

CUSTOMS MATTERS RELATING TO A SUBSIDIARY OF THE COMPANY

Further to the announcements previously made on 30 November 2017, 2 July 2018, 18 June 2020, 17 July 2020, 11 January 2021, 25 February 2021 and 28 October 2021 and the quarterly announcements made by the Company pertaining to the investigation, litigation and prosecution of the Company's subsidiary, Seruntun Maju Sdn Bhd ("**SMSB**") by the Royal Malaysian Customs of Perak Darul Ridzuan ("**Customs**"), the Board of Directors wishes to provide an update on the said matter.

The Board of Directors is pleased to announce that SMSB has amicably reached a settlement with Customs that is mutually beneficial to all parties. The settlement was recorded as a Consent Order in the High Court of Taiping on 6 July 2022 whereby Customs terminates all prosecution and investigation instituted against SMSB and 4 of its officer/directors. SMSB will pay a certain amount of compound with no admission of guilt or liability.

Prior to the aforesaid, on 18 June 2020, the Court of Appeal held that the conditions of licence imposed on SMSB were ultra-vires of Section 65D of the Customs Act and were quashed. On 11 January 2021, the Federal Court upheld that decision. SMSB has been vindicated that its business operations were always in full compliance with the applicable laws.

The Company and its subsidiaries including SMSB have and will always conduct its business in accordance with the country's law. With the above mentioned settlement with Customs, the said matter with Customs has therefore been resolved.

By Order of the Board

Lee Sze Siang
Executive Director
6 July 2022