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

ANNOUNCEMENT FOR PUBLIC RELEASE
DEFAULT IN PAYMENT PURSUANT TO PARAGRAPH 9.19A OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – DEFAULT IN PAYMENT TO MALAYSIA DEBT VENTURES BERHAD BY AN ASSOCIATE COMPANY

1. INTRODUCTION

On behalf of the Board of Directors of Perak Corporation Berhad ("**Perak Corp**" or "**Company**"), we wish to announce that Suaconcept Pro Sdn Bhd (formerly known as VC Telecoms Sdn Bhd) [Registration No.: 200801010617 (811905-U)] ("**Suaconcep**t"), a 49%-owned associate company of Perak Corp group ("Group") held through PCB Equity Sdn. Bhd., a wholly-owned subsidiary of Perak Corp, has defaulted in its repayment obligations under the Project Financing Facility (PL1) ("**Facility**") granted by Malaysia Debt Ventures Berhad ("**MDV**") pursuant to the Master Facility Agreement dated 19 September 2014, as supplemented from time to time.

2. DATE AND REASON FOR THE DEFAULT IN PAYMENT

Date of default in payment	30 June 2026
Amount in default	RM18,361,077.07
Outstanding Facilities	RM18,361,077.07
Reason for the default in payment	Suaconcept, a 49%-owned associated company of the Group, was unable to meet its obligation to repay MDV in a timely manner

3. MEASURES BY THE COMPANY TO ADDRESS THE DEFAULT IN PAYMENT

On 6 July 2026, MDV, through its solicitors, issued a Notice of Termination to Suaconcept recalling the Facility and demanding payment from Suaconcept as the borrower for the total outstanding indebtedness of RM18,361,077.07 as at 30 June 2026.

Suaconcept is not a major associate company of the Group. As an associate, the Group has previously recognised its share of losses up to the carrying amount of its investment. The cost of investment in Suaconcept has been fully impaired and the Company has also recognised the appropriate loss allowance in respect of the financial guarantee contract in prior financial years in accordance with applicable accounting standards. Accordingly, the default does not give rise to any further material impairment or financial impact on the Company's consolidated financial statements.

PCB Equity Sdn. Bhd. had on 24 May 2022 entered into a Share Sale Agreement ("SSA") with Encik Mohd Khalid bin Shuib and Suaconcept for the disposal of its entire 49% equity interest in Suaconcept for a total consideration of RM12.50 million. The purchase consideration has been fully received and completion of the disposal is pending the fulfilment of the remaining conditions by the purchaser under the SSA. Upon completion, Suaconcept will cease to be an associate company of the Group.

The Facility granted by MDV is also secured by, amongst others:
(a) a debenture creating a first rank fixed and floating charge over all present and future assets of Suaconcept;
(b) a specific debenture over the MDV-financed equipment;
(c) joint and several personal guarantees provided by the directors/former directors of Suaconcept;
(d) an irrevocable and unconditional corporate guarantee from Perak Corp proportionate to their shareholding in Suaconcept;
(e) a general deed of assignment on all proceeds received/to be received from the projects stipulated under the Facility agreement; and
(f) an assignment over the insurance policies in respect of the assets and equipment financed by MDV.

4. LEGAL IMPLICATIONS OF THE DEFAULT IN PAYMENT INCLUDING THE EXTENT OF THE COMPANY'S LIABILITY IN RESPECT OF THE OBLIGATIONS INCURRED UNDER THE AGREEMENTS FOR THE INDEBTEDNESS

The Company had provided a corporate guarantee in favour of MDV on 19 April 2017 in respect of the Facility granted to Suaconcept, proportionate to its 49% indirect equity interest in Suaconcept.

On 7 July 2026, MDV, through its solicitors, issued a Notice of Termination ("Notice") in respect of the Facility to Perak Corp as the corporate guarantor, demanding payment of RM8,996,927.76, representing 49% of the outstanding indebtedness of Suaconcept as at 30 June 2026.

