

PERAK CORPORATION BERHAD
Registration No.: 199101000605 (210915-U)
(Incorporated in Malaysia)

ANNOUNCEMENT FOR PUBLIC RELEASE
FIRST ANNOUNCEMENT PURSUANT TO PRACTICE NOTE 17 OF THE MAIN
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. INTRODUCTION

On behalf of the Board of Directors of Perak Corporation Berhad (“**PCB**” or “**Company**”), we wish to announce that the Company has triggered the prescribed criteria pursuant to paragraph 8.04 and paragraph 2.1(f) of the Practice Note 17 (“**PN17**”) of the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) and is now regarded a PN17 Company.

Pursuant to paragraph 9.19A of the Listing Requirements, the Company had on 17 October 2019 announced that Animation Theme Park Sdn Bhd (“**ATP**”), a direct 51%-owned subsidiary of PCB Development Sdn Bhd (“**PCBD**”) [which in turn is a 100%-owned subsidiary of the Company], had defaulted in its repayment of principal in respect of the syndicated term loan facility of up to RM280.0 million granted by the lenders involving AFFIN Hwang Investment Bank Berhad (“**AFFIN Investment**”), AFFIN Bank Berhad, Bank Pembangunan Malaysia Berhad and Malaysia Debt Ventures Berhad.

On 18 December 2019, AFFIN Investment had demanded from PCBD the payment of RM244,015,982.89 together with interest thereon to the date of full payment pursuant to the Corporate Guarantee dated 10 July 2014 executed by PCBD in favour of AFFIN Investment within fourteen (14) days from the date of the said letter, failing which AFFIN Investment shall be compelled to commence legal action against PCBD.

The Company has on 11 February 2020 announced that it has defaulted in its repayment of principal in respect of the Musharakah Mutanaqisah Term Financing-i and Tawarruq Revolving Credit-i of up to RM100.0 million granted by Affin Islamic Bank Berhad.

After taking into consideration the Group’s current cash flow position vis-à-vis its total debt obligations payable and the available cash flow, the Company is unable to declare that it is solvent pursuant to paragraph 9.19A(4) of the Listing Requirements.

Arising from the default in payment and the Company is unable to declare that it is solvent, the Company has triggered the prescribed criteria under paragraph 2.1(f) of the PN 17 of the Listing Requirements.

The Company is in the midst of developing a debt restructuring scheme to manage the debts of the Group. The successful completion of the debt restructuring exercise will put the Group on a firmer financial footing while relieving its cash flow in the short to medium term.

2. OBLIGATIONS OF PCB PURSUANT TO PN17

Pursuant to the PN17, PCB is required to comply with the following:

- (a) regularise its condition in the following manner:
 - (i) within twelve (12) months from the date of this announcement (“**First Announcement**”):

- (aa) submit a regularisation plan to the Securities Commission Malaysia (“SC”) if the plan will result in a significant change in the business direction or policy of the Company; or
 - (bb) submit a regularisation plan to Bursa Malaysia if the plan will not result in a significant change in the business direction or policy of the Company, and obtain Bursa Malaysia’s approval to implement the plan; and
- (ii) implement the plan within the timeframe stipulated by the SC or Bursa Malaysia as the case may be;
- (b) announce within three (3) months from the First Announcement, on whether the regularisation plan will result in a significant change in the business direction or policy of the Company;
 - (c) announce the status of its regularisation plan and the number of months to the end of the relevant timeframes referred to in paragraph 2(a) above, as may be applicable, on a monthly basis until further notice from Bursa Malaysia;
 - (d) announce its compliance or non-compliance with a particular obligation imposed pursuant to PN17, on an immediate basis;
 - (e) announce the details of the regularisation plan and sufficient information to demonstrate that the Company is able to comply with all the requirements set out in the PN17 after implementation of the regularisation plan, which the announcement must include a timeline for the complete implementation of the regularisation plan and to be announced by the Company’s Principal Adviser; and
 - (f) where the Company fails to regularise its condition, to announce the dates of the suspension and de-listing of its listed securities, immediately upon notification of suspension and de-listing by Bursa Malaysia.

3. CONSEQUENCES OF NON-COMPLIANCE

In the event the Company fails to comply with any part of its obligations to regularise its condition within the timeframes permitted by Bursa Malaysia, Bursa Malaysia shall:

- (a) suspend the trading of the Company’s listed securities on the sixth market day after the date of notification of suspension by Bursa Malaysia; and
- (b) de-list the Company subject to the Company’s right to appeal against the de-listing which appeal by the Company must be submitted to Bursa Malaysia within five (5) market days from the date of notification of de-listing by Bursa Malaysia.

4 STATUS OF THE COMPANY’S REGULARISATION PLAN

As at the date of this announcement, the Company is formulating a plan to regularise its financial condition and the announcement on the same will be made in due course in accordance to the Listing Requirements.

This announcement is dated 11 February 2020.