

Top 8 reasons why KNM shareholders must vote for existing board at tomorrow's EGM

By FocusM(<https://focusmalaysia.my/author/focusm/>) | 6 hours ago(<https://focusmalaysia.my/2023/10/15/>) |
in Markets (<https://focusmalaysia.my/category/markets/>) , Top (<https://focusmalaysia.my/category/top/>)



THE KNM Group Bhd board would like to thank all shareholders and stakeholders who have pledged their support to us in accordance with our strongly formulated turnaround plan for the group.

Heading towards the anticipated extraordinary general meeting (EGM) tomorrow (Oct 16), we would like to petition the top eight reasons to reflect as you cast your vote:

1) Majority of creditors is supportive of the current board and SOA:

This positive indication was given at this week's informal meeting held to engage creditors to address queries which the creditors may have in respect of the draft proposed scheme of arrangement (SOA) which is designed to reduce the quarterly losses and repay all creditors, hence lifting KNM out of its PN17 (Practice Note 17) status.



KNM Group Bhd's CEO and managing director

Ravindrasingham Balasingham

2) Datuk Seri Mahmud Abu Bekir Taib is supportive of the current board

That DS Mahmud Abu Bekir gave us his backing proves that the current KNM board has a sound plan in place.

For the record, the prominent Sarawakian businessman who emerged as a new substantial shareholder of KNM on Oct 6 (5.03% stake or 203.47 million shares) has issued an official statement which read:

“I have the fullest confidence in the current directors under the strong leadership of Tunku Datuk Yaacob Khyra. They have formulated a very strong sound plan for KNM Group Bhd.”

There is no ‘pie in the sky’ talk under the current leadership and management.

(3) Borsig's management is supportive of the current board

Jurgen Stegger who is CEO of Borsig GmbH which is seeking listing on the Singapore Stock Exchange (SGX) has explicitly said in an interview this week that the current KNM board has the potential to enhance the value of Borsig through its listing exercise.

(4) Fully integrated group



The close relationship between Borsig and KNM management will lead to a fully integrated KNM group whereby KNM product and service offering will be enhanced through technology transfer and skill from Borsig's improving profitability and long-term business sustainability.

(5) Listing of Borsig

A pre-IPO (initial public offering) placement set for end-2023 and an IPO in 2H 2024 will enable Borsig to unlock its fullest potential, achieve tremendous growth and stamp its footprint in Asia.

Paring the debt of RM1.2 bil within the next nine months or June 30, 2024 primarily through listing 60% of Borsig on the SGX will raise nearly RM900 mil.



(6) Liquidation of KNM and change of current board

Any change in the current board will result in a creditors' petition for liquidation and seizure of assets given as security, including our crown jewel which is the Borsig Group.

This will leave shareholders with nothing and creditors with a huge haircut.

(7) Shareholders interest – 'Skin in the Game'

Aside from Andreas Heeschen (who holds 8.25% stake or 333.6 million shares), all other aspirant directors are not shareholders of the company, hence stand to lose nothing if their turnaround plans fail. On the contrary, Tunku Yaacob as an indirect substantial shareholder (with 9.5% stake or 384.2 million shares) and chairman will push through the company's strategic plans to ensure KNM is profitable and debt-free in nine months. ^

(8) Staggering external debt of RM1.2 bil under the previous board

Two of the candidates proposed for appointment, namely Flavio Porro and William Van Vliet III created the mess that the current board has been cleaning since 2021.

Both were employed by KNM during the period of its financial decline. Despite Flavio Porro being one of the only two executive directors of KNM at the material time of the default of KNM's 2.78 bil Thai Bonds, (RM354 mil) on Nov 18, 2021, he is now rumoured to lead KNM as CEO.

Porro and Terence Tan Koon Ping (previous KNM's CEO) are being sued for alleged breach of fiduciary duties by the group, Deutsche KNM GmbH and Borsig GmbH for alleged breach of fiduciary duties. – Oct 15, 2023

Ravindrasingham Balasingham is KNM Group Bhd's CEO and managing director.

The views expressed are solely of the author and do not necessarily reflect those of Focus Malaysia.