Following discussions between the Company and MDV, the Company submitted a proposed structured repayment arrangement to MDV on 10 July 2026. By its letter dated 13 July 2026, MDV confirmed that it has placed the Notice against the Company in abeyance for a period of thirty (30) days to facilitate further discussions to finalise a settlement.

It should be noted that the Company had previously recognised the appropriate loss allowance in respect of the financial guarantee contract in the previous financial years, the current default does not give rise to any further material impairment or additional financial impact on the Company's consolidated financial statements.

5. THE BUSINESS, FINANCIAL AND OPERATIONAL IMPACT OF THE DEFAULT IN PAYMENT ON THE COMPANY

The Company has assessed the financial impact arising from the default and is of the view that:

(a) the default does not have any material operational impact on the Group's ongoing business operations as Suaconcept is not a major associate of the Group.;
(b) the Company had previously recognised the appropriate loss allowance in respect of the financial guarantee contract and the investment in Suaconcept has been fully impaired. Accordingly, the default does not give rise to any further material impairment to the Company's consolidated financial statements;
(c) PCB Equity Sdn. Bhd. had entered into a SSA for the disposal of its entire 49% equity interest in Suaconcept for a total consideration of RM12.50 million, which has been fully received. Completion of the disposal remains subject to the fulfilment of the remaining conditions by the purchaser under the SSA. Upon completion, Suaconcept will cease to be an associate company of the Group;
(d) Based on Management's current assessment, the default is not expected to have any material adverse impact on the Group's business operations, financial position or operational continuity. The Company's principal financial exposure remains limited to its obligations under the corporate guarantee. The Company is confident of finalising a settlement arrangement with MDV following a letter from MDV dated 13 July 2026 informing that it has placed the Notice against the Company in abeyance for a period of thirty (30) days to facilitate further discussions and negotiations to finalise a settlement;
(e) Notwithstanding the default, the implementation of the Company’s approved PN17 Regularisation Plan will not be affected and on track.

6. IN THE EVENT THE DEFAULT IN PAYMENT IS IN RESPECT OF SECURED LOAN STOCKS OR BONDS, THE LINES OF ACTION AVAILABLE TO THE GUARANTORS OR SECURITY HOLDERS AGAINST THE COMPANY

Not applicable.

7. IN THE EVENT THE DEFAULT IN PAYMENT IS IN RESPECT OF PAYMENTS UNDER A DEBENTURE, TO SPECIFY WHETHER THE DEFAULT IN PAYMENT WILL EMPOWER THE DEBENTURE HOLDER TO APPOINT A RECEIVER OR RECEIVER AND MANAGER

The Facility is secured, amongst others, by a debenture over the assets of Suaconcept. Accordingly, the default may entitle MDV to exercise its rights under the debenture, including the appointment of a receiver and/or receiver and manager over the assets of Suaconcept. Any such appointment would relate only to the assets of Suaconcept and would not extend to the assets of the Company.

8. WHETHER THE DEFAULT IN PAYMENT CONSTITUTES AN EVENT OF DEFAULT UNDER A DIFFERENT AGREEMENT FOR INDEBTEDNESS (CROSS DEFAULT) AND THE DETAILS FOR SUCH OTHER DEFAULT, WHERE APPLICABLE

Not applicable.

9. WHERE THE DEFAULT IN PAYMENT IS IN RESPECT OF A SUBSIDIARY OR ASSOCIATED COMPANY, A CONFIRMATION AS TO WHETHER THE SUBSIDIARY OR ASSOCIATED COMPANY IS A MAJOR SUBSIDIARY OR MAJOR ASSOCIATED COMPANY, AS THE CASE MAY BE

Suaconcept is not a major associate of the Group. The carrying amount of the Company's investment in Suaconcept is nil, following the full impairment recognised in prior financial years.

10. WHERE THE DEFAULT IN PAYMENT IS IN RESPECT OF A LISTED ISSUER, MAJOR SUBSIDIARY OR MAJOR ASSOCIATED COMPANY, AS THE CASE MAY BE, A STATEMENT AS TO WHETHER THE LISTED ISSUER IS SOLVENT

Not applicable as Suaconcept is not a major associate of the Group.

This announcement is 13 July 2026.