	KNMPS CLASS B CREDITORS	Monday 11 August 2025, 10:45am	85.222713
3.	KNMPS CLASS C CREDITORS	Monday 11 August 2025, 12:00pm	95.104004
4.	KNMG CLASS A CREDITORS	Monday 11 August 2025, 01:00pm	100
5.	KNMG CLASS B CREDITORS	Monday 11 August 2025, 02:15pm	87.783782
6.	KNMG CLASS C CREDITORS	Monday 11 August 2025, 03:30pm	100

