

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused this Circular in relation to the Proposals before its issuance as it is prescribed as an Exempt Circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**(A) PROPOSED DEBT SETTLEMENT; AND**

**(B) PROPOSED AMENDMENTS TO THE CONSTITUTION,**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Principal Adviser**



**M&A SECURITIES SDN BHD**  
Registration No. 197301001503 (15017-H)  
(A Wholly-Owned Subsidiary of Insas Berhad)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Scheme Adviser**



**FERRIER HODGSON MH SDN BHD**  
Registration No. 199801003667 (459793-W)

The Extraordinary General Meeting ("**EGM**") of Perak Corporation Berhad ("**Perak Corp**") will be held fully virtual through the TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd on Monday, 31 January 2022 at 10.30 a.m. and any adjournment thereof for the purpose of considering and, if thought fit, passing the resolutions pertaining to the Proposals. Notice of the EGM together with the Form of Proxy in respect of the EGM are available from Perak Corp's website at [www.perakcorp.com.my](http://www.perakcorp.com.my).

The Form of Proxy should be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic lodgement via TIIH Online website at <https://tiih.online> no later than Saturday, 29 January 2022 at 10.30 a.m. For electronic lodgement, please follow the procedures as set out in the Administrative Guide.

Last date and time for lodging the Form of Proxy for the EGM: Saturday, 29 January 2022 at 10.30 a.m.

Date and time of the EGM: Monday, 31 January 2022 at 10.30 a.m.

This Circular is dated 7 January 2022

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**DEFINITIONS**

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Except where the context otherwise requires, the following definition shall apply throughout this Circular:

Act	:	Companies Act 2016, as may be amended, supplemented or modified from time to time
Affin Islamic	:	Affin Islamic Bank Berhad
Affin Islamic Cut-Off Date	:	Cut-off date as at 31 March 2022
Affin Islamic Debt	:	Debt owing by Perak Corp Group to Affin Islamic amounting to RM53,867,709.75
Affin Islamic Debt Settlement Agreement	:	Debt settlement agreement dated 8 November 2021 entered into between Perak Corp and Affin Islamic for the Proposed Debt Settlement II
Board	:	Board of Directors of Perak Corp
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
Casa Kayangan Land	:	A piece of freehold land under H.S.(D) 229479, PT 265385 in the Mukim of Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan
CIMB	:	CIMB Bank Berhad
CIMB Cut-Off Date	:	Cut-off date as at 31 December 2021
CIMB Debt	:	Debt owing by Perak Corp to CIMB amounting to RM34,717,826.86
CIMB Debt Settlement Agreement	:	Debt settlement agreement dated 8 November 2021 entered into between Perak Corp and CIMB for the Proposed Debt Settlement I
Circular	:	This circular to shareholders dated 7 January 2022
CMSB	:	Casuarina Meru Sdn Bhd
CMSA	:	Capital Markets and Services Act 2007
COVID-19	:	Coronavirus Disease 2019
Director(s)	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the CMSA
FPE	:	Financial period ended
FYE	:	Financial year ended/ending 31 December, where relevant
Hulu Bernam Land	:	A piece of leasehold land held under PN 394961, Lot 20402 in the Mukim of Hulu Bernam Timor, Daerah Muallim, Perak Darul Ridzuan
LPD	:	13 December 2021, being the latest practicable date prior to the date of this Circular
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities

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**DEFINITIONS (cont'd)**

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M&A Securities	:	M&A Securities Sdn Bhd
NA	:	Net assets
PCB Development	:	PCB Development Sdn Bhd
Perak Corp or Company	:	Perak Corporation Berhad
Perak Corp Group or Group	:	Perak Corp and its subsidiaries, collectively
Perak Corp Share(s) or Share(s)	:	Ordinary share(s) in Perak Corp
PKNP	:	Perbadanan Kemajuan Negeri Perak
PN17	:	Practice Note 17 of the Listing Requirements
Proposals	:	Collectively, the Proposed Amendments and Proposed Debt Settlement
Proposed Amendments I	:	Proposed amendments to the Constitution of Perak Corp to facilitate the issuance of RPS-A1 under the Proposed Debt Settlement
Proposed Amendments II	:	Proposed amendments to the Constitution of Perak Corp to facilitate the issuance of RPS-A2 under the Proposed Debt Settlement
Proposed Amendments	:	Collectively, the Proposed Amendments I and Proposed Amendments II
Proposed Debt Settlement I	:	Proposed settlement of the CIMB Debt based on the amount outstanding as at the CIMB Cut-Off Date
Proposed Debt Settlement II	:	Proposed settlement of the Affin Islamic Debt based on the amount outstanding as at the Affin Islamic Cut-Off Date
Proposed Debt Settlement	:	Collectively, Proposed Debt Settlement I and Proposed Debt Settlement II
Proposed Scheme of Arrangement	:	Proposed scheme of arrangement and compromise pursuant to Sections 366, 368, 369 and other relevant provisions of the Act between Perak Corp and/or PCB Development and its Scheme Creditors, in respect of the amounts owing to the Scheme Creditors as at the cut-off date on 30 June 2020
Record of Depositors	:	A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository
RM and sen	:	Ringgit Malaysia and sen, respectively
RPS	:	Redeemable preference shares
RPS-A1	:	Issuance of 20,900,309 RPS at the RPS-A1 Issue Price
RPS-A1 Issue Price	:	Issue price of RM1.00 per RPS-A1
RPS-A2	:	Issuance of 14,914,671 RPS at the RPS-A2 Issue Price
RPS-A2 Issue Price	:	Issue price of RM1.00 per RPS-A2
Secured Creditors	:	Collectively, CIMB and Affin Islamic

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**DEFINITIONS (cont'd)**

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Scheme Adviser or : Ferrier Hodgson MH Sdn Bhd  
FHMH

VWAMP : Volume weighted average market price

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall, where applicable, include corporations. Any reference in this Circular to any enactments is a reference to that enactment as for the time being amended or re-enacted. Certain figures included in this Circular have been subject to rounding adjustments. References to "we", "us", "our" and "ourselves" are to our Company save where the context otherwise requires, our subsidiaries and to "you" or "your" are to the shareholders of the Company.

Certain figures in this Circular have been subject to rounding adjustments.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

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## EXECUTIVE SUMMARY

**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING EGM OF THE COMPANY TO BE CONVENED.**

<u>Key information</u>	<u>Summary</u>	<u>Reference to Circular</u>																		
Details of the Proposed Debt Settlement	<p>: The Company proposes to undertake a proposed settlement of debt owing by Perak Corp to the Secured Creditors via cash settlement and via issuance of up to 35,814,980 RPS, at an issue price of RM1.00 per RPS.</p> <table><thead><tr><th><u>Mode of settlement</u></th><th><u>Proposed Debt Settlement I</u></th><th><u>Proposed Debt Settlement II</u></th></tr><tr><td></td><th><u>RM</u></th><th><u>RM</u></th></tr></thead><tbody><tr><td>Cash settlement</td><td>13,817,517.86</td><td>38,953,038.75</td></tr><tr><td>RPS-A1</td><td>20,900,309.00</td><td>-</td></tr><tr><td>RPS-A2</td><td>-</td><td>14,914,671.00</td></tr><tr><td><b>Total</b></td><td><b>34,717,826.86</b></td><td><b>53,867,709.75</b></td></tr></tbody></table>	<u>Mode of settlement</u>	<u>Proposed Debt Settlement I</u>	<u>Proposed Debt Settlement II</u>		<u>RM</u>	<u>RM</u>	Cash settlement	13,817,517.86	38,953,038.75	RPS-A1	20,900,309.00	-	RPS-A2	-	14,914,671.00	<b>Total</b>	<b>34,717,826.86</b>	<b>53,867,709.75</b>	Section 2
<u>Mode of settlement</u>	<u>Proposed Debt Settlement I</u>	<u>Proposed Debt Settlement II</u>																		
	<u>RM</u>	<u>RM</u>																		
Cash settlement	13,817,517.86	38,953,038.75																		
RPS-A1	20,900,309.00	-																		
RPS-A2	-	14,914,671.00																		
<b>Total</b>	<b>34,717,826.86</b>	<b>53,867,709.75</b>																		
Rationale	<p>: <b><u>Proposed Debt Settlement</u></b></p> <p>(a) the Proposed Debt Settlement is a prelude proposal to secure the participation of the Secured Creditors to comprehensively restructure Perak Corp Group's debt obligations, which in turn enables the Perak Corp Group to preserve its cash flow position, thus further strengthening the capital base of the Company; and</p> <p>(b) allowing the Group to have the financial flexibility to formulate and implement its operational strategies which are important towards the formulation of its regularisation plan to regularise its financial condition under PN17.</p> <p><b><u>Proposed Amendments</u></b></p> <p>The Proposed Amendments are undertaken to facilitate the implementation of the Proposed Debt Settlement which involves issuance of RPS-A1 and RPS-A2.</p>	Section 3																		
Approvals required and inter-conditionality	<p>: The Proposals are conditional upon the following being obtained:</p> <p>(a) approval of the shareholders of Perak Corp for the Proposals at the forthcoming EGM; and</p> <p>(b) any other relevant authorities / parties, if required.</p> <p>The Proposed Debt Settlement I and Proposed Debt Settlement II are not inter-conditional upon with each other. The Proposed Debt Settlement and Proposed Amendments are inter-conditional upon each other. However, the Proposals are not conditional upon any other proposals to be undertaken by the Company, if any.</p>	Section 6																		

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**EXECUTIVE SUMMARY (cont'd)**

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<b>Key information</b>	<b>Summary</b>	<b>Reference to Circular</b>
Parties involved and the element of conflict of interests	: None of the Company's directors and major shareholders and any persons connected with them have any other interest, direct or indirect in the Proposals.	Section 7
Directors' statements and recommendation	: The Board is of the opinion that the Proposals is in the best interests of the Company and shareholders. In arriving at the opinion, the Board has considered the current and prospective financial position and needs of the Group as well as the rationale and effects of the Proposals.	Section 8

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

**Registered Office:**

D-3-7, Greentown Square  
Jalan Dato' Seri Ahmad Said  
30450 Ipoh  
Perak Darul Ridzuan

7 January 2022

**Board of Directors:**

Tan Sri Abdul Rashid bin Abdul Manaf (*Independent Non-Executive Chairman*)  
Tan Sri Ir Kunasingam a/l V. Sittampalam (*Independent Non-Executive Director*)  
Datuk Redza Rafiq bin Abdul Razak (*Non-Independent Non-Executive Director*)  
Andy Liew Hock Sim (*Independent Non-Executive Director*)  
Tan Chee Hau (*Independent Non-Executive Director*)  
Faizul Hilmy bin Ahmad Zamri (*Independent Non-Executive Director*)  
Ahmad Yani bin Aminuddin (*Independent Non-Executive Director*)  
Zainal Iskandar bin Ismail (*Non-Independent Executive Director/Group Chief Executive Officer*)

**To: The Shareholders of Perak Corp**

Dear Sir/Madam,

**(I) PROPOSED DEBT SETTLEMENT; AND**  
**(II) PROPOSED AMENDMENTS**

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**1. INTRODUCTION**

On 8 November 2021, M&A Securities on behalf of the Board, had announced that the Company entered into the CIMB Debt Settlement Agreement and Affin Islamic Debt Settlement Agreement for the Proposed Debt Settlement.

In conjunction with the Proposed Debt Settlement, the Company also proposes to undertake the Proposed Amendments to facilitate the issuance of RPS under the Proposed Debt Settlement.

Further details of the Proposals are set out in the ensuing sections.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**



**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 Proposed Debt Settlement**

On 11 February 2020, the Company had been classified as an Affected Listed Issuer under PN17. This was due to Perak Corp having triggered Paragraph 8.04 of the Listing Requirements and Paragraph 2.1(f) under PN17 as Perak Corp Group had defaulted in its repayment of principal in respect of the following:

- (a) Musharakah Mutanaqisah Term Financing-i and Tawarruq Revolving Credit-i facilities ("**Financing Agreements**") of up to RM100.0 million granted by Affin Islamic.
- (b) subsequently, on 28 February 2020, CIMB had declared that an event of cross default by Perak Corp and PCB Taipan Sdn Bhd (a wholly-owned subsidiary of Perak Corp) in respect of the revolving credit facilities of up to RM90.0 million granted, following the declaration of an event of default by Affin Islamic for financing facilities extended to Perak Corp. CIMB had demanded full payment of the said revolving credit facilities of RM91,291,558.98.

On 26 March 2020, Bursa Securities granted the extension of time for financially distressed listed issuers under PN17 to submit its regularisation plan from existing 12 months to 24 months from the first announcement date the listed issuer classified as PN17 company. In relation thereto, Perak Corp is required to submit its regularisation plan by 10 February 2022 (i.e. 24 months from 11 February 2020, the date of the PN17 announcement). To date, the Company is still evaluating its options and is in the midst of formulating a proposed regularisation plan.

The summary of the outstanding debt owing to the Secured Creditors by Perak Corp as at 30 June 2021 are as follows:

<b>Secured Creditors</b>	<b>(1)As at 30 June 2021 (RM'000)</b>	<b>(2)After adjusting for subsequent repayment (RM'000)</b>	<b>Amount as at LPD (RM'000)</b>	<b>Facilities involved</b>
CIMB	69,966	29,209	34,449	• Revolving credit – RM60.0 million
Affin Islamic	79,542	52,542	53,456	• Revolving credit-i – RM50.0 million • Term Financing-i – RM50.0 million
<b>Total</b>	<b>149,508</b>	<b>81,751</b>	<b>87,905</b>	

#### **Notes:**

- (1) Being the cut-off date for determining the outstanding amount for negotiation with the Secured Creditors. The amount outstanding is inclusive of principal sum plus interest accrued (including penalty interest).

- (2) After taking into consideration the disposal of 4 parcels of vacant commercial land and 1 piece of vacant residential land all situated at Mukim Hulu Kinta, Perak Darul Ridzuan to Pertubuhan Keselamatan Sosial for a total cash disposal consideration of RM78,679,531.26 ("**Disposal Sum**") ("**Disposal of Properties**"), which was completed on 13 October 2021. The Proposed Debt Settlement was agreed and decided upon after taking into consideration that the Disposal Sum has been earmarked as partial repayment of the outstanding amounts towards the CIMB Debt and Affin Islamic Debt. In this regard, the Disposal Sum has since been utilised for the partial repayment of the outstanding amount owing by Perak Corp to the following Secured Creditors, in the following manner:

<u>Details of utilisation</u>	<u><sup>(i)</sup>Amount (RM'000)</u>
Partial repayment to CIMB	<sup>(ii)</sup> 40,757
Partial repayment to Affin Islamic	<sup>(iii)</sup> 27,000
<b>Total</b>	<b><u>67,757</u></b>

**Notes:**

- (i) The balance amount of RM10.92 million has been earmarked for the working capital requirements of Perak Corp Group.
- (ii) The partial repayment was made to CIMB as partial settlement of the outstanding amount owing to CIMB prior to the CIMB Debt Settlement Agreement.
- (iii) The partial repayment was made to Affin Islamic as partial settlement of the outstanding amount owing to Affin Islamic prior to the Affin Islamic Debt Settlement Agreement.

On 8 November 2021, the Company had entered into the CIMB Debt Settlement Agreement and Affin Islamic Debt Settlement Agreement for the Proposed Debt Settlement.

**2.1.1 Information on CIMB**

CIMB (a wholly-owned subsidiary of CIMB Group Holdings Berhad) was incorporated on 30 December 1972 in Malaysia. CIMB is the group's commercial bank in Malaysia and it offers full spectrum of banking services from consumer products to business banking services for small and medium-sized enterprises, as well as insurance, investment and wealth management products and services.

**2.1.2 Information on Affin Islamic**

Affin Islamic (a wholly-owned subsidiary of Affin Bank Berhad) was incorporated on 13 September 2005 and officially operates as a standalone Islamic bank with effect from 1 April 2006. Affin Islamic offers a complete range of Islamic Banking products and services to Small Medium Enterprises (SMEs), Institutional, Retail and Corporate customers.

