

LITIGATION IN THE SHAH ALAM SESSIONS COURT SUIT NO. BA-B52NCVC-255-08/2016 BETWEEN PLASCABLE POLYMER SDN. BHD AND POWER CABLES MALAYSIA SDN. BHD.

Plastrade Technology Berhad (“**PTB**”) wishes to announce that its wholly owned subsidiary, Plascable Polymer Sdn Bhd (“**PPSB**”) had initiated legal proceedings against Power Cables Malaysia Sdn Bhd (“**PCM**”) pursuant to a Writ and Statement of Claim dated 3.8.2016.

This legal suit is in relation to unpaid invoices in the amount of RM199,700.92 (together with interest thereon) in regard to PPSB’s supply of goods to PCM. The unpaid invoices were issued pursuant to PCM’s purchase orders and PPSB’s delivery orders.

PCM responded by denying PPSB’s claim and further initiated a counter-claim against PPSB pursuant to their Defence and Counter-Claim dated 13.9.2016. PCM’s alleged counter-claim is in the amount of RM8,269,816.00 together with interest at 5% per annum for amongst others:-

- i) voltage failures caused by the goods supplied by PPSB to PCM;
- ii) loss of sales of the end product of the goods supplied by PPSB to PCM; and
- iii) losses due to the cancellation of retention of funds with PCM’s vendors.

PPSB had pursuant to its Reply and Defence to the Counter-Claim dated 5.10.2016 denied PCM’s counter-claim above as amongst others, being an afterthought and/or frivolous. Having considered the facts and documentary evidence and based on the advice of PPSB’s external legal advisors, PTB is of the view that PPSB has a complete defence against PCM’s alleged counter claim and will defend the counter-claim by PCM and pursue recovery of the debt due from PCM vigorously.

Further announcements on the development of this legal proceedings will be made in due course as and when there are any updates on the matter.

This announcement is dated 12 October 2016.