MSWG
MINORITY SHAREHOLDERS WATCH GROUP

The Observer

Official Newsletter from MSWG

FRIDAY | 7 NOVEMBER 2025

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Reset Through Release

KNM's delisting from Bursa Malaysia on 5 Nov 2025 marked both an end and a new beginning for the beleaguered engineering group. Shareholders appeared to accept the move as a necessary step toward stability, offering KNM the breathing space it needs to restore its former stature.

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WHEN KNM FINALLY HIT RESET

It was a bright Thursday morning at Mines Resort City, the kind of morning where sunlight rippled across the lake, turning the water into silver glass. Inside the meeting room, about fifty KNM Group Berhad (KNM) shareholders took their seats for an extraordinary general meeting (EGM) unlike any other.

By then, KNM had already been delisted from Bursa Malaysia. Its ticker had vanished from the screen a day earlier, but the Company was not yet ready to close the book. The EGM that morning would determine the fate of KNM's most valuable asset, Deutsche KNM GmbH (DKNM), the holding company of Borsig GmbH. This name had long been synonymous with the Group's glory years.

The question before shareholders was simple: should KNM proceed with the €270 million sale of DKNM to Japan's NGK Insulators Ltd? Yet, beneath that question lay two decades of ambition, turbulence, and survival - threads of a story that had come full circle.

From Ambitious Beginnings to Heavy Burdens

To appreciate the weight of that morning, one has to rewind to 2008. KNM was then a fast-rising engineering conglomerate riding a wave of optimism. It made headlines by acquiring Borsig GmbH of Germany for €350 million, a bold move that signalled Malaysia's arrival on the global industrial stage. The acquisition instantly expanded KNM's reach into Europe, bringing with it German manufacturing precision and century-old prestige. At its peak, Borsig contributed more than four-fifths of KNM's revenue.

But growth built on leverage can be fragile. Volatile oil prices, slower project pipelines, and rising financing costs marked the years that followed. KNM's once-manageable borrowings swelled under market pressure. By 2021, the Group had defaulted on its Thai baht-denominated bonds, worth roughly RM347 million then. That default triggered a domino effect: tightening liquidity, audit qualifications, and finally the Practice Note 17 (PN17) classification, Bursa Malaysia's designation for financially distressed issuers.

What followed was a two-year effort to regain footing, marked by restraining orders, revised business plans, management reshuffles, and a revolving door of financial advisers. Each attempt to restructure faced the same obstacle: a towering debt load and a shrinking cash flow.

The Search for a Lifeline

KNM's management had long regarded Borsig as both its greatest asset and its best chance at survival. The Group first tried to sell the German subsidiary in 2022 to a local investment vehicle for €220 million. The deal fell through before completion. Later, the Board explored listing Borsig on the Singapore Exchange, but market conditions and regulatory timing worked against it.

Then, in early 2025, a lifeline appeared. Japan's NGK Insulators Ltd, a century-old global player in ceramics and energy-technology systems, offered €270 million or about RM 1.26 billion for the acquisition of DKNM and its Borsig subsidiaries. Negotiations stretched over months, but the outline was clear: this was the centrepiece of KNM's long-awaited regularisation plan.

Under the sale and purchase agreement, NGK would pay 88% in cash upon completion, with the remaining 12%, around €32 million, held in escrow for up to five years to cover warranty and indemnity obligations. The deal was framed as a willing-buyer, willing-seller transaction, one designed not for profit but for survival. The Board viewed it as the most practical route to address RM 1.33 billion in borrowings through a court-approved Scheme of Arrangement (SOA).

DKNM's FY2024 results underlined the bittersweet nature of the sale. Revenue hit €254 million, EBITDA €39 million, reflecting a strong turnaround. The EV/EBITDA multiple of DKNM of six times implied by the disposal consideration was below that of European peers, but in KNM's circumstances, time mattered more than multiples. Cash today outweighs theoretical value tomorrow.

Regulatory Hurdles and the Road to Delisting

Even as the deal gained momentum, KNM's path to recovery encountered regulatory hurdles. Bursa Malaysia questioned whether the Group could sustain meaningful operations after selling its largest profit-making unit.

KNM GROUP – CHRONOLOGY OF MAJOR EVENTS

3 Dec 2021
KNM defaulted on a THB2.78 billion Thai-denominated bond (equivalent to RM347 million then) due on 18 Nov 2021.

May 2022
Proposed sale of Borsig (via Deutsche KNM GmbH) to GPR Siebzigste Verwaltungsgesellschaft mbH (GSV) for €220.8 million.