**2.1.3 Terms of the Proposed Debt Settlement**

The summary of the Proposed Debt Settlement are as follows:

- (a) The Proposed Debt Settlement I shall be settled in the following manner:
  - (i) Perak Corp shall remit the cash sum of RM13,817,517.86 ("**CIMB Cash Settlement Amount**") from the compensation amount payable for the acquisition by the Federal Government of Malaysia of all piece of leasehold land held under H.S.(D) 932771 PT 279467 in the Mukim of Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan currently owned by Perak Corp to be undertaken pursuant to the Land Acquisition Act, 1960 ("**Land**") ("**Government Acquisition**") within 5 business days of receiving the compensation amount. The remittance shall be to an account designated by CIMB and shall amount to satisfaction of the CIMB Date to the extent and equal to the value of the remitted amount.

- (ii) issuance and allotment of 20,900,309 RPS-A1 amounting to RM20,900,309 at the RPS-A1 Issue Price.
- (b) The Proposed Debt Settlement II shall be settled in the following manner:
- (i) Perak Corp shall remit the cash sum of RM38,953,038.75 ("**Affin Islamic Cash Settlement Amount**") from Government Acquisition within 5 business days from the date of the compensation amount. The remittance shall be to an account designated by Affin Islamic and shall amount to partial satisfaction of the Affin Islamic Debt to the extent and equal to the value of the remitted amount.
  - (iii) settlement via issuance of 14,914,671 RPS-A2 amounting to RM14,914,671.00 at the RPS-A2 Issue Price.

For the avoidance of doubt:

- (a) the RPS-A1 and RPS-A2 shall not be listed on any stock exchange and not convertible into any ordinary shares/securities of the Company;
- (b) the Proposed Debt Settlement does not involve the settlement of the other existing amount owing and debts owing by the Perak Corp Group to its other creditors; and
- (c) the Proposed Debt Settlement does not constitute the Requisite Announcement pursuant to Paragraph 4.1(e), PN17 of the Listing Requirements.

The summary of the Proposed Debt Settlement are as follows:

<b>Mode of settlement</b>	<b>Proposed Debt Settlement I RM</b>	<b>Proposed Debt Settlement II RM</b>
Cash settlement from Government Acquisition	13,817,517.86	38,953,038.75
RPS-A1	20,900,309.00	-
RPS-A2	-	14,914,671.00
<b>Total</b>	<b>34,717,826.86</b>	<b>53,867,709.75</b>

Within thirty (30) days of CIMB's receipt of payment of the CIMB Cash Settlement Amount in full, CIMB shall enter into the following release and discharge documents under which CIMB will release and discharge the security interest created under the:

- (i) existing charge over Casa Kayangan Land registered in the name of PCB Development; and
- (ii) existing charge over Hulu Bernam Land,

In addition, within sixty (60) days of CIMB's receipt of payment of the CIMB Cash Settlement Amount in full, CIMB shall, at the cost and expense of Perak Corp, return the ordinary shares of KUB Malaysia Berhad and Perak Corp deposited with CIMB as security for the existing financing facilities with CIMB ("**CIMB Facilities**") to PKNP. However, Perak Corp shall enter into new security arrangements as security for the compliance with the terms and conditions of RPS-A1, which is set out in **Appendix II** of this Circular.

Upon settlement of the Affin Islamic Debt, Affin Islamic agrees to release and deliver a discharge of all the existing Affin Islamic Securities<sup>(1)</sup> (other than the Affin Islamic Additional Charge (as defined in Appendix III)) including the existing securities under the financing agreements with Affin Islamic, within fourteen (14) days from the Affin Islamic Debt Settlement Date<sup>(2)</sup> and Affin Islamic shall take such steps as may be requested by Perak Corp or a security

party (existing)<sup>(3)</sup> to sign the release and discharge documents to evidence such release and discharge. However, Perak Corp shall enter into new security arrangements as security for the compliance with the terms and conditions of RPS-A2, which is set out in **Appendix IV** of this Circular.

**Notes:**

- (1) The Affin Islamic Securities comprise of the following:
  - (i) Third party first legal charge over a property known as Casuarina Hotel Meru comprising twelve (12) storey hotel tower annexed with two (2) storey podium, two (2) blocks of nine (9) storey office building and a single storey convention hall held under Title No. H.S.(D) 204383 PT 245010, Mukim Hulu Kinta, Daerah Kinta, Perak, bearing postal address No. 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak;
  - (ii) Letter of Awareness from PKNP;
  - (iii) Negative pledge by Perak Corp; and
  - (iv) First Party First Legal Charge over the Current Account maintained with Affin Islamic.
- (2) The Affin Islamic Debt Settlement Date is defined as the date where the Affin Islamic Debt is paid in full to Affin Islamic via the payment of the Affin Islamic Cash Settlement Amount and issuance of RPS-A2, whichever is later, but not later than 31 March 2022.
- (3) Security Party (Existing) refers to Perak Corp, CMSB and PKNP, who have provided the Affin Islamic Securities as security of the Affin Islamic Debt.

**2.1.4 Basis of determining and justification for the issue price for the RPS**

The issue price is fixed at RM1.00 per RPS. The issue price was mutually agreed by both parties to the CIMB Debt Settlement Agreement and Affin Islamic Debt Settlement Agreement after taking into consideration the amount owing to be settled.

**2.1.5 Salient terms of the CIMB Debt Settlement Agreement and Affin Islamic Debt Settlement Agreement**

Kindly refer to **Appendix I** and **Appendix III** of this Circular for further details of the salient terms of the CIMB Debt Settlement Agreement and Affin Islamic Debt Settlement Agreement, respectively.

**2.1.6 Salient terms of RPS-A1 and RPS-A2**

Kindly refer to **Appendix II** and **Appendix IV** of this Circular for further details of the salient terms of RPS-A1 and RPS-A2, respectively.

Both RPS-A1 and RPS-A2 will not be listed on any stock exchange.

Both RPS-A1 and RPS-A2 shall rank *pari passu* with each other, without any preference or priority among themselves but shall otherwise rank in priority to all other shares or securities of Perak Corp.

**2.2 Proposed Amendments**

The Proposed Amendments involve consequential amendments to the Constitution of Perak Corp to facilitate the issuance of the RPS-A1 and RPS-A2 under the Proposed Debt Settlement.

Kindly refer to Appendix V(A) and Appendix V(B) for further details of the Proposed Amendments.

### **3. RATIONALE FOR THE PROPOSALS**

#### **3.1 Proposed Debt Settlement**

The Proposed Debt Settlement is a first step for the Perak Corp Group to restructure its debt obligations. The Proposed Debt Settlement has been formulated together with its Scheme Adviser, to address the outstanding debts owing by Perak Corp to the Secured Creditors and to return the Perak Corp Group to better financial standing and profitability post-restructuring. In this regard, the Proposed Debt Settlement:

- (a) is part of Perak Corp's proposed restructuring plans and efforts to comprehensively resolving the financial issues that has caused Perak Corp to trigger the prescribed criteria under PN17; and
- (b) with the conclusion of the Proposed Debt Settlement, the Perak Corp Group can now focus on its efforts to formulate its proposed regularisation plan to regularise its financial condition and level of operations moving forward, such that Perak Corp no longer triggers any of the prescribed criteria under PN17.

The Proposed Debt Settlement will enable the Group to achieve the following objectives:

- (a) the Proposed Debt Settlement is a prelude proposal to secure the participation of the Secured Creditors to comprehensively restructure Perak Corp Group's debt obligations, which in turn enables the Perak Corp Group to preserve its cash flow position, thus further strengthening the capital base of the Company; and
- (b) allowing the Group to have the financial flexibility to formulate and implement its operational strategies which are important towards the formulation of its regularisation plan to regularise its financial condition under the PN17 guidelines of the Listing Requirements.

The issuance of RPS is akin to deferred cash payment to the Secured Creditors, as redemption of the RPS-A1 and RPS-A2 is at Perak Corp's option at any time during the 1<sup>st</sup> and/or 2<sup>nd</sup> anniversary of the RPS-A1 Issue Date and RPS-A2 Issue Date (as defined herein). However, any RPS-A1 and RPS-A2 that are not redeemed on the relevant redemption date shall continue to be carried forward but all RPS-A1 and RPS-A2 shall be fully redeemed by Perak Corp and all outstanding accrued dividends shall be paid to the Secured Creditors on the maturity date of RPS-A1 and RPS-A2, without the requirement of any notice.

As compared to an onset issuance of new Perak Corp Shares to the Secured Creditors, the issuance of RPS-A1 and RPS-A2 also minimises immediate dilutive effect on the earnings and shareholding structure of Perak Corp as the Company retains the option to redeem the RPS-A1 and RPS-A2 which will enable it to manage its share base.

Presently, the Board is still evaluating on the options available to regularise the Company's Affected Listed Issuer status under PN17.

#### **3.2 Proposed Amendments**

The Proposed Amendments are undertaken to facilitate the implementation of the Proposed Debt Settlement which involves issuance of RPS-A1 and RPS-A2.

#### **3.3 Fund raising exercises conducted within the past 12 months**

The Company has not implemented any other fund-raising exercises within 12 months preceding the date of this Circular.

## 4. INDUSTRY OUTLOOK AND PROSPECTS

### 4.1 Malaysian economy

The Malaysian economy expanded by 16.1% in the second quarter of 2021 (1Q 2021: -0.5%). Growth was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected continued policy support and the low base from the significant decline in activity during the second quarter of 2020. Economic activity picked up at the start of the second quarter but slowed following the re-imposition of stricter nationwide containment measures, particularly under phase 1 of the Full Movement Control Order ("**FMCO**"). For the second quarter as a whole, all economic sectors registered an improvement, particularly the manufacturing sector. On the expenditure side, growth was driven by higher private sector spending and strong trade activity. On a quarter-on-quarter seasonally adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), due to the containment measures.

The construction sector registered a strong positive growth of 40.3% (1Q 2021: -10.4%). Growth was supported by the continuation of construction works in large infrastructure projects and on-going implementation of small-scale projects under the 2021 Budget, PEMERKASA and PEMERKASA+ stimulus packages. However, on a seasonally adjusted, quarter-on-quarter basis, construction growth declined by 3.2%. Activity was disrupted by the restrictions under phase 1 of the FMCO, where only essential construction projects were allowed to operate, albeit at a reduced capacity.

Gross fixed capital formation (GFCF) growth rebounded to 16.5% (1Q 2021: -3.3%), supported by the recovery in capital spending from both private and public sectors. By type of asset, both investment in structures and machinery & equipment (M&E) expanded by 20.2% (1Q 2021: -10.4%) and 15.1% (1Q 2021: 10.3%), respectively.

Private investment registered a growth of 17.4% (1Q 2021: 1.3%). The higher investment activity was underpinned mainly by the continued capital spending in telecommunication related equipment, as firms' automation and digitalisation efforts gain further traction, as well as the continued progress in national digital infrastructure investments. In addition, further expansions of new and ongoing investment projects amid improving external demand, particularly in the export-oriented industries such as electrical and electronics (E&E) and metal, also provided further impetus to growth.

After 12 quarters of contraction, public investment recorded a positive growth of 12.0% (1Q 2021: -18.6%). The performance mainly reflects the higher spending on fixed assets by the Government amid continued weak capital spending by public corporations. Headline inflation, as measured by the annual percentage change in the Consumer Price Index ("**CPI**"), recorded a sharp increase to 4.1% during the quarter (1Q 2021: +0.5%), driven mainly by transitory factors. In particular, as expected, the elevated headline inflation was largely due to base effects from the low domestic retail fuel prices last year, as well as the lapse in the effect from the tiered electricity tariff rebate.

In terms of the monthly trajectory, headline inflation peaked at 4.7% in April 2021. Following this, headline inflation remained elevated during the quarter, but moderated to 4.4% and 3.4% in May and June 2021, respectively. Despite the increase in headline inflation, upward pressures on prices during the quarter were not broad-based, as the share of CPI items recording month-on-month price increases was lower than the long-term average (2nd quarter of 2021 average: 36%; 2010-2019 average: 45%). Notably, a larger proportion of CPI items recorded unchanged price movements (2nd quarter of 2021 average: 50%; 2010-2019 average: 33%), particularly towards the end of the quarter, due mainly to temporary business closures and uncertainties in demand following the re-imposition of movement restrictions. More specifically, price movements of core discretionary items (27.9% of CPI basket), while positive for the second quarter as a whole, became more subdued during the FMCO period. In line with this, core inflation remained stable at 0.7% during the quarter (1Q 2021: 0.7%).

(Source: Developments in the Malaysian Economy, BNM Quarterly Bulletin, Second Quarter 2021, BNM)

## 4.2 Outlook and prospects of the property market in Malaysia

Malaysia's GDP growth improved to 16.1% in 2Q 2021 (1Q 2021: -0.5%) after four consecutive quarters of contraction. However, the strong growth for this quarter was also attributed to the low base recorded from the significant decline in 2Q 2020 (-17.2%). The economic performance was supported mainly by the improvement in domestic demand and continued robust exports performance.

On a similar track to the country's economic growth, the property market performance recorded a significant increase in the first half of 2021 ("**H1 2021**") as compared to the same period last year ("**H1 2020**").

In the property segment, there were several incentives initiated by the Government aiming to improve property market activities under Budget 2021:

- (a) To allocate a total of RM1.2 billion fund for providing comfortable and quality housing, especially for the low-income group which include:
  - (i) RM500 million to build 14,000 units low-cost housing under Program Perumahan Rakyat. RM315 million for the construction of 3,000 units of Rumah Mesra Rakyat by Syarikat Perumahan Nasional Berhad;
  - (ii) RM125 million for the maintenance of low cost and medium-low stratified housing as well as assistance to repair dilapidated houses and those damaged by natural disasters; and
  - (iii) RM310 million for the Malaysia Civil Servants Housing Program (PPAM).
- (b) Full stamp duty exemption on instruments of transfer and loan agreement for first-time home buyers will be extended until 31 December 2025. This exception is effective for sale and purchase executed from 1 January 2021 to 31 December 2025.
- (c) Stamp duty exemption on loan agreement and instruments of transfer given to rescuing contractors and the original house purchasers is extended for five years. This exemption is effective for loan agreements and instruments of transfer executed from 1 January 2021 to 31 December 2025 for abandoned housing projects certified by Ministry of Housing and Local Government (KPKT).
- (d) The Government to collaborate with selected financial institutions to provide a Rent-to-Own Scheme. The program will be implemented until 2022 involving 5,000 units PR1MA houses with a total value of more than RM1 billion.

The Short-term Economic Recovery Plan (PENJANA) which was introduced by the Government since mid-2020 would have helped to cushion the impact of Covid-19 pandemic on property market in the second half of 2020 and 2021. The incentives included:

- (a) Re-introduction of Home Ownership Campaign ("**HOC**") - Stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million subject to at least 10% discounts provided by the developer. The exemption on the instrument of transfer is limited to the first RM1 million of the home price while full stamp duty exemption is given on loan agreement effective for sales and purchase agreements signed between 1 June 2020 to 31 May 2021.
- (b) RPGT exemption for disposal of residential homes from 1st June 2020 to 31 December 2021 (This exemption is limited to the disposal of three units of residential homes per individual).

- (c) The uplifting of the current 70 percent margin of financing limit applicable for the third housing loan onwards for property valued at RM600,000 and above, during the period of the HOC, subject to internal risk management practices of financial institutions.

As COVID-19 cases spike in the country and nationwide lockdown was reimposed, the Government has agreed to extend the HOC, which ended on May 31 up to December 31, 2021. The Overnight Policy Rate ("OPR") was reduced to 1.75% since July 2020 remained unchanged at 1.75% until July 2021. Low OPR means low costs for borrowing or refinancing an existing home loan that could help to stimulate the property market.

