

## **GENERAL ANNOUNCEMENT**

**SUBJECT : MATERIAL LITIGATION**  
**DESCRIPTION : WRIT OF SUMMONS (“WRIT”) AND STATEMENT OF CLAIM (“SOC”) FILED AGAINST NUHEARA LIMITED (“NUHEARA” OR “DEFENDANT”) BY SALUTICA ALLIED SOLUTIONS SDN. BHD. (“SAS” OR “PLAINTIFF”), A WHOLLY-OWNED SUBSIDIARY OF SALUTICA BERHAD (“SALUTICA” OR THE “COMPANY”) KUALA LUMPUR HIGH COURT SUIT NO: WA-22NCC-406-06/2024**

### **1. INTRODUCTION**

Pursuant to Paragraph 9.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of SALUTICA wishes to inform that its wholly-owned subsidiary, SAS, had on 24 June 2024 filed a Writ together with the SOC, dated 24 June 2024, at the High Court of Malaya in Kuala Lumpur against Nuheara (“Suit”).

### **2. INFORMATION ON SAS**

SAS is a private limited company with an issued share capital of RM108,000,000 and is a wholly-owned subsidiary of SALUTICA. The principal activities of SAS are manufacture of mobile communication products, wireless electronic and lifestyle devices and vertical integration processes covering design and development.

### **3. CIRCUMSTANCES LEADING TO THE SUIT**

- a) Salutica and Nuheara had entered an agreement entitled “Master Design, Development and Manufacturing Agreement” on 12.06.2018 that has an effective date of 16.04.2018 (hereinafter referred to as the “said Agreement”) where the Defendant had in general appointed SAS to manufacture the Nuheara’s products.
- b) Based on the designs and/or instructions of Nuheara, amongst the raw materials and/or components that were to be used in the production of projects Heat, Zoran, and Echelon (hereinafter collectively referred to as the “Materials”), there would be common materials that purportedly could be used in producing all the projects Heat, Zoran and Echelon.
- c) When the production of project Echelon commenced, there were leftover Materials from projects Heat and Zoran that the Defendant instructed not to be used for project Echelon for being obsolete (hereinafter referred to as “Obsolete Materials”). There were also leftover Materials from projects Heat and Zoran that the Defendant instructed could be used for project Echelon (hereinafter referred to as “Leftover Materials”).

- d) Based on the said Agreement, projects Heat, Zoran, and Echelon would have reached end of life.
- e) As at 21.06.2024, and after taking into account credit notes and partial payments by the Defendant effectively amounting to USD41,844.51 before this, the sum that is still owing to the Plaintiff amounts to USD1,717,486.45.
- f) Despite numerous demands from the Plaintiff, the Defendant has failed, neglected, and/or refused to pay its debt to the Plaintiff. As such, the Plaintiff has suffered losses amounting to USD1,717,486.45 or equivalent to RM8,088,502.44 (based on the exchange rate of 4.7095 by Bank Negara Malaysia on 21.06.2024).

#### **4. PARTICULARS OF CLAIM UNDER THE WRIT AND SOC**

The claims pursuant to the Writ and the SOC are as follows:-

- a) Damages in the sum of USD1,717,486.45 or RM8,088,502.44;
- b) Pre-judgment interest at 5% per annum on sum (a) above calculated from the date of filing this action till the date of judgment;
- c) Judgment interest at 5% per annum on sum (a) and (b) above calculated from the date of judgment to the date of full settlement;
- d) Costs for this action; and
- e) Any further and/or other relief that this Honourable Court deems fit.

#### **5. FINANCIAL AND OPERATION IMPACT TO THE COMPANY**

Apart from the amount claimed by SAS and the corresponding legal costs, the Writ together with the SOC are not expected to have any other material financial impact on the Company for the financial year ended 30 June 2024. The Writ together with the SOC are not expected to have any business and operational impacts on SAS or the Company.

This announcement is dated 25 June 2024.