31 Oct 2022
Classified as a PN17 Affected Listed Issuer due to going concern uncertainties.

Dec 2022
Borsig's sale to GSV collapsed; the proposal to list Borsig on SGX also failed.

27 Feb 2025
Signed a conditional SPA with NGK Insulators Ltd for the sale of Deutsche KNM GmbH (DKNM, Borsig holding company) for €270 million.

9 Jun 2025
Announced Court Convened Creditors Meeting (CCCM) for 11 Aug 2025 to vote on Scheme of Arrangement (SOA).

11 Aug 2025
SOA was approved by over 75% of creditors of both KNM and KNMPS.

19 Aug 2025
Announced Proposed Regularisation Plan:
- Disposal of DKNM for €270 million
- Share capital reduction under Section 116, Companies Act 2016
- 4-to-1 share consolidation

27 Aug 2025
Submitted Proposed Regularisation Plan to Bursa Malaysia.

3 Oct 2025
Bursa Malaysia rejected the plan, warning of delisting by 5 Nov 2025 if no appeal is filed by 2 Nov 2025.

At the same time, major shareholder MAA Group Berhad (MAAG) requisitioned an EGM to allow shareholders to vote directly on the disposal. Bursa Malaysia subsequently reminded the company that the transaction was a major disposal, ordinarily requiring a principal adviser, an independent adviser, and an independent valuation report.

Tensions heightened when Bursa Malaysia initiated a legal action in the High Court seeking clarification on KNM's move to proceed with the Borsig sale before obtaining full regulatory approval. The Exchange maintained that the disposal fell under Bursa Malaysia's oversight as it was part of a PN17 regularisation plan. KNM, meanwhile, argued that the transaction was necessary to satisfy its creditors and prevent further deterioration of its financial position.

Despite the legal proceedings, KNM continued to press forward. The Company maintained that the sale was integral to its debt resolution efforts and that any delay could jeopardise creditor agreements. Court proceedings to approve the SOA were already underway, and timing was critical.

In late October, KNM withdrew its appeal to Bursa Malaysia and moved ahead with preparations for the EGM. Then, on 5 November 2025, Bursa Malaysia delisted KNM from the Main Market. The Company would proceed with the EGM as a private entity; a rare sequence of events that underscored the unusual nature of its situation.

7 Oct 2025
MAA Group Berhad (MAAG, a 16.45% shareholder) requisitioned an EGM to approve the disposal of DKNM.

8 Oct 2025
KNM appealed Bursa Malaysia's decision; delisting deferred. Issued EGM notice pursuant to MAAG's requisition.

9 Oct 2025
The Board announced it could not convene the EGM; MAAG decided to convene it independently.

23 Oct 2025
Bursa Malaysia issued a Regulatory Advisory noting the plan's rejection, a pending appeal under Paragraph 8.04(3A) MMLR, and that the disposal qualifies as a major transaction requiring advisers, valuation, and circular approval.

27 Oct 2025
KNM withdrew the appeal; Bursa Malaysia confirmed delisting effective 5 Nov 2025.

28 Oct 2025
KAF Investment Bank resigned as Principal Adviser. Bursa Malaysia filed an Originating Summons against MAAG, CIMSEC, KNM & KNMPS, seeking to block the EGM pending compliance.

29 Oct 2025
The High Court allowed the EGM to proceed; no injunction was granted.

30 Oct 2025
EGM convened; motion to adjourn passed by shareholders.

6 Nov 2025
Adjourned EGM.

The EGM at Mines Resort City

At the EGM, shareholders arrived early, exchanging polite nods and brief conversations before taking their seats. Representatives from the MSWG were also present to observe proceedings. There was no tension in the air, only the recognition that this meeting marked a significant milestone in KNM's long restructuring journey.

The Company explained that the proposed disposal was essential to complete the restructuring and settle the Group's RM1.33 billion borrowings. Approximately three-quarters of the sale proceeds would be applied toward debt repayment under the SOA. At the same time, the remaining balance would be allocated to transaction expenses and working capital.

Questions from shareholders were probing but civil. Focused on valuation, the timing of the deal, and what would happen to KNM's remaining businesses. The Board assured the floor that its Malaysian subsidiaries, Borsig Boiler Systems Sdn Bhd and KNM Borsig Services Sdn Bhd, would remain operational and form the foundation of a streamlined group structure.

When the resolution was finally put to a vote, 71 shareholders cast their ballots. The outcome was clear: 93.7% voted in favour. The motion carried, and with it, KNM's plan to move forward.