On the demand-side, the amount of loan application and total loan approval for the purchase of residential property in H1 2021 increased 86.0% and 92.6% respectively but the percentage of approval against application was moderate at 35.3%. For the non-residential property, the amount of loan application and total loan approval saw similar pattern, increased by 52.6% and 58.9% respectively with an approval against application percentage of 34.4%.

The property market performance recorded a significant increase in H1 2021 compared to the H1 2020. A total of 139,754 transactions worth RM62.01 billion were recorded, showing an increase of 21.0% in volume and 32.1% in value compared to the same period last year.

Volume of transactions across the sub-sectors showed upward movements. Residential, commercial, industrial, agriculture and development land sub-sectors recorded year-on-year growths of 22.2%, 28.5%, 29.4%, 13.9% and 21.3% respectively.

Value of transactions moved in tandem with residential, commercial, industrial, agriculture and development land sub-sectors recorded growths of 34.7%, 28.4%, 19.8%, 33.1% and 40.6% respectively.

The residential sub-sector led the overall property market, with 65.8% contribution. This was followed by agriculture sub-sector (18.9%), commercial (7.5%), development land and others (5.9%) and industrial (1.8%). In terms of value, residential took the lead with 55.6% share, followed by commercial (17.6%), industrial (10.4%), agriculture (8.9%) and development land and others (7.4%).

The industrial sub-sector recorded 2,562 transactions worth RM6.48 billion in the first half of 2021. Compared to the same period last year, the market activity increased by 29.4% in volume and 19.8% in value. Selangor continued to dominate the market, with 35.7% (915 transactions) of the nation's volume, followed by Johor and Pulau Pinang, each with 13.2% and 9.6% market share. Terraced factory formed 32.2% of the total industrial transactions, followed by vacant plots (27.6%), and semi-detached factory (22.4%).

The industrial overhang remained minimal at 1,311 units worth RM1.97 billion, indicating a marginal decline of 5.0% and 10.0% in volume and value, respectively (2nd half of 2020 ("H2 2020"): 1,380 overhang units worth RM2.19 billion). On a similar note, the unsold under construction category declined by 15.2% with 601 units compared to H2 2020 at 709 units. The performance for unsold not constructed indicating a substantial increase of 38.9% at 100 units against H2 2020 (72 units). Selangor and Johor led the existing stock and incoming supply with a combine market share of 50.0% and 53.8% in the related development stages while Melaka led planned supply with 29.4% share (1,813 units).

On the construction front, the industrial sub-sector remains on a low tone. Completions recorded 143 units, starts 300 units and new planned supply 306 units. As of end-June 2021, there were 118,708 existing industrial units with 4,388 units in the incoming supply and 6,731 units in the planned supply.

Prices of industrial property showed mixed performance but remained stable in major states. In WP Kuala Lumpur, one and a-half-storey terraced factory at Sri Edaran Light Industrial Park decreased by 13.1%. Selangor recorded a downward movement between 2.4% to 8.0% for similar type while Pulau Pinang remained stable.



(Source: Property Market Report First Half 2021, National Property Information Centre, Valuation & Property Services Department, Ministry of Finance Malaysia)

### **4.3 Overview of the property development industry in Perak**

The performance of Northern Region property market was better in H1 2021. The volume and value of transactions saw evidence of growth as compared to H1 2020. The region registered 37,771 transactions worth RM10.63 billion, increased by 18.0% and 24.7% in volume and value respectively as compared to H1 2020. Combined, these four states within the region formed 27.0% and 17.1% of the national volume and value transactions. The property market activity for all states showed upward trend in the review period, led by Pulau Pinang (36.4%), followed by Perlis (24.2%), Kedah (16.1%) and Perak (11.5%). By state, Perak recorded highest volume of transaction (15,907 transactions) which contributed 42.1% of the total transaction of northern region.

However, in terms of transaction value, Pulau Pinang led the region with 41.2% (RM4.38 billion) of the total. For Northern Region, residential property continued to be the most actively transacted subsector, representing 60.4% (22,818 transactions) of the total transaction. Main contributors of residential transactions were Perak, Pulau Pinang and Kedah. Likewise, residential sub-sector dominated the region's overall property transaction value with 61.4% share. The industrial sub-sector was the third largest sub-sector for the Northern Region, (10.5% share of the total property transaction value) after the residential sub-sector (61.4% share of the total property transaction value) and the agricultural sub-sector (12.6% share of the total property transaction value).

It is also noted that the Perak State Government had announced the RM19.5 million Perak Sejahtera Economic Stimulus Package (PRE) in June 2021 which comprises:

- (a) one-month rental exemption for the Public Housing Programme under the Perak Housing and Property Board (LPHP);
- (b) one-month moratorium on Rumah Harapan and Amanjaya People's Housing Scheme loan repayment;
- (c) one-month rental exemption for stalls under all local authorities in Perak;
- (d) hotel license renewal fee exemption for 565 hotels registered with local authorities in Perak, involving a cost of RM448,048.38;
- (e) discount of 10%-20% on quit rent arrears depending on the outstanding amount;
- (f) exemption of late payment penalty for quit rent from 1 June to 31 August 2021 for all titles; and (g) 20% parcel rent discount for business category.

(Source: Northern Region, Property Market Report First Half 2021, Valuation and Property Services Department, Ministry of Finance)

### **4.4 Overview and outlook of the logistics industry in Malaysia**

The logistics industry refers to the process of planning, implementing and controlling procedures for the movement and storage of goods and related services between the point of origin and the point of consumption in order to meet customer requirements. The logistics industry involves the movement of goods and related services domestically as well as internationally.

The transportation and storage subsector contracted by 24% in the 1<sup>st</sup> half of 2020 with all segments severely affected by the border closure and lower trade activities. However, the subsector is anticipated to decline by 0.5% in the 2<sup>nd</sup> half of 2020 following the lifting of interstate travel bans, increasing domestic travellers, improving trade activities and loosening of port restrictions. With prolonged border closure for tourism-related activities and the extension of Recovery MCO until end of 2020, the subsector is forecast to record a decline of 11.9% in 2020. The subsector is projected to rebound by 7.5% in 2021, driven by the land transport segment, following operations of new highways, including the Setia Wangsa – Pantai Expressway, Damansara – Shah Alam Elevated Expressway and partial alignment of Pan Borneo Highway.

(Source: Economic Outlook 2021, Ministry of Finance)

Ministry of International Trade and Industry reported in 2018 that the e-commerce value-add and contribution to the GDP in Malaysia continuously improved over a period of seven years to RM85.8 billion in 2017 from RM37.7 billion in 2010, with an average annual growth rate of 12.5%. The government targets to increase the GDP growth rate by 20% by the year 2020. The booming growth of e-commerce industry had impacted the logistics industry in Malaysia to go through a series of evolution in their operation to form seamless fulfilment hubs in the country to serve their global supply chain activities. This is in line with the government initiatives led by the Malaysian Investment Development Authority under the National E-Commerce Strategic Roadmap which intends to position Malaysia as the regional e-fulfilment hub.

(Source: E-Commerce: A Game Changer for Logistics Industry in Malaysia, Malaysian Investment Development Authority (MIDA))

#### **4.5 Overview of the tourism industry in Malaysia**

When the COVID-19 pandemic hit Malaysia, the services sector was the most badly impacted sector in 2020, with a contraction of 5.5%. Of this significant decline, the tourism industry was the worst-hit industry, with Gross Value Added of Tourism Industries<sup>1</sup> contracted by 17.1% as tourist arrivals plunged by more than 80% due to worldwide travel bans and strict domestic movement restrictions. In addition, employment in the tourism industry contracted by 2.9% to 3.5 million. Since the tourism industry made up 24.4% of the services sector in 2020, the scarring effect of the tourism industry has continued to weigh on the performance of the services sector in 2021. As the pandemic continues to spread and movement restrictions continue to be imposed in 2021, the tourism industry is estimated to contract further by 19.5%.

The services sector will benefit from the pent-up demand, following increased business and consumer confidence as the nation records a high national vaccination rate. As economic and social activities are allowed to operate, the services sector is expected to expand by 7% in 2022. The growth is mainly driven by wholesale and retail trade; information and communications; finance and insurance; transportation and storage; and food & beverages and accommodation subsectors. With these encouraging development, the tourism industry is projected to rebound strongly by 28.9% with the resurgence of tourists arrivals and domestic tourism.

(Source: Economic Outlook 2022, Ministry of Finance)

#### **4.6 Prospects of the restructured Perak Corp**

Presently, the Perak Corp Group is principally involved in the following business segments:

- (a) Ports and logistics business segment via the operations of Lumut Port, Perak
- (b) Property development business segment; and
- (c) Hospitality and tourism business segment.

The Group's future prospects is dependent on its efforts to formulating a suitable regularisation plan with all other stakeholders and boost its existing business activities as well as ventures into new businesses, if it deems fit and proper, in order to uplift the Company from being an Affected Listed Issuer under the PN17. The Group will continue to explore new opportunities and review its capital and business structure to gear itself towards the exit of being an Affected Listed Issuer. At this juncture, the Group are still evaluating its options and is in the midst of formulating a proposed regularisation plan to regularise the Company's Affected Listed Issuer status.

The Company envisaged its business and earnings visibility to gradually recover from the slowdown caused by the global outbreak of COVID-19, the implementation of Movement Control Order in Malaysia. The economic slowdown and market uncertainty arising from COVID-19 has led to delays in the identifying new and future property development projects.

Against the backdrop of global and regional economic uncertainty, the on-going COVID-19 pandemic, lukewarm buying sentiment in the property market and unresolved property overhang, the property market has remained uncertain and challenging to many property developers. Amid the challenging operating environment, the recent unveiling of PENJANA in June 2020 is expected to augur well for the Group's property development business. These proposed measures would help to stimulate the property market and provide financial relief to home buyers.

Despite the challenging economic and Company overview, Perak Corp remains committed to the developmental programs aiming at improving the business capacity and harness the upswing potential once the economic climate improves. Besides managing operating performance, the Group will continuously look ahead to anticipate changes in the rapidly evolving business environment. The Board, having considered, discussed and evaluated its ongoing business initiatives in reviving its business operations, is supportive of the management's strategic focused areas and initiatives as well as to strengthen its core competencies.

Moving forward, the Group may further expand its property development, hospitality and tourism as well as management services business segments with the acquisition of landbank and/or joint venture with landowners to undertake further property development activities. The Group is also actively exploring new opportunities available to develop a diverse range of property development projects within Perak and other states in Peninsular Malaysia to capture new property market demand. To this end, the Group will aim to work with various property developers and project owners in Malaysia to secure additional property development projects. The Group will also continuously monitor the latest developments in the property market in Malaysia and aims to time the launches of its future property development and management projects to capitalise on the upcycle of the property market as and when appropriate.

(Source: Management of Perak Corp)

## 5. EFFECTS OF THE PROPOSALS

### 5.1 Share capital

The Proposed Amendments will not have any effects on the issued share capital of the Company. The pro forma effects of the Proposed Debt Settlement on the issued share capital of the Company are set out below:

	No. of Perak Corp Shares '000		No. of RPS '000	
		RM'000		RM'000
Issued share capital as at LPD	100,000	272,770	-	-
RPS-A1 to be issued pursuant to the Proposed Debt Settlement I	-	-	20,900	20,900
RPS-A2 to be issued pursuant to the Proposed Debt Settlement II			14,915	14,915
<b>Enlarged issued share capital</b>	<b>100,000</b>	<b>272,770</b>	<b>35,815</b>	<b>35,815</b>

## 5.2 Earnings and EPS

The Proposed Debt Settlement will result in an annual interest savings (excluding penalty interest) of up to RM8.91 million, based on the annual average interest rates of between 5.86% to 6.05%, with the penalty interest of between 1.75% to 2.50%. Both RPS-A1 and RPS-A2 carries a dividend rate of 5.0% per annum, which may reduce the distributable profits available for the distribution to the ordinary shares of Perak Corp.

Overall, the Proposed Debt Settlement is expected to contribute positively to the long-term future earnings of Perak Corp Group and put the Group back onto stronger financial footing.

## 5.3 NA and gearing

The Proposed Amendments will not have any effects on the NA and gearing position of the Company. Based on the audited consolidated financial statements of Perak Corp as at 31 December 2020, the pro forma effects of the Proposed Debt Settlement on the consolidated NA and gearing of Perak Corp Group are shown below:

	<b>Audited as at 31 December 2020</b>	<b>After Proposed Debt Settlement</b>
	<b>RM'000</b>	<b>RM'000</b>
Share capital	272,770	272,770
Accumulated losses	(181,295)	<sup>(a)</sup> (140,760)
<b>Shareholders' Funds/NA</b>	<b>91,475</b>	<b>132,010</b>
Non-controlling interest	(208,210)	(208,210)
<b>Total equity</b>	<b>(116,735)</b>	<b>(76,200)</b>
No. of Shares ('000)	100,000	100,000
NA per Share (RM) <sup>(b)</sup>	0.91	1.32
Interest bearing borrowings (RM'000) <sup>(d)</sup>	548,325	<sup>(b)</sup> 391,982
Gearing (times)	6.00	2.97

### Notes:

- (a) After including gain on disposal arising from the Disposal of Properties of RM41.99 million as well as deducting estimated expenses for the Proposals of approximately RM1.45 million.
- (b) Computed by taking the total NA of the Group divided by the number of Shares in issuance.
- (c) After full settlement of RM34.72 million pursuant to the Proposed Debt Settlement I and RM53.87 million pursuant to the Proposed Debt Settlement II by Perak Corp as well as the utilisation of the amount of RM67.76 million from the Disposal Sum for the partial settlement of the amount outstanding to the Secured Creditors.
- (d) Excluding RPS-A1 and RPS-A2.

## 5.4 Convertible securities

As at the LPD, the Company does not have any other convertible securities.

## 5.5 Substantial shareholders shareholdings

As the RPS are not convertible into new Perak Corp Shares, there are no dilutive effects on the substantial shareholders' shareholdings of Perak Corp arising from the Proposed Debt Settlement.

## **5.6 Dividends**

Perak Corp currently does not have a dividend policy.

However, both RPS-A1 and RPS-A2 shall carry the right to receive cumulative gross preferential dividend at a dividend rate of 5.0% per annum.

Future dividends payable would depend on *inter-alia*, the future financial performance of the Group and its cash availability taking into consideration its working capital requirements, capital expenditure and business expansion plans.

## **6. APPROVALS REQUIRED**

For avoidance of doubt, the Proposals are not subject to any approvals pursuant to the Listing Requirements as the Proposed Debt Settlement does not fall under Chapter 6 of the Listing Requirements. The Proposals are conditional upon the following being obtained:

- (a) approval of the shareholders of Perak Corp for the Proposals at the forthcoming EGM; and
- (b) any other relevant authorities / parties, if required.

The Proposed Debt Settlement I and Proposed Debt Settlement II are not inter-conditional upon with each other. The Proposed Debt Settlement and Proposed Amendments are inter-conditional upon each other. However, the Proposals are not conditional upon any other proposals to be undertaken by the Company, if any.

## **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM**

None of the Company's directors and major shareholders and any persons connected with them have any other interest, direct or indirect in the Proposals.

## **8. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board is of the opinion that the Proposals is in the best interests of the Company and shareholders. In arriving at the opinion, the Board has considered the current and prospective financial position and needs of the Group as well as the rationale and effects of the Proposals. Accordingly, our Board recommends that you vote in favour of the resolutions in relation to the Proposals at the Company's forthcoming EGM.

Upon completion of the Proposals, the Group will have restructured its balance sheet, negotiated a more sustainable take-out position for its indebtedness and preserved its on-going business operations in Perak Corp, thus positioning the Group for long-term growth and success. In this regard, the Board believes that the potential upside in the Perak Corp Shares post completion of the Proposals is an advantage to the shareholders as compared to the crystallisation of loss in the value of Perak Corp Shares under a liquidation scenario.

