

**SALCON BERHAD (“SALCON” OR “THE COMPANY”)
MATERIAL LITIGATION PURSUANT TO PARAGRAPH 9.04(f) OF THE BURSA
MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS**

Material litigation involving JR Engineering and Medical Technologies (M) Sdn Bhd (“JREMT” or “Defendant”), a 51.0%-owned subsidiary of the Company and Aspen Glove Sdn Bhd (“AGSB” or “Plaintiff”)

1. We refer to our announcement on 19 December 2022. Unless otherwise stated, the abbreviations used in this announcement shall have the same meaning as set out in the earlier announcement.

In relation to the Originating Summons (Summons No.: BA-24NCC-118-12/2022) Salcon wishes to update as follows that:

- (i) Further to the counterclaim filed by JREMT on 19 December 2022, JREMT had on 27 December 2022 filed an application for interim injunction to, amongst others, preserve the RM22,363,243.07 pending the disposal of JREMT’s counterclaim (“**Interim Injunction Application**”).
 - (ii) On 20 January 2023, the court granted an ex-parte injunction order (“**Ex-Parte Order**”) in favour of JREMT in the Interim Injunction Application.
 - (iii) On 26 January 2023, AGSB filed an application to set-aside the Ex-Parte Order (“**Setting Aside Application**”).
 - (iv) On 31 January 2023, the court granted an interim injunction in the Originating Summons in favour of AGSB restraining JREMT from presenting a winding up petition against AGSB pending the disposal of the Originating Summons. The decision in respect of the Originating Summons is fixed on 20 February 2023.
 - (v) Directions in respect of JREMT’s counterclaim will also be given on 20 February 2023.
 - (vi) On 10 February 2023, the court granted an ad-interim injunction order in favour of JREMT in the Interim Injunction Application, pending the disposal of the Interim Injunction Application (*inter-partes*) and the Setting Aside Application.
 - (vii) Hearing and/or decision of the Interim Injunction Application and the Setting Aside Application are fixed on 24 February 2023.
2. Furthermore, Salcon also wishes to inform that on 25 January 2023, AGSB filed a writ against JREMT (Civil Suit No.: BA-22NCvC-41-01/2023)(“**Suit**”) endorsed with Statement of Claim. In the Suit, AGSB alleged that JREMT did not purchase one (1) billion pieces of gloves from AGSB as stated in the Contract and therefore JREMT was in breach of the Contract.

In this Suit, AGSB claims:

- (a) a declaration that JREMT breached the Contract;
- (b) an order that JREMT pays AGSB the sum of RM74,654,583.90, being loss of expenditure;
- (c) an order that JREMT pays AGSB the sum of RM99,325,563.00, being loss of profit;

- (d) damages for breach of contract;
- (e) compensation for breach of contract;
- (f) interest;
- (g) costs;
- (h) such further or other relief as the Court deems fit.

JREMT is advised by its solicitors that the Suit is non-meritorious and JREMT shall vigorously defend the Suit.

JREMT had on 31 January 2023 filed its Memorandum of Appearance. The parties of the Suit are now exchanging its pleadings.

This announcement is dated 17 February 2023.