What the Sale Means

The approved disposal now moves into its execution phase. The Company expects to record an accounting loss of about RM 104 million, mainly due to currency translation and transaction costs, but the sale will substantially reduce debt and interest obligations. Once the proceeds are applied, KNM's balance sheet is expected to lighten significantly.

In practical terms, the Company will shift its focus to domestic operations and partnerships. Its remaining units, KNM Process Systems, Borsig Boiler Systems, and KNM Borsig Services, will anchor a leaner business model focused on fabrication, energy systems, and regional industrial services. The Group has also indicated plans to collaborate with FBM Hudson Italiana S.p.A., leveraging technical expertise and project experience to pursue new contracts in Asia.

Much remains to be done, including obtaining regulatory clearance for the foreign transfer and fulfilling the escrow conditions. Yet, for the first time in years, KNM faces these tasks without the weight of public-market deadlines. Freed from listing obligations, it can realign quietly, perhaps even rediscover the discipline that once powered its rise.

A Chapter Closes, Another Opens

For long-time investors, the Borsig sale represents both an ending and a beginning. It closes KNM's chapter as an international listed group, but it opens a new one as a privately managed engineering company with lower debt and a narrower scope. Whether this transformation leads to recovery or retrenchment remains to be seen, but it gives the Company something it has lacked for years: breathing space.

The outcome of the EGM suggests that most shareholders understood this trade-off. Faced with few alternatives, they chose certainty over speculation, a practical decision consistent with KNM's financial reality. The day ended without drama, only quiet conversation as shareholders lingered outside by the lake, watching the reflection of the afternoon sun.

KNM's journey offers lessons that extend beyond one company. It underscores the importance of balancing expansion with risk management, the value of transparency in sustaining confidence even in challenging times, and how corporate resilience often depends on the willingness to adapt rather than resist change.

The delisting may have removed KNM from the trading screens, but it has not erased its relevance. Its operations continue, its obligations remain, and its stakeholders, including creditors, employees, and shareholders, will still watch closely as the company transitions to its next stage.

The sale of Borsig was not a surrender; it was a reset. The Company that once reached for global markets now turns inward, stripped of ambition's excess but not of purpose.

Corporate stories rarely end neatly; they stumble, regroup, and find new rhythm. KNM's tale is no different. Its next act will unfold away from the noise of trading screens, quieter perhaps, but no less instructive. In corporate Malaysia, endings like this are never just about loss; they are about learning who you become when the spotlight fades.

[END]

MSWG AGM/EGM WEEKLY WATCH

The following are the AGMs/EGMs of companies on the Minority Shareholders Watch Group's (MSWG) watch list for this week.

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at www.mswg.org.my.

QUICK-TAKE

Date & Time	Company	Quick-take
12.11.25 (Wed) 09.00 am	Key Asic Berhad (AGM)	The Group posted lower revenue of RM14.95 million in FY2025, down 35% y-o-y, mainly from weaker recurring engineering services, which remained its core contributor at 74% of total sales. The recurring segment earned a meagre profit of RM47,000, while the non-recurring segment logged a loss of RM4.98 million, leading to a pre-tax loss of RM6.73 million (FY2024: - RM10.77 million). Despite the softer topline, the Group secured several new contracts, including an RM13.1 million AI chip design deal, which is expected to generate recurring income to the Group in the upcoming years.
12.11.25 (Wed) 11.00 am	Ucrest Berhad (AGM)	The Group recorded RM18.1 million in revenue for FY2025, mainly driven by the Digital Health Platform segment, iMedic™, which contributed about 88% of total revenue, with the balance from system integration and maintenance services. Net profit rose to RM4.7 million, supported by a 41% segment margin from iMedic™. The Group remains in a net cash position. Key risks include high trade receivables, concentration on a single product line, and dependence on continuous innovation and regulatory compliance across multiple healthcare markets.
12.11.25 (Wed) 12.00 pm	Ucrest Berhad (EGM)	The Group proposed establishment of an employees share option scheme (ESOS) of up to 30% of its total number of issued shares to the eligible Directors and employees.
12.11.25 (Wed) 11.00 am	Greenyield Berhad (EGM)	The Group has proposed the removal and appointment of directors for Greenyield Berhad.