## **9. ADVISERS**

M&A Securities has been appointed as Principal Adviser for the Proposals.

FHMH has been appointed as the Scheme Adviser for the Proposed Debt Settlement.

## **10. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING IMPLEMENTATION**

Save for the Proposed Debt Settlement and as disclosed below, there are no other corporate proposals which have been announced by the Company but pending implementation.

On 17 December 2020, the Company announced that it intends to undertake a proposed scheme of arrangement pursuant to Section 366 of the Companies Act, 2016 for the settlement of the Perak Corp and PCB Development's outstanding liabilities and debt obligations ("**Proposed Scheme of Arrangement**"). On 26 March 2021, the Company announced that it proposed to vary certain terms of the Proposed Scheme of Arrangement. The Proposed Scheme of Arrangement shall involve a combination of issuance of new redeemable preference shares in Perak Corp, the balance outstanding amount shall be settled in the ordinary course of business as well as debt waiver by the scheme creditors of both Perak Corp and PCB Development (a wholly-owned subsidiary of Perak Corp), comprising the non-financial institutions of Perak Corp and non-financial institutions of PCB Development that are owed to, or may potentially have a claim against Perak Corp and PCB Development, up to 30 June 2020 ("**Scheme Creditors**").

On 19 April 2021, the Company had announced that the Scheme Creditors approved the Proposed Scheme of Arrangement at the adjourned court convened meetings held on 19 April 2021. On 7 May 2021, the Proposed Scheme of Arrangement has been sanctioned and approved by the High Court of Ipoh.

On 17 December 2021, the Company together with its Scheme Adviser has completed the proof of debt exercise to verify the outstanding and liabilities and debt obligations of the Scheme Creditors for the Proposed Scheme of Arrangement. Currently, the Company is in the midst of formulating a proposed regularisation plan. Further developments will be announced to Bursa Securities as and when there are material developments thereto.

## **11. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposals are expected to be implemented by the first half of 2022.

## **12. EGM**

An EGM, the Notice of which is enclosed in this Circular, will be held fully virtual through the TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd on Monday, 31 January 2022 at 10.30 a.m. and any adjournment thereof for the purpose of considering and, if thought fit, passing the resolutions pertaining to the Proposals.

If you are unable to attend and vote remotely via the remote participation and electronic voting facilities provided at the EGM, please complete the enclosed Form of Proxy which should be deposited at Unit 32- 01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic lodgement via TIIH Online website at <https://tiih.online> no later than Saturday, 29 January 2022 at 10.30 a.m. For electronic lodgement, please follow the procedures as set out in the Administrative Guide.

### **13. FURTHER INFORMATION**

Please refer to the **Appendix VI** set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**PERAK CORPORATION BERHAD**

**TAN SRI ABDUL RASHID BIN ABDUL MANAF**  
Independent Non-Executive Chairman

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**APPENDIX I – SALIENT TERMS OF THE CIMB DEBT SETTLEMENT AGREEMENT**

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The salient terms of the CIMB Debt Settlement Agreement are as follows:

<b>Terms</b>	<b>Details</b>
Government Acquisition	<ul style="list-style-type: none"><li>(a) Perak Corp shall notify CIMB of the compensation amount, terms of payment and acquisition terms of the Government Acquisition;</li><li>(b) Perak Corp undertakes to remit the CIMB Cash Settlement Amount to an account designated by CIMB within five (5) Business Days of receiving the compensation amount.</li><li>(c) Perak Corp shall provide a monthly status and progress report to CIMB from the date of the CIMB Debt Settlement Agreement on the status and progress of the Government Acquisition; and</li><li>(d) The current estimated timeline for the completion of the Government Acquisition is subject to a deadline for completion of 30 June 2022 (or such other date as agreed to by CIMB in writing).</li></ul>
General provisions for the CIMB Debt Settlement Agreement	<ul style="list-style-type: none"><li>(a) On the RPS-A1 Issue Date or the date of CIMB's receipt of the CIMB Cash Settlement Amount, whichever is the later, CIMB shall be deemed to have unconditionally and irrevocably waived any balance of the indebtedness with CIMB and all other amounts of whatsoever nature due and owing under the facilities agreement which is not settled pursuant to the terms of the CIMB Debt Settlement Agreement ("<b>Waived Debt</b>").  As from the RPS-A1 Issue Date or the date of CIMB's receipt of the CIMB Cash Settlement Amount, whichever is the later (but subject to the events of default under the CIMB Debt Settlement Agreement), the Waived Debt shall no longer be claimable by CIMB and the parties agree that the Waived Debt shall be extinguished as at that date.</li><li>(b) Within thirty (30) days of CIMB's receipt of payment of the CIMB Cash Settlement Amount in full, CIMB shall enter into the following release and discharge documents under which CIMB will release and discharge the security interest created under the:<ul style="list-style-type: none"><li>(i) Existing Charge over Casa Kayangan Land registered in the name of PCB Development; and</li><li>(ii) Existing Charge over Hulu Bernam Land,</li></ul>the Discharge of Charge (Form 16N) and the prescribed discharge forms under the Companies Act 2016.</li><li>(c) Within sixty (60) days of CIMB's receipt of payment of the CIMB Cash Settlement Amount in full, CIMB shall, at the cost and expense of Perak Corp, release the the ordinary shares of KUB Malaysia Berhad and Perak Corp deposited with CIMB as security for the existing financing facilities with CIMB ("<b>CIMB Facilities</b>") to PKNP.</li><li>(d) Within thirty (30) days from the date of the full redemption by Perak Corp of the RPS-A1 allotted and issued to CIMB and the full payment of accrued dividends on the RPS-A1 to CIMB, whichever is the later, CIMB shall enter into the following release and discharge documents under which CIMB will release and discharge the security interest created over the CIMB New Security (as defined below):<ul style="list-style-type: none"><li>(i) the Discharge of Charge (Forms 16N);</li><li>(ii) the Deeds of Revocation of Power of Attorney; and</li><li>(iii) the prescribed discharge forms under the Companies Act, 2016.</li></ul></li></ul>



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**APPENDIX I – SALIENT TERMS OF THE CIMB DEBT SETTLEMENT AGREEMENT (cont'd)**

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<b>Terms</b>	<b>Details</b>
	<p>(e) The parties agree and acknowledge that the aggregate amount of all accrued interest (including interest chargeable, due and payable by Perak Corp to CIMB on the CIMB Facilities up to and inclusive of the CIMB Cut-Off Date) had been capitalised and taken into account for the purpose of computing the CIMB Debt but at all times subject to the CIMB Debt Settlement Agreement not being terminated pursuant to the CIMB Events of Default (as defined below); and</p> <p>(f) No interest shall be chargeable by CIMB as from the CIMB Cut-Off Date. Notwithstanding the foregoing, in the event the CIMB Debt Settlement Agreement is terminated pursuant to the CIMB Events of Default, CIMB reserves the right to charge interest (and all penalties and interest penalties) as from the CIMB Cut-Off Date.</p>
Security for RPS-A1	<p>: As security for compliance with the terms and conditions of the RPS-A1 (including redemption and payment of accrued dividends), Perak Corp shall execute, on or before the execution of the CIMB Debt Settlement Agreement, the CIMB New Security (as defined below) in favour of CIMB. CIMB shall be entitled to lodge a private caveat to be endorsed over the issue documents of title to the Hulu Kinta Land (as defined below) and Hulu Bernam Land.</p>
	<p><b>Note:</b></p>
	<p>The CIMB New Security is defined as follows:</p>
	<p>(1) Charge and Power of Attorney over the following lands:</p> <ul style="list-style-type: none"><li>(i) piece of freehold land held under Geran 151067, Lot 516687 in the Mukim of Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan ("<b>Hulu Kinta Land</b>"); and</li><li>(ii) Hulu Bernam Land.</li></ul> <p>(2) any other document for the time being or from time to time constituting security for the obligations and liabilities of Perak Corp relating to the redemption of the RPS-A1 including the payment of the accrued dividends.</p>
Conditions Precedent	<p>: The CIMB Debt Settlement Agreement shall be conditional upon the receipt by CIMB of the documents and evidence satisfactory to CIMB in respect of the fulfilment of the following conditions precedent by 28 February 2022:</p>
	<p>(a) the board of directors of Perak Corp having by resolution approved the:</p> <ul style="list-style-type: none"><li>(i) execution and delivery of the CIMB Debt Settlement Agreement and performance of Perak Corp's obligations under the CIMB Debt Settlement Agreement;</li><li>(ii) issue and allotment of the RPS-A1 to CIMB;</li><li>(iii) utilisation and remittance of the CIMB Cash Settlement Amount, to an account designated by CIMB for the part payment of the CIMB Debt; and</li><li>(iv) granting and execution of the CIMB New Security in favour of CIMB as security for the redemption of RPS-A1 and payment of all accrued dividends on RPS-A1, together with the specimen signatures of its directors and authorised signatory(ies);</li></ul>

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**APPENDIX I – SALIENT TERMS OF THE CIMB DEBT SETTLEMENT AGREEMENT (cont'd)**

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<b>Terms</b>	<b>Details</b>
	(b) the execution and stamping of the CIMB Debt Settlement Agreement and the CIMB New Security;
	(c) the presentation of the charge over Hulu Kinta Land and the charge over Hulu Bernam Land for registration at the relevant land office/registry, lodging of the Statements of Particulars to be Lodged with Charge in respect of the charge over Hulu Kinta Land and the charge over Hulu Bernam Land at the Companies Commission of Malaysia and filing of the power of attorney contained in the Power of Attorney (Hulu Kinta Land) and the Power of Attorney (Hulu Bernam Land) with the High Court of Malaya;
	(d) the passing by the shareholders of Perak Corp of a shareholder's resolution approving the Proposed Debt Settlement I;
	(e) company search shall have been conducted on Perak Corp at the Companies Commission of Malaysia and the search result shall reveal that there are no charges that have been registered with the Companies Commission of Malaysia which would adversely affect the interest of CIMB under the CIMB Debt Settlement Agreement and the CIMB New Security;
	(f) a winding-up search shall have been conducted on Perak Corp and such search results shall confirm that Perak Corp has not been wound up;
	(g) receipt by CIMB (in form and substance satisfactory to CIMB) of a certified true copy of each of the certificate(s) of incorporation, the constitution/memorandum and articles of association, the latest Return for Allotment of Shares, the Notice of Situation of Registered Office and Office Hours and Particulars of Changes (Form 44) / Notification for Change in the Registered Address, the Return Giving Particulars In Register of Directors, Managers and Secretaries and Changes of Particulars (Form 49), and all relevant Notifications of Change in the Register of Directors, Managers and Secretaries, of Perak Corp;
	(h) receipt by CIMB from CIMB's appointed valuer of a full valuation report on the CIMB New Security which valuation must confirm that the value of the Hulu Kinta Land and Hulu Bernam Land are in aggregate no less than RM23,000,000.00;
	(i) latest receipts of payment by Perak Corp of quit rent and assessment on the Casa Kayangan Land, Hulu Kinta Land and Hulu Bernam Land; and
	(j) full payment of all of CIMB's advisers' fees and expenses including Shearn Delamore & Co.'s and CIMB's appointed valuer's fees and disbursements.

**("Conditions Precedent for CIMB Debt Settlement Agreement")**

The CIMB Debt Settlement Agreement shall become unconditional on the date on which CIMB confirms to Perak Corp the last of the Conditions Precedent for CIMB Debt Settlement Agreement have been complied with to its reasonable satisfaction ("**Unconditional Date**").

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**APPENDIX I – SALIENT TERMS OF THE CIMB DEBT SETTLEMENT AGREEMENT (cont'd)**

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<b>Terms</b>	<b>Details</b>
	<p>The Conditions Precedent for CIMB Debt Settlement Agreement are given for the benefit of CIMB and may be waived, in whole or in part by CIMB at CIMB's absolute discretion without prejudicing the right of CIMB to assert such Conditions Precedent for CIMB Debt Settlement Agreement in whole or in part in the future.</p> <p>If the Conditions Precedent for CIMB Debt Settlement Agreement are not fulfilled or waived by 28 February 2022, CIMB may by notice to Perak Corp, terminate the CIMB Debt Settlement Agreement and CIMB shall immediately be discharged from all of its obligations to Perak Corp under the CIMB Debt Settlement Agreement and CIMB Event of Default.</p>
CIMB Standstill	<p>: CIMB hereby agrees, not at any time during the CIMB Standstill Period (as defined hereunder) notwithstanding its rights under and pursuant to the agreement dated 5 September 2018 between Perak Corp and CIMB, and the various letters of offer described in the foregoing agreement ("<b>Facilities Agreement</b>") and CIMB Security (as defined hereunder) unless expressly permitted under the CIMB Debt Settlement Agreement:</p> <ul style="list-style-type: none"><li>(a) demand payment of the indebtedness or any part thereof;</li><li>(b) institute or continue with proceedings or steps of any kind against Perak Corp or the Security Party (Existing) or its assets for, or with a view to, enforcing payment or discharge of or recovery of the Indebtedness or any part thereof or permit any such action to be taken on its behalf;</li><li>(c) in pursuance of a claim for, or in levying execution in respect of, the Indebtedness or any part thereof, levy or enforce a distress or execution or other similar process whatsoever against any of the assets of Perak Corp or any Security Party (Existing);</li><li>(d) to take any action whatsoever for, or with a view to, or in contemplation of, the winding up or dissolution of Perak Corp or any Security Party (Existing);</li><li>(e) save and except for the CIMB Security and New Security, to attempt to obtain or obtain any guarantee, indemnity or any Security Interest whatsoever from any group company of Perak Corp or any shareholder of a group company of Perak Corp; and</li><li>(f) to make any increase in the margin or pricing terms in respect of the CIMB Facilities or otherwise make any alteration to the terms of the CIMB Facilities, Facilities Agreement and CIMB Security except pursuant to the CIMB Debt Settlement Agreement.</li></ul> <p>(collectively, the "<b>CIMB Standstill</b>")</p>
	<p><b>Note:</b></p> <p>CIMB Standstill Period is defined as the period commencing on the date of the CIMB Debt Settlement Agreement and expiring on the date the Cash Settlement Amount is paid in full to CIMB ("<b>CIMB Debt Settlement Date</b>"), 28 February 2022 if the Conditions Precedent for CIMB Debt Settlement Agreement are not fulfilled by such date or the date of occurrence of a CIMB Event of Default, whichever is the earlier.</p> <p>Without prejudice to the generality of the foregoing provisions of this clause, CIMB hereby further agrees and covenants with Perak Corp that for the duration of the Standstill Period, it will not exercise any rights it may have in respect of subsisting breaches under the facilities, Facilities Agreement and CIMB Security</p>

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**APPENDIX I – SALIENT TERMS OF THE CIMB DEBT SETTLEMENT AGREEMENT (cont'd)**

