

CUSTOMS MATTERS RELATING TO A SUBSIDIARY OF THE COMPANY

1. Further to the announcements previously made on 30 November 2017, 2 July 2018, 18 June 2020, 17 July 2020 and the quarterly announcements made by the Company pertaining to Company's subsidiary, Seruntun Maju Sdn Bhd ("SMSB") and the Royal Malaysian Customs of Perak Darul Ridzuan ("Customs"), the Board of Directors wishes to provide an update on the said matter.
2. On 18 June 2020, the Court of Appeal unanimously ruled in favour of SMSB's appeal against the decision of the High Court and quashed the bills of demand issued by Customs for customs duties and excise duties dated 14 November 2017, amounting to RM15,400,962.14 and RM23,560,972.94 respectively.
3. On 17 July 2020, Customs filed an application for leave to appeal against the Court of Appeal's decision to the Federal Court.
4. On 11 January 2021, the Federal Court heard and dismissed the Customs' application with costs.
5. Accordingly, the disputed bills of demand are set aside and SMSB has no obligation to pay the Customs the sum of RM41,594,986.86 as demanded by the Customs. In light of the Federal Court's ruling in favour of SMSB, an application will be made to the Customs for the refund of the Sales Tax and Goods and Services Tax paid amounting to RM2,326,451.78, which was previously paid by SMSB to the Customs.

By Order of the Board
Lee Sze Siang
Executive Director
11 January 2021