Date & Time	Company	Quick-take
		Eight Ordinary Resolutions will be tabled during the EGM, i.e., one resolution on the removal of a director and seven resolutions on the appointment of new directors.
13.11.25 (Thur) 10.00 am	Sime Darby Berhad (AGM)	In FY2025, Sime Darby reported a net profit of RM2.06 billion and a core net profit of RM1.17 billion, significantly lower than the RM3.31 billion net profit and RM1.32 billion core net profit recorded in FY2024. The lower profit was on the back of lower gain on disposals - RM810 million from the disposal of Malaysia Vision Valley (MVV) land in FY2025, compared to RM2.01 billion from the sale of Ramsay Sime Darby Health Care (RSDH) and RM250 million from the disposal of MVV land in FY2024. The drop in core net profit was largely caused by tough conditions in the Motors division, although the full-year contribution from the UMW division partially offset this.
13.11.25 (Thur) 10.00 am	Samaiden Group Berhad (AGM)	The Group achieved record-high revenue of RM353.47 million in FY2025, marking a 55.6% y-o-y increase from RM227.19 million previously, primarily contributed by EPCC services and asset ownership. Meanwhile, net profit increased by 24.6% to RM20.08 million from RM16.11 million. The improvement in earnings was driven by the completion and steady progress of LSS, Corporate Green Power Programme and the Commercial & Industrial rooftop segment. EPCC segment's outlook remains robust, underpinned by Samaiden's largest-ever 99.99 MWac solar projects under LSS5 (Kelantan) and LSS5+ (Johor), which will provide multi-decade revenue visibility and stable cash flows upon commissioning under 21-year PPAs.
13.11.25 (Thur) 12.00 pm	Samaiden Group Berhad (EGM)	The Group proposed to acquire two parcels of 99-year leasehold land in Teluk Intan, Perak measuring 185.57 hectares from Kelapa Sawit (Teluk Anson) Sdn Bhd for RM45.5 million in cash.
14.11.25 (Fri) 10.00 am	DRB-HICOM Berhad (EGM)	The Group has proposed the acquisition of 501,000 ordinary shares, representing the entire equity interest in Spirit AeroSystems Malaysia Sdn Bhd, for

Date & Time	Company	Quick-take
		US$95.2 million in cash, from Spirit AeroSystems, Inc. and Spirit AeroSystems International Holdings, Inc.

POINTS OF INTEREST

Company	Points/Issues to Be Raised
Key Asic Berhad (AGM)	For FYE 2025, the Group recorded a net loss of RM6.79 million, a significant improvement from the net loss of RM10.77 million in FYE 2024. This progress reflects stronger cost discipline, higher-value project mix, and continued focus on advanced technologies with long-term revenue potential. (Source: Page 9 of Annual Report (AR) 2025) Based on the Group's past Annual Reports available on Bursa Malaysia website, we note that the Group has been incurring losses annually since FYE 2020 where it registered a net loss of RM17.91 million. When is the Group expected to turn profitable and what are the catalysts driving this turnaround?
Sime Darby Berhad (AGM)	In Taiwan, all end-of-life tyres are recycled into rubber asphalt and reclaimed rubber products. In Australia, Sime Motors repurposes used tyres into rubber granules for sports and recreational surfaces, diverting around 48 tonnes of tyre rubber from landfill in Queensland alone. These efforts demonstrate the Group's commitment to circularity and reducing its environmental impact across key markets. a) What is the Group's strategy for expanding tyre recycling programs beyond Taiwan and Australia, and which regions are targeted for the next phase? b) Given the challenge of manual waste data collection, when does the Group plan to implement digital waste tracking across all operations? c) How is the Group allocating its budget for tyre recycling, and are there specific financial targets set to improve cost efficiency?
Samaiden Group Berhad (AGM)	In total, Samaiden utility-scale solar portfolio amounted to approximately 132.59 MWac worth RM435.75 million, contributing to a record-high order book of RM699.2 million. This order book,

Company	Points/Issues to Be Raised
	equivalent to more than twice the FY2024 revenue. (Source: Page 20 of Annual Report 2025) How much of the Group's RM699.2 million order book is expected to be recognised as revenue in FY2026, and what proportion will carry forward into FY2027–FY2028?
Samaiden Group Berhad (EGM)	Proposed acquisition of two (2) parcels of 99 years leasehold land in Teluk Intan, Perak for a total cash consideration of RM45,500,000 ("Proposed Acquisition"): Given that no project has yet been secured for development on the land purchase and the total project investment cost cannot be determined, how does the Board evaluate the expected payback period or return on this acquisition at this stage?

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22 NOVEMBER 2025

HERITAGE VALLEY KL
(NEAR QUILL CITY MALL)

9:00 A.M - 6:00 P.M

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