



Gordagen successful in securing winding-up order against Felda Wellness Corporation

- **Felda Wellness Corporation, a wholly owned subsidiary of FELDA Group, owes debts totalling \$652,083.60 to Gordagen Pharmaceuticals Pty. Ltd. and its wholly owned subsidiary Gordagen Pharmaceuticals Manufacturing Pty. Ltd.**
- **Gordagen and its subsidiary issued statutory demands followed by a winding-up petition in the High Court of Malaysia due to Felda Wellness Corporation's inability to pay the debts as and when they fell due.**
- **Gordagen has been successful in securing a winding-up order from the High Court of Malaysia against Felda Wellness Corporation.**

March 9th 2016, Melbourne, Australia - Gordagen Pharmaceuticals Pty. Ltd., a privately-held company commercializing evidence-based nutraceuticals and pharmaceuticals, has secured a winding-up order from the High Court of Malaysia against Felda Wellness Corporation (FWC), a wholly-owned subsidiary of FELDA, on 3 March 2016.

The winding-up proceedings were initiated when FWC, after numerous requests from Gordagen over a period exceeding 14 months, refused to pay genuine and admitted debts related to services provided by Gordagen and its subsidiary, Gordagen Pharmaceuticals Manufacturing (GPM). Services were provided to FWC under the express instructions of former FWC director and former FELDA Group Deputy Director General, Muhammad Sufi Mahbub, and also FWC's Chief Executive Officer, Mohd Nasir bin Shafion. FWC, through these two senior officers, executed contractual agreements which bound FWC to the payment and reimbursement of all expenses incurred by Gordagen and GPM in the provision of these services.

Importantly, under a contractual agreement executed by Mohd Nasir bin Shafion on behalf of FWC, funds sourced from FWC were used to pay for the employment costs and living expenses of Muhammad Sufi Mahbub's daughter, Athirah Sufi, while she was living in Australia. All the arrangements were initiated and coordinated by FWC's officers, Mohd Nasir bin Shafion and Muhammad Sufi Mahbub, on behalf of FWC. However, during the winding-up proceedings, FWC for reasons best known to itself, attempted to mis-state to Court that it had no knowledge of this contractual arrangement.

After Gordagen made numerous attempts to negotiate an acceptable settlement of the debts during the last 14 months, statutory demands pursuant to Section 218 of the Malaysian Companies Act 1965 were issued by Gordagen's and GPM's Malaysian legal counsel, Izral Partnership, to FWC on 20 August 2015. FWC ignored these statutory demands, the debts remained unsettled and Gordagen presented a winding-up petition in the High Court of Malaysia on 14 September 2015.

“FWC is a shareholder of Gordagen and they are a wholly-owned subsidiary of a major statutory body in Malaysia, FELDA, so Gordagen fully exhausted every option available to us prior to initiating winding-up proceedings in court. This is simply too much money for a development-stage biopharmaceutical company like Gordagen to write off as a bad debt and the Board of Directors was left with no choice but to initiate proceedings in court,” said Dr. Glenn Tong, Gordagen’s Managing Director and Chief Executive Officer.

During the winding up proceedings, overwhelming evidence including a number of emails from Mohd Nasir bin Shafion and Athirah Radzali (FWC’s accountant) to Gordagen together with written confirmation of debts from FWC’s auditor Price Waterhouse Coopers Malaysia, was presented by Gordagen’s counsel to the Court which clearly demonstrated that FWC had fully accepted and admitted the genuine debts and they had not raised any genuine disputes regarding the debts. Subsequently, during the court proceedings, FWC made numerous assertions which were inconsistent with the evidence presented by Gordagen.

“The conduct of FWC to date has been extremely disappointing in that you would expect a wholly-owned subsidiary of a Malaysian Government statutory body to be both a model corporate citizen and a model litigant. Instead, they defaulted on a substantial debt due and owing to Gordagen and GPM and throughout these court winding up proceedings, FWC’s officers were prepared to say and do anything, even if it meant deliberately misleading the Court and us, in order to evade a genuine debt,” said Dr. Glenn Tong.

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About Gordagen Pharmaceuticals Pty Ltd

Gordagen Pharmaceuticals is a privately-held Australian company developing and commercializing novel supplements and prescription medicines based on natural tocotrienols, found in vitamin E. The Company has developed a novel approach to delivering highly potent tocotrienols to target tissues using its proprietary and patent-pending “melt-then-swallow” delivery technology (MELT3™). The Company is focusing on tocotrienols with wide therapeutic potential, initially targeting heart health, muscle soreness and exercise endurance.

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