

General Announcement

Initiated by **MECHMAR CORPORATION** on **31/03/2010 05:23:02 PM**
Submitted by **MECHMAR CORPORATION** on **31/03/2010 05:48:59 PM**
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Submitted

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
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Type *

Announcement

Subject *:

MECHMAR CORPORATION (MALAYSIA) BERHAD (13380-M) ("Mechmar or The Company")

STATUTORY NOTICE PURSUANT TO SECTION 218 OF THE COMPANIES ACT, 1965

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 Board wishes to announce that the Company had on 10 March 2010, received a notice pursuant to Section 218 of the Companies Act, 1965 from Public Bank (L) Ltd ("PBL").

Details of Claim

PBL is claiming for a sum of USD581,357.38 (equivalent to RM1,963,243.87) being the total outstanding sum due as at 10 March 2010 as per their record and has demanded for settlement of the said sum within twenty-one (21) days from the date of service of the notice.

Mechmar has announced this default every month under the monthly Practice Note No. 1/2001 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Proposed steps to be taken by the Company

The Company is taking necessary steps to defend the claim and had also submitted to PBL alternative repayment schemes under its Regularisation Plan for their consideration.

Financial Impact

The Company is currently classified as a PN17 company and had announced that Bursa Securities had granted Mechmar an extension of time until 8 June 2010 to submit its Regularisation Plan to the relevant authorities for approval.

This announcement is dated 31 March 2010.

Announcement Details *:-*(This field is for the details of the announcement, if applicable)*Attachment(s):- (please attach the attachments here)

- No Attachment Found -

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.