

General Announcement

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Company Information

Main Market Company

New Announcement

Submitting Investment Bank/Advisor (if applicable)

Submitting Secretarial Firm (if applicable)

* Company name	MECHMAR CORPORATION (MALAYSIA) BERHAD
* Stock name	MECHMAR
* Stock code	3808
* Contact person	Julia Leong
* Designation	Group Company Secretary
* Contact number	03-55692828
E-mail address	julia@mechmar.com.my

Type * Announcement

Subject **: MECHMAR CORPORATION (MALAYSIA) BERHAD & GROUP

PN1 - LOANS UNDER DEFAULT STATUS - UPDATE AS AT 25 FEBRUARY 2010

Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.

Contents *:-

(This field is to be used for the summary of the announcement)

The PN1 loans status report as at 25 Feb 2010 is attached for reference.

Announcement Details :-

(This field is for the details of the announcement, if applicable)

Attachment(s):- (please attach the attachments here)

ⓂCopy of bursa-PN1-280210 (2).xls

Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement:

MECHMAR CORPORATION (MALAYSIA) BERHAD (13380-M)

Loans Repayment Status As At 25 February 2010

Practice Note 1

NO.	LENDER	BORROWER	LOAN FACILITY (RM)	AMOUNT PAID TO DATE (RM)	IN DEFAULT (RM)	REMARKS
1	Syndicated Term Loan - Utama Merchant Bank Berhad as agent bank	Mechmar Corporation (Malaysia) Bhd	50M	53,460M	8,500,000	Indulgence was granted pending proposal to settle balance outstanding interest.
2	Utama Merchant Bank Berhad	Mechmar Corporation (Malaysia) Bhd	5,386M	0.93M	6,500,000	Repayment is stopped pending confirmation of settlement proposal with GRUF lenders.
3	Public Bank (L) Ltd	Mechmar Corporation (Malaysia) Bhd	49.4M	49,085M	288,000	Writ of Summons and Statement of Claim were served on 11 Feb 2003. Consent judgement has been recorded on 15 Apr 2004 with repayment of USD20,000 per month commencing from Jan 2004. Repayment was increased to USD30,000 per month effective Jan 2006 and USD40,000 per month effective Jan 2007 until full settlement of loan. Installment has been reduced to USD20,000 per month effective March 2007. Repayment is stopped since Oct 2008 pending confirmation of settlement proposal with GRUF lenders.
4	Syndicated Term Loan - Alliance Merchant Bank Berhad as agent bank	Mechmar Corporation (Malaysia) Bhd	5,554M	4,506M	300,000	Judgement was served on 26 Sept 2003 for RM6.1M. Agreed temporary monthly instalments of RM150,000 pending finalisation of settlement proposal and was increased to RM75,000 effective July 06. Settlement proposal were reached on 14 Dec 2006 and agreed to increase monthly instalments to RM100,000 effective from Jan 2007 until full settlement of loan together with release of assigned contract proceeds. Installment has been reduced to RM40,000 per month effective Sept 2008. Repayment is stopped since Dec 2008 pending confirmation of settlement proposal with GRUF lenders.
5	Alliance Merchant Bank Berhad Term Loan	Mechmar Corporation (Malaysia) Bhd	3,631M	4,179M	240,000	Judgement was served on 29 Sept 2003 for RM4.5M. Agreed temporary monthly instalments of RM160,000 pending finalisation of settlement proposal. Settlement proposal were reached on 29 Jan 2007 and agreed new repayment by 61 monthly instalments commencing Jan 2007 until full settlement of loan together with release of contract proceeds. Installments has been reduced to RM40,000 per month commencing July 2008. Repayment is stopped since Dec 2008 pending confirmation of settlement proposal with GRUF lenders.
6	Alliance Merchant Bank Berhad Bank Guarantee	Mechmar Corporation (Malaysia) Bhd	7,288M	5,554M	240,000	Judgement was granted on 22 Jan 2003 for RM10.1M. Judgement was set aside on 3 Oct 2003. Agreed temporary monthly instalments of RM50,000 pending finalisation of settlement proposal. Settlement proposal were reached on 29 Jan 2007 and agreed new repayment by 61 monthly instalments commencing Jan 2007 until full settlement of loan together with release of contract proceeds. Installments has been reduced to RM40,000 per month commencing July 2008. Repayment has been stopped since Dec 2008 pending confirmation of settlement proposal with GRUF lenders.
7	Danaharta Managers Sdn Bhd	Mechmar Boilers S/B	5M	-	7,500,000	Letter of Demand received on 25 Feb 2004. Agreed moratorium granted till sale of property. Appealed on summary judgement made on 7 Oct 05. Granted order for stay of proceedings pending hearing of appeal. Decision on appeal was fixed on 16 June 2008 and the judge has allowed Mechmar's appeal with costs. Case management is postponed 24, 3, 2010.
8	Bank Islam (Malaysia) Bhd	Mechmar Corporation (Malaysia) Bhd	22.5M	5,492M	18,941,000	Letter of Demand was served on 12 Jan 2009. Agreed repayment by RM165,000 monthly instalment commencing Jan 2007. Repayment has been stopped since Aug 2008 pending confirmation of settlement proposal with GRUF lenders.
9	Standard Chartered Bank (Hong Kong) Limited ("SCB")	Independent Power Tanzania Limited	USD105M	USD60.3M	USD48,458,000	Pending fresh hearing at the Tanzanian High Court.
Subtotal					RM142,509,000	
Subtotal					USD48,458,000	
Grand total					RM209,010,688	