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<b>Terms</b>	<b>Details</b>
	<p>which may have occurred prior to the date of the CIMB Debt Settlement Agreement and which continue to subsist during the CIMB Standstill Period.</p> <p>During the CIMB Standstill Period and save and except to the extent as provided therein, CIMB shall be deemed to have waived any of its other rights under the Facilities Agreement or the CIMB Security.</p> <p><b>Note:</b></p> <p>CIMB Security is defined as the third party second fixed legal charge bearing Presentation No. 36268/2018 over the Casa Kayangan Land.</p>
Events of default and termination	<p>: An event of default shall have occurred:</p> <ul style="list-style-type: none"><li>(a) Perak Corp commits a breach of any of the terms of the CIMB Debt Settlement Agreement (including a failure to issue and allot the RPS-A1 in accordance with the CIMB Debt Settlement Agreement) other than a breach under (b) and (c) below, which if capable of remedy, has not been remedied within 30 days after Perak Corp has been made aware of or notified by CIMB of the failure;</li><li>(b) CIMB does not receive the CIMB Cash Settlement Amount in full by 30 June 2022;</li><li>(c) Perak Corp fails to redeem the RPS-A1 on the relevant redemption date(s) in accordance with the terms of RPS-A1 or pay any dividends accrued on RPS-A1 or any profit/interest, late payment charges/compensation or any other sum due and payable in accordance with the terms of RPS-A1.</li><li>(d) any representation or warranty or by Perak Corp in the CIMB Debt Settlement Agreement proves to be incorrect or untrue and has not been remedied within thirty (30) days after Perak Corp has been made aware of or notified by CIMB of the incorrect or untrue representation or warranty;</li><li>(e) Perak Corp ceases to carry on its business or any material part thereof;</li><li>(f) Perak Corp proposes a resolution or other steps are taken for winding up of Perak Corp (other than for the purposes of and followed by a reconstruction previously approved in writing by CIMB or a scheme of arrangement approved in writing by CIMB prior to the date of the CIMB Debt Settlement Agreement);</li><li>(g) any law is brought into effect which purports to render ineffective or invalid or unlawful any provision of the CIMB Debt Settlement Agreement or which would prevent Perak Corp from performing any of its obligations under the CIMB Debt Settlement Agreement; or</li><li>(h) any material provision of the CIMB Debt Settlement Agreement is or becomes, for any reason, invalid or unenforceable,</li></ul> <p>(collectively, the "<b>CIMB Events of Default</b>")</p>

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**APPENDIX I – SALIENT TERMS OF THE CIMB DEBT SETTLEMENT AGREEMENT (cont'd)**

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<b>Terms</b>	<b>Details</b>
	<p>and Perak Corp undertakes to notify CIMB in writing immediately upon it becoming aware of such Event of Default. If any Event of Default has occurred, and in the case of an Event of Default in (a) and (d) above the cure period has expired, CIMB may by notice to Perak Corp, declare that an event of default has occurred whereupon:</p> <ul style="list-style-type: none"><li data-bbox="475 488 1423 584">(a) the CIMB Debt Settlement Agreement shall immediately terminate and CIMB shall immediately be discharged from all of its obligations to Perak Corp under the CIMB Debt Settlement Agreement; and</li><li data-bbox="475 618 1423 837">(b) the outstanding amount of the CIMB Debt to the extent not settled pursuant to the terms of the CIMB Debt Settlement Agreement and all penalties and interest penalties chargeable as from the CIMB Cut-Off Date shall become immediately due and payable and CIMB shall become entitled forthwith to make a demand for payment on Perak Corp and/or to exercise any rights (which CIMB may have under the Facilities Agreement and any security documents in favour of CIMB.</li></ul>

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**APPENDIX II – SALIENT TERMS OF THE OF THE RPS-A1**


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Terms	Details
Issuer	: Perak Corp
Issue Size	: RM20,900,309.00 comprising 20,900,309 fully paid-up RPS-A1.
Issue Price	: RM1.00 for each RPS-A1
Subscriber	: CIMB
Purpose	: As part settlement to CIMB pursuant to the CIMB Debt Settlement Agreement
Tenure	: Three (3) years commencing from the first date of issuance of the RPS-A1
Maturity Date	: The business day immediately preceding the 3rd anniversary date of the issuance of the RPS-A1 (" <b>RPS-A1 Maturity Date</b> ")
Dividend	: (a) RPS-A1 shall carry the right to receive cumulative gross preferential dividend at a dividend rate of 5.0% per annum, calculated based on the RPS-A1 Issue Price and on the basis of the actual number of days lapsed in a 365-day year. (b) The dividend shall be paid from the distributable reserves of Perak Corp. No dividend shall be paid in respect of any other security ranking junior to RPS-A1 and Perak Corp Shares unless the dividends, including accumulated dividends, on the RPS-A1 have first been paid. (c) The dividends shall be payable in arrears annually on the anniversary of the date of issuance of the RPS-A1. Any dividend that is not paid on the relevant dividend payment date shall continue to accumulate and to be compounded for the next dividend payment and in any case no later than the RPS-A1 Maturity Date.
Form and Denomination	The RPS-A1 are to be issued in registered form and constituted by Perak Corp's constitution.
Redemption	: The RPS-A1 may at the option of Perak Corp be redeemed on the 1st anniversary and 2nd Anniversary of the date of issuance and allotment of RPS-A1 (" <b>RPS-A1 Issue Date</b> ") for the following amounts but subject always to a mandatory full redemption on the 3rd anniversary of the RPS-A1 Issue Date:

Anniversary of RPS-A1 Issue Date	Redemption amount for RPS-A1 (excluding dividend to be declared and paid) (RM)
1 <sup>st</sup>	6,966,769
2 <sup>nd</sup>	6,966,770
3 <sup>rd</sup>	6,966,770
<b>Total</b>	<b>20,900,309</b>

Perak Corp may at any time on the 1st and/or 2nd anniversary of the RPS-A1 Issue Date, in its sole and absolute discretion, issue a notice to redeem any portion or all of the RPS-A1 and at the same time, pay the applicable redemption amount and all accrued and unpaid dividends calculated up to and including the date of redemption payable in respect of the redeemed RPS-A1. Any RPS-A1 that is not redeemed on the relevant redemption date shall continue to be carried forward but all RPS-A1 shall be fully redeemed by Perak Corp and all outstanding accrued dividends shall be paid to CIMB on the RPS-A1 Maturity Date without the requirement of any notice.

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**APPENDIX II – SALIENT TERMS OF THE OF THE RPS-A1 (cont'd)**

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<b>Terms</b>	<b>Details</b>
	Provided always that in the event that an CIMB Event of Default occurs, Perak Corp shall redeem the RPS-A1 and pay all outstanding accrued dividends within thirty (30) days of the notice in writing being issued by CIMB declaring that a CIMB Event of Default has occurred under the CIMB Debt Settlement.
Redemption Price	: Equivalent to the RPS-A1 Issue Price together with accrued dividends up to and including the date of redemption
Ranking	: RPS-A1 shall rank <i>pari-passu</i> without any preference or priority among themselves and RPS-A2 issued by Perak Corp but shall otherwise rank in priority to all other shares or securities of Perak Corp.
Conversion Rights	: The RPS-A1 is not convertible into new Perak Corp Shares.
Security	: (a) Securitised by the CIMB New Security, as follows: <ul style="list-style-type: none"><li>(i) a land charge over the Hulu Kinta Land ("<b>Charge over Hulu Kinta Land</b>") in favour of CIMB valued at an indicative desktop market valuation of approximately RM20,800,000.00 to RM22,300,000 on 8 October 2020;</li><li>(ii) a land charge over the Hulu Bernam Land ("<b>Charge over Hulu Bernam Land</b>") in favour of CIMB;</li><li>(iii) Power of Attorney on Hulu Kinta Land; and</li><li>(iv) Power of Attorney on Hulu Bernam Land.</li></ul> (b) If an event of default on the compliance with the terms and conditions of the RPS-A1 (including default in the payment of the redemption sum and payment of accrued dividends) by Perak Corp occurs, the RPS-A1 holder shall automatically, and without the requirement of any notice (save and except for any notice to be provided or issued under any written law) be entitled to: <ul style="list-style-type: none"><li>(i) first enforce the Charge over Hulu Kinta Land including selling, dealing with or disposing of the Charge over Hulu Kinta Land to recoup the amount equal to the RPS-A1 to be redeemed and the accrued and unpaid dividends. Only after the Charge over Hulu Kinta Land has been disposed CIMB and there continues to remain a balance still due and owing to the RPS-A1 holder, the RPS-A1 holder shall then exercise its rights in and to the Charge over Hulu Bernam Land.</li><li>(ii) at the expiry of 1 year from the date of default and without assigning any reason, to enforce the Charge over Hulu Kinta Land and/or Charge over Hulu Bernam Land including selling, dealing with or disposing at the absolute discretion of the RPS-A1 holder.</li></ul>
Security Documents	: The CIMB New Security shall be executed and delivered on or before the execution of the CIMB Debt Settlement Agreement.
Information Rights	: Every RPS-A1 holder shall be entitled to the same rights as an ordinary shareholder with regard to receiving notices of general meetings, reports and audited financial statements of Perak Corp, and to attend at all general meetings or any other meeting of any class of members of Perak Corp but without voting rights other than as permitted in the CIMB Debt Settlement Agreement.

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**APPENDIX II – SALIENT TERMS OF THE OF THE RPS-A1 (cont'd)**

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<b>Terms</b>	<b>Details</b>
Voting Rights	<p>: The RPS-A1 shall carry no right to vote at any general meeting of Perak Corp, save as follows (and the following matters require the affirmative vote of the RPS-A1 holder):</p> <ul style="list-style-type: none"><li>(a) any resolution is proposed for the winding-up or liquidation of Perak Corp; or</li><li>(b) the meeting is convened for the purpose of considering a reduction or repayment in the capital of Perak Corp other than the redemption of preference shares; or</li><li>(c) the meeting is convened for the purpose of varying or amending the rights and privileges attaching to the RPS-A1 (including any amendments to the constitution of Perak Corp in that respect);</li></ul> <p>Every RPS-A1 holder who is present in person at such meetings shall have, on a show of hands, one vote and on a poll, one vote for every RPS-A1 of which he is a holder.</p>
Rights in an Event of Winding-Up or Liquidation	<p>: In the event of the commencement of any winding up or liquidation of Perak Corp, the RPS-A1 shall be automatically, and without the requirement of any notice, redeemed in priority from the proceeds from the disposal of the CIMB New Security and shall rank in respect to the proceeds from the disposal of the CIMB New Security:</p> <ul style="list-style-type: none"><li>(a) senior to all other creditors (including the holders of subordinated debts); and</li><li>(b) senior to the ordinary shares and any other securities or obligations of Perak Corp that are subordinated to the RPS-A1.</li></ul> <p>The outstanding RPS-A1 is immediately due and repayable, and the RPS-A1 then outstanding shall become immediately due and repayable together with accrued dividends up to and including the date of repayment.</p>
Listing	<p>: The RPS-A1 shall not be listed on any stock exchange.</p>
Governing Laws	<p>: Laws of Malaysia.</p>

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## **APPENDIX III – SALIENT TERMS OF THE AFFIN ISLAMIC DEBT SETTLEMENT AGREEMENT**

The salient terms of the Affin Islamic Debt Settlement Agreement are as follows:

<b>Terms</b>	<b>Details</b>
Government Acquisition	<ul style="list-style-type: none"> <li>(a) Perak Corp shall notify Affin Islamic of the compensation amount, terms of payment and acquisition terms of the Government Acquisition;</li> <li>(b) Perak Corp undertakes to remit the Affin Islamic Cash Settlement Amount to an account designated by Affin Islamic within five (5) Business Days of receiving the compensation amount and the amount shall be to the partial satisfaction of the Affin Islamic Debt to the extent and equal to the value of the remitted amount.</li> <li>(c) Perak Corp shall provide a monthly status and progress report to Affin Islamic from the date of the Affin Islamic Debt Settlement Agreement on the status and progress of the Government Acquisition;</li> <li>(d) The current estimated timeline for the completion of the Government Acquisition is subject to a deadline for completion of 31 March 2022 (or such other date as agreed to by Affin Islamic in writing);</li> </ul>
General provisions for the Affin Islamic Debt Settlement Agreement	<ul style="list-style-type: none"> <li>(a) Upon settlement of the Affin Islamic Debt, Affin Islamic agrees to release and deliver a discharge of all the Affin Islamic Securities (other than the Affin Islamic Additional Charge (as defined below)) including the Financing Agreements, within fourteen (14) days from the Affin Islamic Debt Settlement Date<sup>(1)</sup> and Affin Islamic shall take such steps as may be requested by Perak Corp or a Security Party (Existing) to sign the release and discharge documents to evidence such release and discharge.</li> <li>(b) Affin Islamic agrees that upon the full redemption by Perak Corp of the RPS-A2 allotted and issued to Affin Islamic and/or its nominee including the full payment of accrued dividends on the RPS-A2 to Affin Islamic and/or its nominee no later than the RPS-A2 Maturity Date, Affin Islamic shall discharge the Affin Islamic Additional Charge and shall within 14 days of the date of redemption of the said RPS-A2 and date of full payment of accrued dividends on the RPS-A2 to Affin Islamic and/or its nominee, whichever is the later, take such steps as may be requested by Perak Corp, to sign the release and discharge documents to evidence such release and discharge;</li> <li>(c) The parties agree and acknowledge that the aggregate amount all profits and compensation charges (including chargeable due and payable by Perak Corp to Affin Islamic on the Affin Islamic Debt up to and inclusive of the Affin Islamic Cut-Off Date) had been taken into account for the purpose of computing the Affin Islamic Debt but at all times subject to the events of default under the Affin Islamic Debt Settlement Agreement; and</li> <li>(d) The parties agree that Perak Corp is permitted to undertake and carry out its proposed regularisation plan and the scheme of arrangement.</li> </ul>
Security for RPS-A2 :	<ul style="list-style-type: none"> <li>(a) As security for compliance with the terms and conditions of the RPS-A2 (including redemption and payment of accrued dividends), Perak Corp shall cause CMSB to execute the third party second fixed legal charge over a piece of freehold land with a twelve (12) storey hotel tower annexed within two (2) storey podium, two (2) blocks of nine (9) storey office building and a single storey convention hall held under H.S.(D) 204383 PT No. 245010, Mukim of Hulu Kinta, Daerah Kinta, Perak, bearing postal address No. 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak, Malaysia ("<b>Casuarina Hotel Meru</b>") created by CMSB in favour of Affin Islamic ("<b>Affin Islamic Additional Charge</b>").</li> <li>(b) Affin Islamic agrees to release and deliver a discharge of the Affin Islamic Additional Charge and sign the release and discharge documents to</li> </ul>

**APPENDIX III – SALIENT TERMS OF THE AFFIN ISLAMIC DEBT SETTLEMENT AGREEMENT**  
**(cont'd)**

Terms	Details
	evidence such release and discharge within fourteen (14) days from the date of redemption of the RPS-A2 and payment of accrued dividends, whichever is later which shall not exceed 31 March 2025.
	(c) Notwithstanding the above, in the event Perak Corp identifies a potential purchaser for Casuarina Hotel Meru (as defined above), Perak Corp shall be at liberty to sell or otherwise dispose of Casuarina Hotel Meru to the potential purchaser, subject always to Affin Islamic's prior written consent is obtained (which consent shall not be unreasonably withheld or delayed) and the proceeds from such sale or disposal shall first be utilised towards redemption of the RPS-A2 (including the accrued dividends).
Conditions Precedent	: The Affin Islamic Debt Settlement Agreement shall be conditional upon the receipt by Affin Islamic of the documents and evidence satisfactory to Affin Islamic in respect of the fulfilment of the following conditions precedent by 28 February 2022: <ul style="list-style-type: none"> <li>(a) the Board of Directors of Perak Corp having by resolution approved the following: <ul style="list-style-type: none"> <li>(i) execution of and performance of the Perak Corp's obligations under the Affin Islamic Debt Settlement Agreement;</li> <li>(ii) issue and allotment of the RPS-A2; and</li> <li>(iii) utilisation and remittance of the sum of RM38,953,038.75 of the compensation amount received pursuant to the Government Acquisition to an account designated by Affin Islamic, for the part payment of the Affin Islamic Debt;</li> </ul> </li> <li>(b) the board of directors of CMSB having by resolution approved the granting and execution of the Affin Islamic Additional Charge in favour of Affin Islamic as security for the redemption of the RPS-A2 and payment of all accrued dividends;</li> <li>(c) the execution and stamping of the Affin Islamic Debt Settlement Agreement;</li> <li>(d) the filing of the Affin Islamic Additional Charge in favour of Affin Islamic for registration at the relevant land office, lodging of the Statement of Particulars to be Lodged with Charge in respect of the Affin Islamic Additional Charge at the Companies Commission of Malaysia and filing of the power of attorney contained in the Affin Islamic Additional Charge with the High Court of Malaya; and</li> <li>(e) the passing by the shareholders of the Company of a shareholders' resolution approving the Proposed Debt Settlement II.</li> </ul>

(collectively, the "**Conditions Precedent for Affin Islamic Debt Settlement Agreement**")

Perak Corp shall submit to Affin Islamic the requisite Board of Directors' resolution, shareholders' resolution and other documents and evidence reasonably satisfactory of the fulfilment of the Conditions Precedent for Affin Islamic Debt Settlement Agreement. Perak Corp shall on a monthly basis provide Affin Islamic a monthly status and progress report on securing the fulfilment of the Conditions Precedent for Affin Islamic Debt Settlement Agreement.

