



KNM GROUP BERHAD (521348-H)

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For immediate release

KNM Addresses Recent Podcast Discussion with Factual Update

Kuala Lumpur, 2 December 2025 – Following the recent BFM 89.9 podcast with Minority Shareholders Watch Group (“MSWG”) discussing KNM Group Berhad (“KNM” or “the Company”), the Company wishes to issue a clarification to ensure stakeholders of KNM and the public have an accurate understanding of the facts.

The Board of KNM and the Management team have always acted in accordance with the Main Market Listing Requirements (“MMLR”) and the Companies Act 2016, while upholding strong corporate governance standards. KNM has been facing severe financial distress and heavy regulatory processes, which is why the Company chose to proceed with delisting — to protect a crucial deal that secures the future of the Company, its shareholders, its employees, and the creditors who continue to support KNM. These creditors also agreed to collect the remaining RM200 million debt over five years, showing their confidence in KNM’s future.

KNM is a complex group with debts involving financial institutions both locally and overseas, and operations across multiple countries. It has existed for more than 35 years, including 22 years as a listed entity. The proposed disposal of Deutsche KNM GmbH (“DKNM” or “Borsig”) by KNM Process Systems Sdn Bhd (“KNMPS”) required shareholder approval because KNM was listed on Bursa Malaysia until 5 November 2025.

To help our stakeholders better understand the challenges faced by the KNM Board and Management, below is the timeline of events:

1. **KNM did not call the EGM** - A shareholder with more than 10% stake requested an EGM under Sections 310, 311 and 312 of the Companies Act 2016. KNM could not

call the EGM within 28 days as required by law because, as a PN17 company, it also had to comply with MMLR requirements. Therefore, KNM announced the rejection of this request by the said shareholder.

2. **The shareholder then directly issued the EGM** notice to all KNM shareholders on 9 October 2025, with no involvement of KNM or its Board, as allowed under Sections 310, 311 and 312 of the Companies Act 2016.
3. The same shareholder issued a **Section 323 notice** asking KNM to circulate a Statement prepared by that shareholder to all KNM shareholders for the upcoming EGM.
4. **Bursa Malaysia challenged the called EGM** and filed a lawsuit against both the shareholder who called the EGM and KNM, requesting a court injunction to stop the EGM going ahead.
5. On 29 October 2025, the High Court **did not grant the injunction**, and the judge allowed the EGM to proceed. The lawsuit will be heard at a later date.
6. On 30 October 2025, **shareholders voted to adjourn the EGM** to 6 November 2025, which would be after KNM's delisting.
7. On 5 November 2025, **KNM was delisted from Bursa Malaysia**.
8. On 6 November 2025, **93.74% of shareholders voted in favour** of the disposal of DKNM.

During the EGM on 6 November 2025, MSWG representatives were present, asked questions, and were also invited by the CEO of KNM, Ravindrasingham Balasingham, to speak directly with minority shareholders. The Board answered all questions, including those relating to valuation. The CEO explained that the assets are now being sold for EUR 270 million, compared to EUR 220 million in 2022, with EUR 30 million differed then — and importantly, the new buyer is cash-rich and can close the deal.

The Board also shared the Company's turnaround plans and detailed the RM100 million working capital committed by creditors. Independent Director Steve Ho responded to MSWG's questions and expressed his support for the disposal. He was chosen by KNM Chairman, Y.M. Tunku Dato' Yaacob Khyra, and have been closely involved in meetings with Bursa Malaysia since May 2025, demonstrating KNM's transparency and the active role of its independent directors.

Ahead of the EGM, the Board disclosed all publicly available information relating to the disposal through KNM's website, including:

1. The draft circular submitted to Bursa Malaysia in February 2025
2. The creditors' circular dated 9 June 2025 explaining the RM1.3 billion debt repayment and RM100 million working capital
3. The regularisation plan announced on 19 August 2025 (rejected on 3 October 2025 by Bursa Malaysia) - which explained the valuation, the corporate restructuring, the settlement of the debts and the building of a sustainable profitable future for KNM
4. The shareholder's Statement calling for the EGM
5. Relevant news articles and supporting information

It is important to highlight that KNM did not call this EGM; the shareholder with sufficient stake exercised its legal rights under the Companies Act. Under Section 313(4), such an EGM must be conducted as closely as possible to the one called by the Company. Under the circumstances, KNM fully complied with this requirement of the Companies Act 2016 by ensuring its Board attended the EGM, providing information, and answering all questions openly.

Furthermore, once KNM was delisted, Section 223 of the Companies Act 2016 meant that shareholder approval was no longer required for the disposal. However, the Board chose to still allow shareholders to vote — an act of good governance and respect to its owners. The EGM voting results speak for themselves.

At the end of the EGM, shareholders expressed their appreciation for the Board's transparency and asked for a group photo with the Board — a spontaneous show of support, witnessed also by MSWG representatives.

There are a lot of lessons to be learned from the foregoing set of events by all parties. KNM is a homegrown business with special skills that has an extensive export market and will be retaining the same number of Board members - that is the same number of Independent Non-Executive Directors. KNM had been a leading player in the industry until off late, after the onset of Covid.

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About KNM Group Berhad

Based in Malaysia, the KNM Group was listed on Bursa Malaysia Securities Berhad on 11th of August 2003. It is a well-diversified multinational group with core businesses in project management, engineering, manufacturing and construction for the renewable energy, power, utilities, refining and petrochemical industries. The group operates in eight countries and offers a broad range of products and services with industry experience spanning over 185 years.