

15<sup>th</sup> October 2023

**Investigations By The Companies Commission of Malaysia / Suruhanjaya Syarikat Malaysia  
("SSM" Under The Anti-Money Laundering, Anti-Terrorism Financing And Proceeds Of Unlawful  
Activities Act 2001 ("AMLA")**

SSM Compounds

We refer to the press release, "SSM Siasat Syarikat East West One Group Di Bawah AMLA", issued by SSM on 15<sup>th</sup> October 2023.

We acknowledge the receipt of the four (4) compounds by SSM. These four (4) compounds were issued against the Management Company, Directors, and Chief Executive Officer (collectively amounting to RM1,000,000.00) (these four (4) compounds are related to the East West Horizon Planter's Scheme ("**EWHP Scheme**"). All the four (4) compounds are related to the same offence, i.e., the non-payment of the monthly net return ("**MNR**").

The offence is pursuant to section 46(1) of the Interest Schemes Act 2016. Section 46(1)(a) states that the Management Company shall pay to the Trustee, within thirty (30) days after the money is received by the Management Company.

Planter's Meeting(s)

As the Planters are already aware, the Management Company is facing challenges in keeping up with its relevant obligation(s) to the Planters.

The Management Company has taken the proactive step of organising the "Planters' Meeting" on 27<sup>th</sup> September 2023, to propose a restructuring exercise.

Injunction

However, as most of the Planters are aware, an injunction was obtained by a small group of Planters against the Company, and as a result, the "Planters' Meeting" had to be halted.

Current Initiatives

The Management Company has instructed its lawyers to set aside the injunction. The Management Company is of the opinion that the injunction goes against the provisions of the Trust Deed (governing the EWHP Scheme) and/or the Interest Schemes Act 2016.

However, corresponding to the Court proceedings, the Management Company has started engagements with several groups of Planters. The Management Company is hopeful that a settlement may be reached, and a new "Planters' Meeting" can be called.

Appeal Against the SSM Compounds

The Management Company has already written to SSM on the following:-

1. Cancellation of the Compounds

The compounds, collectively amounting to RM1,000,000.00, is "*punitive*" in nature. The EWHP Scheme has been operating since 2012 without any prior defaults or breach. The compound does not correspond with the nature of the breach.

A compound of RM1,000,000.00 would be more suitable for companies or individuals that operates an unregistered scheme or with an intention to defraud.



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2. Appeal to Re-Classify the Compound From Section 46(1) of the Interest Schemes Act 2016 to Section 75 of the Interest Schemes Act 2016

The Company is of the opinion that section 46(1)(a) of the Interest Schemes Act 2016 deals with the "**Subscription Fee**" that has been paid by the planters.

In this case, the default by the Management Company is the failure to remit the MNR. It is **not related** to the "Subscription Fee". This default should not be classified under Section 46(1)(a) of the Interest Schemes Act 2016. Perhaps, a more suitable provision would be Section 75 of the Interest Schemes Act 2016, which provides for a general penalty **not exceeding RM50,000.00**.

#### Investigations Under AMLA

The Management Company is aware of the current investigations by SSM. The Management Company has fully cooperated with SSM and has made available all its books and records. The Management Company maintains an open policy in its approach and welcomes all investigations.

However, the Management Company strongly denies any involvement in any money laundering and terrorism financing offences. The EWHP Scheme has been operating since 2012 without any prior defaults or breach. It is not an illegal scheme.

Alas, as in all industries, the Management Company is also subjected to business risks. The Company maintains that the only default is the failure to pay the Planters according to schedule (there are no prior defaults and/or breaches since the EWHP Scheme started in 2012).

The Management Company hopes that once the revised restructuring plans are approved by the Planters and SSM, all outstanding obligations will be observed and regularized.

Thank you.

**Team EWOG**