Upon delivery of all the documents and evidence referred to in the Conditions Precedent for Affin Islamic Debt Settlement Agreement and upon the

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**APPENDIX III – SALIENT TERMS OF THE AFFIN ISLAMIC DEBT SETTLEMENT AGREEMENT**  
*(cont'd)*

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<b>Terms</b>	<b>Details</b>
	<p>Conditions Precedent for Affin Islamic Debt Settlement Agreement having been complied with or fulfilled and to the reasonable satisfaction of Affin Islamic in accordance with the above, Perak Corp shall issue a notice in writing of that fact to Affin Islamic, and the Affin Islamic Debt Settlement Agreement shall become unconditional ("<b>Unconditional Date</b>").</p> <p>Upon Perak Corp's failure to comply with the above Conditions Precedent for Affin Islamic Debt Settlement Agreement on or before 28 February 2022, the Affin Islamic Debt Settlement Agreement shall be deemed automatically rescinded without any notice being issued to remedy this breach and any payment made by Perak Corp towards the Affin Islamic Debt, shall be deemed treated as part payment towards all amounts outstanding and payable under the Affin Islamic financing(s) and Affin Islamic shall, at its absolute liberty be entitled to exercise all its rights and remedies under the respective financing agreements and securities.</p>
Standstill	<p>: Affin Islamic hereby agrees, not at any time during the period commencing on the date of the Affin Islamic Debt Settlement Agreement and expiring on (a) the Affin Islamic Debt Settlement Date; or (b) the date of declaration of an Event of Default, whichever is the earlier ("<b>Standstill Period</b>") notwithstanding its rights under and pursuant to the Financing Agreements and Affin Islamic Securities unless expressly permitted under the Affin Islamic Debt Settlement Agreement:</p> <ul style="list-style-type: none"><li>(a) demand payment of the Indebtedness or any part thereof;</li><li>(b) institute or continue with proceedings or steps of any kind against Perak Corp or the Security Party (Existing) or its assets for, or with a view to, enforcing payment or discharge of or recovery of the Indebtedness or any part thereof or permit any such action to be taken on its behalf;</li><li>(c) in pursuance of a claim for, or in levying execution in respect of, the Indebtedness or any part thereof, levy or enforce a distress or execution or other similar process whatsoever against any of the assets of Perak Corp or any Security Party (Existing);</li><li>(d) enforce in any way whatsoever any of the right of recourse held by it for the Indebtedness or any part thereof, which it may hold or which it may become entitled over the whole or any part of the assets of Perak Corp or enforce any of its rights against the Security Party (Existing);</li><li>(e) receive or recover any amounts under or in respect of any right of recourse against Perak Corp or any Security Party (Existing) or make any demand or take any steps to enforce such right of recourse;</li><li>(f) exercise against Perak Corp or any Security Party (Existing) any right of set-off or combination of accounts or counterclaim whatsoever in reduction of the Indebtedness or any part thereof;</li><li>(g) take any action whatsoever for, or with a view to, or in contemplation of, the winding up or dissolution of Perak Corp or any Security Party (Existing);</li><li>(h) save and except for the Affin Islamic Securities and Affin Islamic Additional Charge, attempt to obtain or obtain any guarantee, indemnity or any Security Interest whatsoever from any group company or any shareholder of a group company or any other third party; and</li><li>(i) make any increase in the margin or pricing terms in respect of the Financing(s) or otherwise make any alteration to the terms of the Affin Islamic Financing(s), Financing Agreements and Affin Islamic Securities except pursuant to the Affin Islamic Debt Settlement Agreement.</li></ul>

**APPENDIX III – SALIENT TERMS OF THE AFFIN ISLAMIC DEBT SETTLEMENT AGREEMENT**  
**(cont'd)**

<b>Terms</b>	<b>Details</b>
	<p>(collectively, the "<b>Standstill</b>")</p> <p>Without prejudice to the generality of the foregoing provisions of the Standstill, Affin Islamic hereby further agrees and covenants with Perak Corp that for the duration of the Standstill Period, it will not exercise any rights it may have in respect of subsisting breaches under the Affin Islamic Financing(s), Financing Agreements and Affin Islamic Securities which may have occurred prior to the date of Affin Islamic Debt Settlement Agreement and which continue to subsist during the Standstill Period.</p> <p>Subject to the terms of the Events of Default below, during the Standstill Period and save and except to the extent as provided herein, Affin Islamic shall not waive any of its other rights under the Financing Agreements or the Affin Islamic Securities.</p>
Events of default and termination	<p>: An Event of Default shall have occurred if prior to the Affin Islamic Debt Settlement Date:</p> <ul style="list-style-type: none"> <li>(a) Perak Corp commits a breach of any terms of the Affin Islamic Debt Settlement Agreement, which if capable of remedy, has not been remedied within thirty (30) days after Perak Corp has been made aware of or notified by Affin Islamic of the failure;</li> <li>(b) any representation or warranty or by Perak Corp in the Debt Settlement Agreement proves to be incorrect and has not been remedied within thirty (30) days after Perak Corp has been made aware of or notified by Affin Islamic of the incorrect representation or warranty;</li> <li>(c) Perak Corp ceases to carry on its business or any material part thereof;</li> <li>(d) Perak Corp proposes a resolution or other steps are taken for winding up of Perak Corp (other than for the purposes of and followed by a reconstruction previously approved in writing by Affin Islamic or the Perak Corp's proposed regularisation plan or the scheme of arrangement);</li> <li>(e) any law is brought into effect which purports to render ineffective or invalid any provision of the Affin Islamic Debt Settlement Agreement or which would prevent Perak Corp from performing any of its obligations under the Affin Islamic Debt Settlement Agreement; or</li> <li>(f) any material provision of the Affin Islamic Debt Settlement Agreement is or becomes, for any reason, invalid or unenforceable,</li> </ul> <p>(collectively, the "<b>Events of Default</b>")</p> <p>and Perak Corp undertakes to notify Affin Islamic in writing immediately upon it becoming aware of such Event of Default. If any Event of Default has occurred, and in the case of an Event of Default in (a) and (b) above the remedy period has expired, Affin Islamic may by notice to Perak Corp, declare that an Event of Default has occurred whereupon:</p> <ul style="list-style-type: none"> <li>(a) the Affin Islamic Debt Settlement Agreement shall immediately terminate and Affin Islamic shall immediately be discharged from all of its obligations to Perak Corp under the Affin Islamic Debt Settlement Agreement;</li> </ul>

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**APPENDIX III – SALIENT TERMS OF THE AFFIN ISLAMIC DEBT SETTLEMENT AGREEMENT**  
***(cont'd)***

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<b>Terms</b>	<b>Details</b>
	<p>(b) all payments made towards the Affin Islamic Debt, shall be taken and/or treated as part payment of the outstanding Indebtedness under the respective financing agreements with Affin Islamic; and</p> <p>(c) the balance outstanding Indebtedness amount under the respective financing agreements with Affin Islamic inclusive of all profits and compensation charges shall become immediately due and payable and Affin Islamic shall become entitled forthwith to make a demand for payment on Perak Corp and/or to exercise any rights which Affin Islamic have under the Financing Agreements and any security documents in favour of Affin Islamic.</p>

In the case of an Event of Default in (a) or (b) has occurred and the event of default is remedied within the remedy period, Perak Corp shall pay to Affin Islamic an amount equal to the profit rate used by Affin Islamic in calculating the Affin Islamic Debt for the remedy period stated in (a) and/or (b) above, as applicable, on or before 30 April 2022.

Save and except where an Event of Default has occurred and the remedy period has not lapsed or expired, the Affin Islamic Debt Settlement Agreement shall automatically determine on the Affin Islamic Cut-Off Date and if for any reason whatsoever, the Affin Islamic Debt is not fully settled by Perak Corp by the Affin Islamic Cut-Off Date on the terms and conditions of the Affin Islamic Debt Settlement Agreement:

- (a) all payment made towards the Affin Islamic Debt, shall be taken and/or treated as part payment of the outstanding Indebtedness under the respective Financing Agreements; and
- (b) the balance outstanding Indebtedness amount under the respective Financing Agreements shall become immediately due and payable and Affin Islamic shall become entitled forthwith to make a demand for payment on Perak Corp and/or to exercise any rights which Affin Islamic have under the Financing Agreements and Affin Islamic Security in favour of Affin Islamic.

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**APPENDIX IV – SALIENT TERMS OF THE RPS-A2**


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<b>Terms</b>	<b>Details</b>
Issuer	: Perak Corp
Issue Size	: Up to 14,914,671 RPS-A2 and in multiples of RM1.00 each
Issue Price	: RM1.00
Subscriber	: Affin Islamic and/or its nominee
Purpose	: As part settlement to Affin Islamic pursuant to the Affin Islamic Debt Settlement Agreement
Tenure	: Three (3) years commencing from the first date of issuance of the RPS-A2
Maturity Date	: The business day immediately preceding the 3rd anniversary date of the issuance of the RPS-A2 (" <b>RPS-A2 Maturity Date</b> ")
Dividend	: (a) The RPS-A2 shall carry the right to receive cumulative gross preferential dividend at a dividend rate of 5.0% per annum, calculated based on the RPS-A2 Issue Price and on the basis of the actual number of days lapsed in a 365-day year. (b) The dividend shall be paid from the distributable reserves of Perak Corp. No dividend shall be paid in respect of any other securities ranking junior to RPS-A2 and ordinary shares in Perak Corp Shares unless the dividends, including accumulated dividends, on the RPS-A2 have first been paid. (c) The dividends shall be payable in arrears annually on the anniversary of the date of issuance of the RPS-A2. Any dividend that is not paid on the relevant dividend payment date shall continue to accumulate and to be compounded for the next dividend payment and in any case no later than the RPS-A2 Maturity Date.
Form and Denomination	The RPS-A2 are to be issued in registered form and constituted by Perak Corp's Constitution
Redemption	: The RPS-A2 may at the option of Perak Corp be redeemed on the 1st anniversary and 2nd Anniversary of the RPS-A2 Issue Date for the following amounts but subject always to a mandatory full redemption on the 3rd anniversary of the RPS-A2 Issue Date:

<b>Anniversary of Subscription</b>	<b>RPS-A2 (excluding dividend to be declared) (RM)</b>
1 <sup>st</sup>	4,971,557
2 <sup>nd</sup>	4,971,557
3 <sup>rd</sup>	4,971,557
<b>Total</b>	<b>14,914,671</b>

Perak Corp may at any time on the 1st and/or 2nd anniversary of the RPS-A2 Issue Date, in its sole and absolute discretion, issue a notice to redeem any portion or all of the RPS-A2 and pay all accrued and unpaid dividends calculated up to and including the date of redemption payable in respect of the redeemed RPS-A2.

Any RPS-A2 that is not redeemed on the relevant redemption date shall continue to be carried forward but all RPS-A2 shall be fully redeemed by Perak Corp and all outstanding accrued dividends shall be paid to Affin Islamic on the RPS-A2 Maturity Date without the requirement of any notice.

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**APPENDIX IV – SALIENT TERMS OF THE RPS-A2 (cont'd)**

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<b>Terms</b>	<b>Details</b>
	Provided always that in the event that an Event of Default (as defined in the Affin Islamic Debt Settlement Agreement) occurs, Perak Corp shall redeem the RPS-A2 and pay all outstanding accrued dividends within thirty 30 days upon notice in writing issued by Affin Islamic.
Redemption Price	: Equivalent to the RPS-A2 Issue Price together with accrued dividends up to and including the date of redemption
Ranking	: The RPS-A2 shall rank <i>pari-passu</i> without any preference or priority among themselves and other preference shares issued by Perak Corp but shall otherwise rank in priority to all other shares or securities of Perak Corp.  The RPS-A2 shall carry only the rights to dividends and the Affin Islamic Additional Charge and shall not confer on the RPS-A2 holder the right to participate in any profits of Perak Corp.
Transferability	: The RPS-A2 shall be transferable to a nominee of Affin Islamic.
Conversion Rights	: The RPS-A2 is not convertible into new Perak Corp Shares.
Additional Charge	: Securitised by a Third Party Second Fixed Legal Charge over the Property created by CMSB in favour of Affin Islamic as security for redemption of the RPS-A2 (including the accrued dividends) (" <b>Affin Islamic Additional Charge</b> ").

In the event of default on the compliance with the terms and conditions of the RPS-A2 (including redemption and payment of accrued dividends) by Perak Corp, the RPS-A2 holder shall first enforce its charge against the Affin Islamic Additional Charge including selling, dealing with or disposing of Hotel Casuarina Meru to recoup the amount equal to the RPS-A2 to be redeemed and the accrued and unpaid dividends prior to exercising its rights in, to or on any other existing security then held.

Affin Islamic agrees to release and deliver a discharge of the land charge created over the Affin Islamic Additional Charge and sign the release and discharge documents to evidence such release and discharge within 14 days from the date of redemption of the RPS-A2 and payment of the accrued dividends, whichever is later.

Notwithstanding the above in the event Perak Corp identifies a potential purchaser for Hotel Casuarina Meru, Perak Corp shall be at liberty to sell or otherwise dispose of Hotel Casuarina Meru to the potential purchaser, subject always to the following:

- (a) Affin Islamic's prior consent is obtained (which consent shall not be unreasonably withheld or delayed); and
- (b) the proceeds from such sale or disposal shall first be utilized towards redemption of the RPS-A2 (including the accrued dividends).

For the purpose of enabling the sale of Hotel Casuarina Meru to a potential purchaser, Affin Islamic agrees to release and deliver a discharge of the Additional Charge over Hotel Casuarina Meru and sign the release and discharge documents to evidence such release and discharge within fourteen (14) days from the date of redemption of the RPS-A2 and payment of the accrued dividends, whichever is later.

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**APPENDIX IV – SALIENT TERMS OF THE RPS-A2 (cont'd)**

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<b>Terms</b>	<b>Details</b>
Security Documents	: The security documents for the Affin Islamic Additional Charge shall be executed by CMSB within 30 days from the date of the CMSB's board of directors' resolution, and in any event no later than 28 February 2022.
Information Rights	: Every RPS-A2 holder shall be entitled to the same rights as an ordinary shareholder with regard to receiving notices of general meetings, reports and audited financial statements of Perak Corp, and to attend and speak at all general meetings or any other meeting of any class of members of Perak Corp but without voting rights other than as permitted therein.
Voting Rights	: The RPS-A2 shall carry no right to receive notice of or to attend or vote at any general meeting of Perak Corp, save as follows:-  (a) any resolution is proposed for the winding-up of Perak Corp; or  (b) the meeting is convened for the purpose of considering a reduction of the redeemable preference shares in the capital of Perak Corp, other than for the purpose of redeeming the RPS-A2 or repayment of the RPS-A2 Issue Price and accrued unpaid dividends; or  (c) the meeting is convened for the purpose of varying or amending the rights and privileges attaching to the RPS-A2.  Every RPS-A2 holder who is present in person at such meetings shall have, on a show of hands, one vote and on a poll, one vote for every RPS-A2 of which he is a holder.
Rights in an Event of Winding-Up or Liquidation	: In the event of the commencement of any winding up or liquidation of Perak Corp, the RPS-A2 shall be redeemed in priority from the proceeds from the disposal of the Affin Islamic Additional Charge and shall, save and except for any preference shares issued by Perak Corp, rank:  (a) senior to all other creditors (including the holders of subordinated debts); and  (b) senior to the ordinary shares and any other securities or obligations of Perak Corp that are subordinated to the RPS-A2.  The outstanding RPS-A2 is immediately due and repayable, and the RPS-A2 then outstanding shall become immediately due and repayable together with accrued dividends up to and including the date of repayment.
Listing	: The RPS-A2 shall not be listed on any stock exchange.
Governing Laws	: Laws of Malaysia.

