

PAXELEN CORPORATION BERHAD
ANNOUNCEMENT ON DEFAULT OF PAYMENT
PURSUANT TO PRACTICE NOTE 1/2001

Table 1

Lender	Principal RM	Estimated Interest RM	Principal & Interest as at 31.03.2006 RM	Notes	Current Status
<u>Unsecured</u>					
a) United Overseas Bank Ltd	9,000,302.86	1,522,702.04	10,523,004.90	Unsecured	In the processing of debt restructuring with related party.
b) Oversea-Chinese Banking Corporation Limited, Singapore	1,180,880.38	241,781.75	1,422,662.13	Unsecured	In the processing of debt restructuring with related party.
c) Societe Generale, Singapore	12,348,689.14	2,377,434.77	14,726,123.91	Unsecured	In the processing of debt restructuring with related party.
<u>Secured</u>					
a) Malayan Banking Berhad	18,384,331.62	2,562,918.23	20,947,249.85	secured	In the processing of debt restructuring with related party.