

## **GENERAL ANNOUNCEMENT**

**SUBJECT : MATERIAL LITIGATION**  
**DESCRIPTION : WRIT OF SUMMONS (“WRIT”) AND STATEMENT OF CLAIM (“SOC”) FILED AGAINST PARADIGM METAL INDUSTRIES SDN. BHD. (“PMI” OR “DEFENDANT”) BY SALUTICA ALLIED SOLUTIONS SDN. BHD. (“SAS” OR “PLAINTIFF”), A WHOLLY-OWNED SUBSIDIARY OF SALUTICA BERHAD (“SALUTICA” OR THE “COMPANY”) PENANG HIGH COURT SUIT NO: PA-22NCvC-130-08/2023**

### **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 11 August 2023 filed a Writ together with the SOC, dated 11 August 2023, at the High Court of Malaya in Penang against PMI (“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) Through a Framework Purchase Agreement dated 10 November 2021 (“Agreement”), SAS has supplied to PMI various electronic products (“Products”).
- b) Based on the Agreement, the payment term depending on the class of products is between 30 and 60 days.
- c) Furthermore, the invoices of SAS stipulate a late payment interest of 1% per month for unpaid invoices.
- d) In year 2022, SAS had manufactured and delivered to PMI the Products to which SAS had issued invoices to PMI for a total amount of USD568,925.03.
- e) On 17 July 2023, solicitors for SAS issued a letter of demand to PMI to which has yet to be satisfied in full by PMI.
- f) After having taken into account certain reduction and late interest charges together with a partial payment from PMI of USD137,167.00 on 21 July 2023, the net amount owing to SAS is USD383,714.97, comprising principal sum of USD323,886.63 and late payment interest charges of USD59,828.34.

- g) As such, based on the Bank Negara Malaysia's exchange rate on 9 August 2023 of USD1.00 equals to RM4.5795, the total claim by SAS against PMI is RM1,757,222.71.

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

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

- a) The sum of USD383,714.97 or alternatively the sum of RM1,757,222.71, to be paid by the Defendant to the Plaintiff;
- b) Late payment interest of 1% per month calculated from 1 August 2023 until the date of full settlement;
- c) Pre-judgment interest of 5% per annum on the amount of item 4(a) and (b) above calculated from the date of filing of this suit until the date of judgment;
- d) Judgment interest of 5% per annum on the amount of item 4(a), (b), and (c) above from the date of judgment until the date of full settlement;
- e) Cost of the suit; and
- f) Such further and other relief as the Honourable Court deems fit and proper to grant.

**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 2023. 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 11 August 2023.