

General Announcement

Reference No **CC-100723-63718**

Company Name : **ASIA FILE CORPORATION BHD**
Stock Name : ASIAFLE
Date Announced : 23/07/2010

Type : Announcement
Subject : ASIA FILE CORPORATION BERHAD (“Asia File” or “the Company”)
- WRIT OF SEIZURE AND SALE FROM MR KALIDASON A/L RAMOO ON ASIA FILE PRODUCTS SDN BHD, A WHOLLY-OWNED SUBSIDIARY
Contents : Asia File wishes to make the following announcement:-

- 1) Evergreen Import and Export (M) Sdn Bhd – In Receivership (“Evergreen”) was the registered owner of a parcel of freehold industrial land known as Lot No. 1309 held under Geran Mukim No. GM 912, Mukim 14, District of Seberang Perai Tengah, Penang (“the said Property”) and the said Property was charged to RHB Bank Berhad (“RHB Bank”) on 15 April 2004. RHB Bank appointed Messrs KPMG Corporate Services Sdn Bhd (“KPMG”) as the receiver of Evergreen in May 2009.
- 2) Asia File Products Sdn Bhd (“AFP”) had submitted a tender to KPMG, the receiver of Evergreen for the purchase of the said Property and the tender was duly accepted by KPMG via its letter dated 20 July 2009 and the agreed purchase price was RM4.6 million. 10% deposit has already been paid by AFP.
- 3) In January 2010, AFP received AR Registered letters dated 6 January 2010 and 20 January 2010 from Messrs. Albert & Co., representing its client, Mr Kalidason a/l Ramoo (“Applicant”) claiming losses and damages in respect of the said Property amounting to RM217.7 million suffered by the Applicant.
- 4) In view of the purchase agreement between AFP and KPMG and the fact that the claim amount of RM217.7 million is unreasonable (the purchase price of the said Property was only RM4.6 million), the Company is of the view that such claims were baseless and did not reply to the above letters.
- 5) Since January 2010, the Company and AFP did not receive any other document with regards to such claim and have no knowledge of any other demand or court order.

6) On 23 July 2010, AFP was served with a Writ of Seizure and Sale by the solicitors of the Applicant.

7) The Company wishes to stress that prior to today, the Company and AFP have never received any summons or court order and have no knowledge of any court proceedings being instituted against the Company or AFP.

8) On the same day, AFP has successfully obtained a stay order from the Taiping High Court staying the Writ of Seizure and Sale until 12 midnight 26 July 2010.

9) The Company wishes to stress that the claim by the Applicant is baseless and the Company will obtain the necessary legal advice to strike off the claim by the Applicant.

This announcement is dated 23 July 2010.