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**APPENDIX V (A) – DETAILS OF THE PROPOSED AMENDMENTS I**

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The Constitution of the Company be amended by inserting the following new Clause 3.3A immediately after Clause 3.3:

**(a) Clause 3.3A - Redeemable Preference Shares Series A1**

The Redeemable Preference Shares Series A1 ("**RPS-A1**") in the capital of the Company so issued at the issue price of RM1.00 each shall be limited to the maximum of 20,900,309 RPS-A1 and shall confer on the holder(s) thereof the following rights and privileges and be subject to the following conditions, that is to say:

- (i) The tenure of the RPS-A1 shall be for three (3) years and the maturity date of the RPS-A1 shall be the business day immediately preceding the third (3rd) anniversary of the date of issue of the RPS-A1 ("**RPS-A1 Maturity Date**").
- (ii) The RPS-A1 shall carry the right to receive cumulative gross preferential dividend at a dividend rate of 5.0% per annum, calculated based on the issue price and on the basis of the actual number of days lapsed in a 365-day year.

The dividend shall be paid from the distributable reserves of the Company. No dividend shall be paid in respect of any other securities ranking junior to RPS-A1 and the Company's ordinary shares unless the dividends, including accumulated dividends, on the RPS-A1 have first been paid.

The dividends shall be payable in arrears annually on the anniversary of the date of issuance of the RPS-A1. Any dividend that is not paid on the relevant dividend payment date shall continue to accumulate and to be compounded for the next dividend payment and in any case no later than the RPS-A1 Maturity Date.

- (iii) The RPS-A1 may at the option of the Company be redeemed on the first (1st) anniversary and second (2nd) anniversary of the issue date for the following amounts but subject always to a mandatory full redemption on the third (3rd) anniversary of the issue date:

<b>Anniversary of Issue Date</b>	<b>Redemption amount for RPS-A1 (excluding dividend to be declared) (RM)</b>
1st	6,966,769
2nd	6,966,770
3rd	6,966,770
Total	20,900,309

The Company may at any time on the first (1st) and/or second (2nd) anniversary of the issue date, in its sole and absolute discretion, issue a notice to redeem any portion or all of the RPS-A1 and pay the applicable redemption amount and all accrued and unpaid dividends calculated up to and including the date of redemption payable in respect of the redeemed RPS-A1. Any RPS-A1 that is not redeemed on the relevant redemption date shall continue to be carried forward but all RPS-A1 shall be fully redeemed by the Company and all outstanding accrued dividends shall be paid to the holder on the RPS-A1 Maturity Date without the requirement of any notice.

Provided always that in the event that an Event of Default (as defined in the Debt Settlement Agreement between the Company and CIMB Bank Berhad) occurs, the Company shall fully redeem the RPS-A1 and pay all outstanding accrued dividends within thirty (30) days upon notice in writing being issued by CIMB Bank Berhad.

- (iv) The RPS-A1 shall rank pari-passu without any preference or priority among themselves and RPS-A2 issued by the Company but shall otherwise rank in priority to all other shares or securities of the Company.

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**APPENDIX V (A) – DETAILS OF THE PROPOSED AMENDMENTS I (cont'd)**

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The RPS-A1 shall carry only the rights to dividends and the CIMB New Securities (as hereinafter defined).

- (v) The RPS-A1 is not convertible into new ordinary shares.
- (vi) The RPS-A1 shall be securitised by the following security documents ("**CIMB New Securities**"):
  - a) a land charge over one (1) piece of freehold land held under Geran 151067, Lot 516687 in the Mukim of Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan ("**Hulu Kinta Land**") in favour of CIMB Bank Berhad ("**Charge over Hulu Kinta Land**") valued at an indicative desktop market valuation of approximately RM20,800,000.00 to RM22,300,000.00 on 8 October 2020 and a Power of Attorney thereto; and
  - b) a land charge over one (1) piece of leasehold land held under PN 394961 Lot 20402 in the Mukim of Hulu Bernam Timur, Daerah Muallim, Perak Darul Ridzuan ("**Hulu Bernam Land**") in favour of CIMB Bank Berhad ("**Charge over Hulu Bernam Land**") and a Power of Attorney thereto.

If an event of default on the compliance with the terms and conditions of the RPS-A1 (including default in the payment of the redemption sum and payment of accrued dividends) by the Company occurs, the RPS-A1 holder shall automatically, and without the requirement of any notice (save and except for any notice to be provided or issued under any written law) be entitled to first enforce the Charge over Hulu Kinta Land including selling, dealing with or disposing of the Charge over Hulu Kinta Land to recoup the amount equal to the RPS-A1 to be redeemed and the accrued and unpaid dividends. Only after the Charge over Hulu Kinta Land has been disposed by the RPS-A1 holder and there continues to remain a balance still due and owing to the RPS-A1 holder, the RPS-A1 holder shall then exercise its rights in and to the Charge over Hulu Bernam Land; or at the expiry of 1 year from the date of default and without assigning any reason, to enforce the Charge over Hulu Kinta Land and/or Charge over Hulu Bernam Land including selling, dealing with or disposing at the absolute discretion of the RPS-A1 holder.

- (vii) Every RPS-A1 holder shall be entitled to the same rights as an ordinary shareholder with regard to receiving notices of meetings of members, reports and audited financial statements of the Company, and to attend at all meetings of members or any other meeting of any class of members of the Company but without voting rights other than as permitted herein.
- (viii) The RPS-A1 shall carry no right to vote at any meeting of members of the Company, save as follows (and the following matters require the affirmative vote of the RPS-A1 holder):
  - a) any resolution is proposed for the winding-up or liquidation of the Company; or
  - b) the meeting is convened for the purpose of considering a reduction or repayment in the capital of the Company other than the redemption of preference shares; or
  - c) the meeting is convened for the purpose of varying or amending the rights and privileges attaching to the RPS-A1 (including any amendments to the constitution of the Company in that respect);

Every RPS-A1 holder who is present in person at such meetings shall have, on a show of hands, one vote and on a poll, one vote for every RPS-A1 of which he is a holder.

- (ix) In the event of the commencement of any winding up or liquidation of the Company, the RPS-A1 shall be automatically, and without the requirement of any notice, redeemed in priority from the proceeds from the disposal of the CIMB New Security and shall rank in respect to the proceeds from the disposal of the CIMB New Security:

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**APPENDIX V (A) – DETAILS OF THE PROPOSED AMENDMENTS I (cont'd)**

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- a) senior to all other creditors (including the holders of subordinated debts); and
- b) senior to the ordinary shares and any other securities or obligations of the Company that are subordinated to the RPS-A1.

The outstanding RPS-A1 is immediately due and repayable, and the RPS-A1 then outstanding shall become immediately due and repayable together with accrued dividends up to and including the date of repayment.

- (x) The RPS-A1 shall not be listed on any stock exchange.

**NOTE:**

The Proposed Amendments I and Proposed Amendments II are not inter-conditional upon with each other.

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**APPENDIX V (B) – DETAILS OF THE PROPOSED AMENDMENTS II**

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The Constitution of the Company be amended by inserting the following new Clause 3.3B immediately after Clause 3.3:

**(a) Clause 3.3B - Redeemable Preference Shares Series A2**

The Redeemable Preference Shares Series A2 (“**RPS-A2**”) in the capital of the Company so issued at the issue price of RM1.00 each shall be limited to the maximum of 14,914,671 RPS-A2 and shall confer on the holder(s) thereof the following rights and privileges and be subject to the following conditions, that is to say:

- (i) The tenure of the RPS-A2 shall be for three (3) years and the maturity date of the RPS-A2 shall be the business day immediately preceding the third (3rd) anniversary of the date of issue of the RPS-A2 (“**RPS-A2 Maturity Date**”).
- (ii) The RPS-A2 shall carry the right to receive cumulative gross preferential dividend at a dividend rate of 5.0% per annum, calculated based on the issue price and on the basis of the actual number of days lapsed in a 365-day year.

The dividend shall be paid from the distributable reserves of the Company. No dividend shall be paid in respect of any other securities ranking junior to RPS-A2 and the Company’s ordinary shares unless the dividends, including accumulated dividends, on the RPS-A2 have first been paid.

The dividends shall be payable in arrears annually on the anniversary of the date of issuance of the RPS-A2. Any dividend that is not paid on the relevant dividend payment date shall continue to accumulate and to be compounded for the next dividend payment and in any case no later than the RPS-A2 Maturity Date.

- (iii) The RPS-A2 may at the option of the Company be redeemed on the first (1st) anniversary and second (2nd) anniversary of the issue date for the following amounts but subject always to a mandatory full redemption by the third (3rd) anniversary of the issue date:

<b>Anniversary of Subscription</b>	<b>RPS-A2 (excluding dividend to be declared) (RM)</b>
1st	4,971,557
2nd	4,971,557
3rd	4,971,557
Total	14,914,671

The Company may at any time on the first (1st) and/or second (2nd) anniversary of the issue date, in its sole and absolute discretion, issue a notice to redeem any portion or all of the RPS-A2 and pay all accrued and unpaid dividends calculated up to and including the date of redemption payable in respect of the redeemed RPS-A2. Any RPS-A2 that is not redeemed on the relevant redemption date shall continue to be carried forward but all RPS-A2 shall be fully redeemed by the Company and all outstanding accrued dividends shall be paid to the holder on the RPS-A2 Maturity Date without the requirement of any notice.

Provided always that in the event that an Event of Default (as defined in the Debt Settlement Agreement between the Company and Affin Islamic Bank Berhad) occurs prior to the Debt Settlement Date, the Company shall redeem the RPS-A2 and pay all outstanding accrued dividends within thirty (30) days upon notice in writing issued by Affin Islamic Bank Berhad.

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**APPENDIX V (B) – DETAILS OF THE PROPOSED AMENDMENTS II (cont'd)**

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- (iv) The RPS-A2 shall rank pari-passu without any preference or priority among themselves and other preference shares issued by the Company but shall otherwise rank in priority to all other shares or securities of the Company.

The RPS-A2 shall carry only the rights to dividends and the AFFIN Islamic Additional Charge (as hereinafter defined) and shall not confer on the RPS-A2 holders the right to participate in any profits of the Company.

- (v) The RPS-A2 shall be transferable to a nominee of Affin Islamic Bank Berhad.
- (vi) The RPS-A2 is not convertible into new ordinary shares.
- (vii) The RPS-A2 shall be securitised by the following security documents:
- a) a Third Party Second Legal Charge over a property known as Casuarina Hotel Meru comprising twelve (12) storey hotel tower annexed with two (2) storey podium, two (2) blocks of nine (9) storey office building and a single storey convention hall held under Title No. H.S.(D) 204383 PT 245010, Mukim Hulu Kinta, Daerah Kinta, Perak, bearing postal address No. 1-C, Jalan Meru Casuarina, Bandar Meru Raya, 30020 Ipoh, Perak created by CMSB in favour of Affin Islamic Bank Berhad ("AFFIN Islamic Additional Charge").

In the event of default on the compliance with the terms and conditions of the RPS-A2 (including redemption and payment of accrued dividends) by the Company, the RPS-A2 holder shall first enforce its charge against the AFFIN Islamic Additional Charge including selling, dealing with or disposing of the AFFIN Islamic Additional Charge to recoup the amount equal to the RPS-A2 to be redeemed and the accrued and unpaid dividends prior to exercising its rights in, to or on any other existing security then held.

Affin Islamic Bank Berhad agrees to release and deliver a discharge of the AFFIN Islamic Additional Charge and sign the release and discharge documents to evidence such release and discharge within fourteen (14) days from the date of redemption of the RPS-A2 and payment of accrued dividends, whichever is later.

- (viii) Every RPS-A2 holder shall be entitled to the same rights as an ordinary shareholder with regard to receiving notices of meetings of members, reports and audited financial statements of the Company, and to attend and speak at all meetings of members or any other meeting of any class of members of the Company but without voting rights other than as permitted herein.
- (ix) The RPS-A2 shall carry no right to receive notice of or to attend or vote at any meeting of members of the Company, save as follows:-
- a) any resolution is proposed for the winding-up of the Company; or
- b) the meeting is convened for the purpose of considering a reduction of the redeemable preference shares in the capital of the Company, other than for the purpose of redeeming the RPS-A2 or repayment of the issue price and accrued unpaid dividends; or
- c) the meeting is convened for the purpose of varying or amending the rights and privileges attaching to the RPS-A2.

Every RPS-A2 holder who is present in person at such meetings shall have, on a show of hands, one vote and on a poll, one vote for every RPS-A2 of which he is a holder.

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**APPENDIX V (B) – DETAILS OF THE PROPOSED AMENDMENTS II (cont'd)**

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(x) In the event of the commencement of any winding up or liquidation of the Company, the RPS-A2 shall be redeemed in priority from the proceeds from the disposal of the AFFIN Islamic Additional Charge and shall, save and except for any preference shares issued by the Company, rank:-

- a) senior to all other creditors (including the holders of subordinated debts); and
- b) senior to the ordinary shares and any other securities or obligations of the Company that are subordinated to the RPS-A2.

The outstanding RPS-A2 is immediately due and repayable, and the RPS-A2 then outstanding shall become immediately due and repayable together with accrued dividends up to and including the date of repayment.

(xi) The RPS-A2 shall not be listed on any stock exchange.

**NOTE:**

The Proposed Amendments I and Proposed Amendments II are not inter-conditional upon with each other.

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## APPENDIX VI – FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular, and our directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in this Circular false or misleading.

### 2. CONSENT AND DECLARATION

#### M&A Securities

M&A Securities has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

M&A Securities is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Principal Adviser to Perak Corp in relation to the Proposals.

#### FHMH

FHMH has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

M&A Securities is not aware of any conflict of interest that exists or is likely to exist in its capacity as the Scheme Adviser to Perak Corp in relation to the Proposed Debt Settlement.

### 3. MATERIAL LITIGATIONS

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any such proceedings which might materially and adversely affect the position or business of the Group:

- (a) **Ipoh High Court AA-24NCVC-150-04/2017**  
**Animation Theme Park Sdn Bhd v ZJ Advisory Sdn Bhd**  
**Ipoh High Court AA-22NCvC-74-06/2018**  
**Animation Theme Park Sdn Bhd v ZJ Advisory Sdn Bhd**

On 27 March 2017, ZJ Advisory Sdn. Bhd. ("ZJ") served a winding up notice on ATP, allegedly claiming RM2,756,000 being the balance of final success fee under a consultancy contract between both parties. On 19 April 2017, the subsidiary filed an injunction to stop ZJ from filing a winding notice, and had successfully obtained an injunction order from the Ipoh High Court. On 6 June 2018, ZJ has filed a writ of summons in the Ipoh High Court against Animation Theme Park Sdn Bhd ("ATP") for the amount of RM2,756,000 being claim for the balance of final success fee. As the claim of ZJ represents claim incurred during the pre-receivership period which is ranked unsecured for payment pursuant to Section 392 of the Act, the Receiver and Manager is in no position to settle the claim of the unsecured creditors of ATP until the claims of the secured and preferential creditors have been discharged in full from the eventual realisation of the assets of ATP, all of which are presently charged to Affin Hwang Investment Bank Berhad. In view of the foregoing, the Receiver and Manager as agent for ATP is not defending any of the claims of the unsecured creditors of ATP and any judgement obtained against ATP would be their claim will be ranked as unsecured creditors

Subsequently, ZJ obtained a Judgment against ATP for the sum of RM2,756,000.00 on 16.12.2020.

