

MATERIAL LITIGATION - LEGAL ACTION AGAINST INDIVIDUALS AND TECHNIUM SDN BHD

FSBM HOLDINGS BERHAD

Type	Announcement
Subject	MATERIAL LITIGATION
Description	LEGAL ACTION AGAINST INDIVIDUALS AND TECHNIUM SDN BHD

Reference is made to the Company's earlier announcements where in furtherance to the actions brought by FSBM CTech Sdn Bhd ("CTECH") and FSBM Holdings Berhad ("FSBM") against Technitium Sdn Bhd ("TSB") for recovery of debts amounting to RM32,409,434.77 and RM8,563,212.64 respectively, CTECH and FSBM have filed a suit in the High Court on the 22 April 2014 against Dr Azman Bin Awang ("Azman") as 1st Defendant, Haliza Binti Bidin ("Haliza") as 2nd Defendant, Mariana Binti Ahmad Tahar as 3rd Defendant, and TSB as 4th Defendant.

Earlier on, the Company had sued TSB for recovery of debts amounting to RM8,563,212.64, to which the High Court had ordered that the monies in the arbitration proceeding with TSB be deposited in the Company's solicitor's bank account. As TSB had failed to comply with the order, on 18 June 2012 the Court ordered that TSB be wound up on under the provisions of the Companies Act, 1965. The Court had also appointed liquidators.

CTECH had also sued TSB for recovery of debts amounting to RM32,409,434.77. On 20 January 2012 the Court delivered its Judgement and ordered TSB to pay CTECH the full sum and interest at 8% commencing from date of filing of Writ until date of judgement including costs of RM200,000.00 to be paid by TSB to CTECH. In addition, the Court dismissed TSB's counter-claim. TSB had subsequently filed an appeal in the Court of Appeal. That was dismissed with costs of RM80,000 to be borne by the directors of TSB, Azman and Haliza in their personal capacity. TSB further appealed to the Federal Court, that was also dismissed with costs of RM10,000 to be borne by the directors of TSB Azman and Haliza.

Now, in furtherance to the actions brought against TSB, FSBM and CTECH have filed a suit in the High Court on the 22 April 2014 against Azman as 1st Defendant, Haliza as 2nd Defendant, Mariana Binti Ahmad Tahar as 3rd Defendant, and TSB as 4th Defendant.

The case was tried throughout on 26 March, 11 June, 5 November, 9 November and 20 November 2015, and 28 March, 26 May, and 22 July 2016. The Court delivered its Decision on 6 January 2017, of which the sealed order was extracted and forwarded to the Company on 8 March 2017, which is as follows:-

- (i) the business of TSB has been carried on by the 1st and 2nd Defendants with intent to defraud the creditors of TSB in particular CTECH and FSBM;
- (ii) Azman and Haliza shall be jointly and severally liable and personally responsible, without any limitation of liability, for all the debts or other liabilities of TSB;
- (iii) Azman and Haliza shall be jointly and/or severally pay the outstanding debt due and owing to the CTECH in the sum of RM 32,409,434.77 as at 18 June 2012;
- (iv) Azman and Haliza shall be jointly and/or severally pay the outstanding debt due and owing to the FSBM in the sum of RM 8,563, 212.64 as at 18 June 2012;
- (v) Interest at the rate of 5% per annum from 18 June 2012 (the date of the Winding Up) on RM40,972,647.41 until full settlement thereof;
- (vi) Costs of RM60,000.00 to be paid by the Azman and Haliza to FSBM and CTECH respectively.

Following the Judgment on 6 January 2017 on the suit filed by FSBM and FSBM CTech in the High Court on 22 April 2014 against Dr Azman Bin Awang as 1st Defendant, Haliza Binti Bidin as 2nd Defendant, Mariana Binti Ahmad Tahar as 3rd Defendant, and TSB as 4th Defendant, the 1st and 2nd

Defendants ("the Appellants") have filed a Notice of Appeal on 25 January 2017. The Appellants have filed an application for stay of execution of the Judgment pending appeal in the Court of Appeal.

FSBM and FSBM Ctech had also filed an application against the Appellants' appeal for stay on the payment of costs by the Appellants. The Court had granted a conditional stay whereby RM500,000 had to be placed with the Appellants' solicitors by 14 October 2017. The Court had also directed RM20,000 as security for costs to be paid into our lawyers' account, and the Appellants ordered to pay costs of RM5,000 to our lawyers.

Azman and Haliza had subsequently brought action against FSBM and FSBM CTech to inter alia impeach and set aside the judgements given on 20 January 2012 and 6 January 2017. Our application to strike out the claim was dismissed on 30 January 2018, and we had appealed the said decision on 28 February 2018, of which Hearing was set on 3 September 2018, but had been adjourned due to 2 Notices of Motion filed by Azman and Haliza to adduce fresh evidence and to transfer the appeal, and for it to be heard together with Appeal 213, which is on the judgement made against them. The trial was completed on 23 October 2019.

On 28 August 2020, the Learned Judge allowed the claim by Azman and Haliza. The matter has now been fixed for Case Management on 25 November 2020 with regards to the assessment of damages.

The Grounds of Judgment in relation to the outcome of the suit has yet to be obtained.

FSBM and CTECH have lodged an appeal against the said Decision on 25 September 2020.

This announcement is dated 1 October 2020.