**(b) Syndicated Term Loan case involving PCB Development Sdn Bhd and Affin Hwang Investment Bank Berhad**

Writ of summons dated 1 June 2020 was served on PCB Development on 4 June 2020 to demand the payment of RM244 million together with interest accrued thereon on the date of full repayment pursuant to the Corporate Guarantee dated 10 July 2014 executed by PCB Development in favour of Affin Hwang Investment Bank Berhad for the syndicated term loan facility provided to ATP. Judgement in default has been entered against PCB Development on 18 June 2020 and was served on PCB Development on 17 July 2020.

**(c) Restraining Order - Ipoh High Court Case No. AA-24NCC-9-07/2020  
Applicants: Perak Corporation Berhad and PCB Development Sdn Bhd**

The Applicants obtained a Restraining Order pursuant to Section 366(1) and Section 368(1) of the Act from the Ipoh High Court on 21 July 2020 to enable the Applicants to convene a meeting with their Scheme Creditors for the purposes of taking into consideration a Proposed Scheme of Arrangement and that all further proceedings or actions and/or any forthcoming proceedings or actions against the Applicants by any party be restrained for a period of 90 days from the date of the Order.

On 15 October 2020, the Applicants moved the Court for the Restraining Order dated 23 July 2020 be extended for another period of ninety (90) days pursuant to Section 368(2) of the Act wherein the Court granted an Order in Terms on 19 October 2020. The Extended Restraining Order which was due to expire on 16 January 2021 was subsequently extended for a further ninety (90) days from 13 January 2021 and expired on 12 April 2021. The Applicants had on 9 April 2021 obtained an order extending the Extended Restraining Order for a further ninety (90) days which expired thereafter.

On 19 April 2021, the adjourned court convened meeting was held and the Scheme Creditors had approved the Proposed Scheme of Arrangement at the said meeting. On 7 May 2021, the Proposed Scheme of Arrangement has been sanctioned and approved by the High Court of Ipoh.

Interveners' Application

- On 16 October 2020, Affin Hwang Investment Bank Berhad, Affin Bank Berhad, Bank Pembangunan Malaysia Berhad and Malaysia Debt Ventures Berhad moved the Court for, inter alia, the following orders:
  - (i) That leave be granted to them to intervene in the proceedings;
  - (ii) That they be made parties to the proceedings; and
  - (iii) The Restraining Order be set aside.
- On 20 October 2020, Affin Islamic Berhad had moved the Court for, inter alia, the following orders:
  - (i) That leave be granted to them to intervene in the proceedings
  - (ii) That they be made parties to the proceedings; and
  - (iii) The Restraining Order be set aside.

The Court has heard both matters on 13 January 2021 and allowed prayers (i) and (ii) above. In respect of prayer (iii), the Court gave directions on the filing of affidavits.



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**APPENDIX VI – FURTHER INFORMATION (cont'd)**

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Subsequently on 20 May 2021, the syndicate lenders have had withdrawn and discontinued their application to set aside the Restraining order with liberty to file afresh and with no order as to costs.

Separately, on 19 April 2021, ARX Holdings Sdn Bhd and ARX-YSC Sdn Bhd ('Proposed Interveners') had filed an interveners' application, inter alia, to intervene and be made parties to the proceeding or alternatively be excluded as the Scheme Creditors from the Proposed Scheme of Arrangement. Subsequently, on 6 August 2021 the matter came up for Hearing and parties recorded a consent judgment on without admission to liability that the Proposed Interveners be excluded as scheme creditors and be removed from the scheme of arrangement.

**(d) Creditors' Voluntary Winding Up PCB Development Sdn Bhd**

PCB Development Sdn Bhd is undergoing a Creditors' Voluntary Winding Up where Mr Andrew Heng and Ms Anoopal Kaur of Baker Tilly Insolvency PLT have been appointed as the Interim Liquidators of PCB Development on the same date to commence the Creditors' Voluntary Winding Up proceedings pursuant to Section 440(1) of the Companies Act 2016. The meetings of the PCB Development shareholders and creditors shall be scheduled to be held on 6 January 2022. The Creditors' Voluntary Winding Up is necessary in view of PCB Development's inability to address and resolve all debts owing to its creditors.

**4. MATERIAL COMMITMENTS**

Save as disclosed below, as at the LPD, the Board is not aware of any material commitment, incurred or known to be incurred, which may have a material impact on the results or financial position of the Perak Corp Group:

	<u>RM'000</u>
Approved and contracted for:	
Property, plant and equipment for port operations	<b>9,970</b>
Building construction	<b>15,985</b>
<b>Total</b>	<b>25,955</b>

**5. CONTINGENT LIABILITIES**

Save as disclosed below, as at LPD, the Board is not aware of any contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact in the ability of the Group to meet its obligations as and when they fall due:

- (a) On 18 January 2016 and 11 April 2016, the Company has provided a corporate guarantee of RM26.0 million and RM21.7 million to a financial institution for facilities granted to subsidiary companies, Casuarina Teluk Intan Sdn Bhd and Lanai Casuarina Sdn Bhd. As at the LPD, Casuarina Teluk Intan Sdn Bhd have utilised up to RM10.0 million and Lanai Casuarina Sdn Bhd has utilised up to RM19.4 million.
- (b) On 12 July 2017, the Company has provided a corporate guarantee of RM1.72 million to a financial institution for facilitate granted to VC Telekom Sdn Bhd (formerly known as Visi Cenderawasih Sdn Bhd), an associate company of PCB Equity Sdn Bhd, which in turn is a wholly owned subsidiary of Perak Corp. As at the LPD, RM1.72 million has been utilised from the loan.

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**APPENDIX VI – FURTHER INFORMATION (cont'd)**

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- (c) The Company has provided letters of undertaking in 2016 and 2017 to various subcontractors to complete the construction of a theme park. These payments were claimable from the main contractor.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at D-3-7 Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan during normal business hours (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (a) Constitution of the Company;
- (b) CIMB Debt Settlement Agreement and Affin Islamic Debt Settlement Agreement;
- (a) audited consolidated financial statements of Perak Corp for the past 2 FYEs 31 December 2019 and 31 December 2020 and the latest unaudited results for the 9-month FPE 30 September 2021;
- (b) letter of consent and declaration as referred to in Section 2 above; and
- (c) the relevant cause papers in relation to the material litigation referred to in Section 3 above.

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## **PERAK CORPORATION BERHAD**

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

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("**EGM**") of Perak Corporation Berhad ("**Perak Corp**" or "**Company**") will be held fully virtual through the TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd on Monday, 31 January 2022 at 10.30 a.m. for the purposes of considering, and, if thought fit, passing the following resolutions, with or without any modifications:

#### **ORDINARY RESOLUTION I**

#### **PROPOSED SETTLEMENT OF THE DEBT OWING BY PERAK CORP TO CIMB BANK BERHAD ("**CIMB**") VIA CASH SETTLEMENT AND ISSUANCE OF 20,900,309 REDEEMABLE PREFERENCE SHARES ("**RPS-A1**") AT AN ISSUE PRICE OF RM1.00 PER RPS A1**

**"THAT** subject to the passing of the Special Resolution I and the relevant approvals being obtained from the relevant authorities and/or parties, approval be and is hereby given to the Company to settle the debt owing to CIMB via cash settlement and issuance of RPS-A1 at an issue price of RM1.00 per RPS-A1. The Company had on 8 November 2021 entered into a debt settlement agreement with CIMB for the proposed debt settlement of the debt owing by Perak Corp to CIMB amounting to RM34,717,826.86 based on the amount outstanding as at the cut-off date as at 31 December 2021 ("**CIMB Debt Settlement Agreement**") ("**Proposed Debt Settlement I**") to be settled via cash settlement of RM13,817,517.86 and issuance of 20,900,309 RPS-A1 at an issue price of RM1.00 per RPS-A1.

**AND THAT** the Board of Directors of Perak Corp ("**Board**") be and is hereby authorised and empowered to give full effect to the Proposed Debt Settlement I, the CIMB Debt Settlement Agreement and such other agreements arising therefrom with full power to deal with all matters incidental, ancillary to and/or relating thereto, to take all such steps and to execute and deliver and/or cause to be executed and delivered the CIMB Debt Settlement Agreement and all such other agreements, deeds, arrangements, power of attorney, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations and/or guarantees to or with any party or parties, and to do all things, acts and matters as they may deem fit, necessary and/or expedient or in the best interests of the Company and/or appropriate in order to implement, finalise, complete and give full effect to the Proposed Debt Settlement I under the terms and conditions of the CIMB Debt Settlement Agreement with full powers to negotiate, approve, agree and assent to any conditions, revaluations, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or in the best interest of the Company, including to enter into any supplemental agreement(s) in connection with the Proposed Debt Settlement I, and to deal with all matters relating thereto."

## **ORDINARY RESOLUTION II**

### **PROPOSED SETTLEMENT OF THE DEBT OWING BY PERAK CORP TO AFFIN ISLAMIC BANK BERHAD ("AFFIN ISLAMIC") VIA CASH SETTLEMENT AND ISSUANCE OF 14,914,671 REDEEMABLE PREFERENCE SHARES ("RPS-A2") AT AN ISSUE PRICE OF RM1.00 PER RPS-A2**

**"THAT** subject to the passing of the Special Resolution II and the relevant approvals being obtained from the relevant authorities and/or parties, approval be and is hereby given to the Company to settle the debt owing Affin Islamic via cash settlement and issuance of RPS-A2 at an issue price of RM1.00 per RPS-A2. The Company had on 8 November 2021 entered a debt settlement agreement with Affin Islamic for the proposed debt settlement of the debt owing by Perak Corp Group to Affin Islamic amounting to RM53,867,709.75 based on the amount outstanding as at the cut-off date as at 31 March 2022 to be settled via cash settlement of RM38,953,038.75 and issuance of 14,914,671 RPS-A2 at an issue price of RM1.00 per RPS-A2 ("**Affin Islamic Debt Settlement Agreement**") ("**Proposed Debt Settlement II**").

**AND THAT** the Board be and is hereby authorised and empowered to give full effect to the Proposed Debt Settlement II, the Affin Islamic Debt Settlement Agreement and such other agreements arising therefrom with full power to deal with all matters incidental, ancillary to and/or relating thereto, to take all such steps and to execute and deliver and/or cause to be executed and delivered the Affin Islamic Debt Settlement Agreement and all such other agreements, deeds, arrangements, power of attorney, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations and/or guarantees to or with any party or parties, and to do all things, acts and matters as they may deem fit, necessary and/or expedient or in the best interests of the Company and/or appropriate in order to implement, finalise, complete and give full effect to the Proposed Debt Settlement II under the terms and conditions of the Affin Islamic Debt Settlement Agreement with full powers to negotiate, approve, agree and assent to any conditions, revaluations, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or in the best interest of the Company, including to enter into any supplemental agreement(s) in connection with the Proposed Debt Settlement II, and to deal with all matters relating thereto."

## **SPECIAL RESOLUTION I**

### **PROPOSED AMENDMENTS TO THE CONSTITUTION OF PERAK CORP RELATING TO THE ISSUANCE OF RPS-A1 ("PROPOSED AMENDMENTS I")**

**"THAT** subject to the passing of the Ordinary Resolution I and the relevant approvals being obtained from the relevant authorities/parties, approval be and is hereby given for the existing Constitution of the Company to be altered, modified, added and/or deleted, as the case may be, in the form and manner as set out in Appendix V (A) of the Circular to Shareholders dated 7 January 2022;

**AND THAT** the Board and the Secretary of the Company be and are hereby empowered and authorised to do all such acts, deeds, and things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and steps as they may deem necessary, expedient and/or appropriate to implement, to give full effect to the Proposed Amendments I, with full powers to assent and/or accept any conditions, modifications, variations, arrangements and/or amendments in any manner as may be in the interests of the Company and/or as may be required by the relevant authorities in connection with the Proposed Amendments I."

## **SPECIAL RESOLUTION II**

### **PROPOSED AMENDMENTS TO THE CONSTITUTION OF PERAK CORP RELATING TO THE ISSUANCE OF RPS-A2 ("PROPOSED AMENDMENTS II")**

"**THAT** subject to the passing of the Ordinary Resolution II and the relevant approvals being obtained from the relevant authorities/parties, approval be and is hereby given for the existing Constitution of the Company to be altered, modified, added and/or deleted, as the case may be, in the form and manner as set out in Appendix V (B) of the Circular to Shareholders dated 7 January 2022;

**AND THAT** the Board and the Secretary of the Company be and are hereby empowered and authorised to do all such acts, deeds, and things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and steps as they may deem necessary, expedient and/or appropriate to implement, to give full effect to the Proposed Amendments II, with full powers to assent and/or accept any conditions, modifications, variations, arrangements and/or amendments in any manner as may be in the interests of the Company and/or as may be required by the relevant authorities in connection with the Proposed Amendments II."

### **BY ORDER OF THE BOARD**

**Cheai Weng Hoong**  
Company Secretary

Ipoh  
7 January 2022

#### **Notes:**

1. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 if the online platform is located in Malaysia. Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at this EGM via Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd's ("**Tricor**") through its TIIH Online website at <https://tiih.online>. Members are advised to follow the procedures provided in the Administrative Guide for this EGM in order to Participate remotely via the RPV.
2. For the purposes of determining a member who shall be entitled to Participate in this EGM via the RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a Record of Depositors as at **25 January 2022**. Only members whose names appear in the Record of Depositors as at 25 January 2022 will be entitled to Participate in this EGM via the RPV.
3. A member of the Company who is entitled to Participate at the meeting may appoint any person to be his/her proxy to Participate in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy shall have the same rights as the member to Participate at the meeting.
4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.

6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy can be submitted through either one of the following avenues no later than **Saturday, 29 January 2022 at 10.30 a.m.** or at any adjournment thereof:
  - (a) Lodgement of Form of Proxy in hardcopy - To be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
  - (b) Electronic lodgement of Form of Proxy - The Form of Proxy can be lodged electronically via TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Guide for this EGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online website.
8. A member who has appointed a proxy to Participate in this EGM must request his/her proxy to register himself/herself for the RPV at Tricor's TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Guide for this EGM.



## PERAK CORPORATION BERHAD

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

### FORM OF PROXY

<b>No. of shares held</b>	<b>CDS Account No.</b>

I / We \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

(NRIC No./ Company Registration No./ Passport No. \_\_\_\_\_)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member/members of **PERAK CORPORATION BERHAD**, hereby appoint

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented

and

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented

or failing him/her, the Chairman of the Meeting, as my/our proxy to attend, speak (posing questions to the Board via real time submission of typed texts) and vote (collectively, "**Participate**") remotely for me/us and on my/our behalf, at the **EXTRAORDINARY GENERAL MEETING ("EGM")** of the Company to be held fully virtual through an online meeting platform at TIIH Online via its website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) on Monday, 31 January 2022 at 10.30 a.m. or at any adjournment thereof in the manner indicated below:

Resolutions		FOR	AGAINST
Ordinary Resolution I	Proposed Debt Settlement I		
Ordinary Resolution II	Proposed Debt Settlement II		
Special Resolution I	Proposed Amendments I		
Special Resolution II	Proposed Amendments II		

(Please indicate with a cross "X" in the space provided whether you wish your vote to be cast for or against the Resolution. If in the absence of specific directions, your proxy will vote or abstain from voting as he/she thinks fit).

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_

Signature of shareholder or Common Seal



**Notes:**

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4. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. When a member appoints more than one proxy the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy can be submitted through either one of the following avenues no later than **Saturday, 29 January 2022 at 10.30 a.m.** or at any adjournment thereof:
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  - (b) Electronic lodgement of Form of Proxy - The Form of Proxy can be lodged electronically via TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Guide for this EGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online website.
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Then fold here

AFFIX  
STAMP

THE COMPANY SECRETARY  
**PERAK CORPORATION BERHAD**  
c/o Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A, Vertical Business Suite  
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia

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