

SALUTICA BERHAD
(201201040303) (1024781-T)
(Incorporated in Malaysia)

MINUTES of the Twelfth Annual General Meeting (“12th AGM”) of the Company conducted fully virtual through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC:D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia on Friday, 22 November 2024 at 10.30 a.m.

Present	:	Mr. Chia Chee Hoong	- Chairman
		Mr. Joshua Lim Phan Yih	- Managing Director/Chief Executive Officer
		Mr. James Lim Chong Shyh	- Senior Executive Director
		Ms. Michelle Chan Shook Ling	- Executive Director/Chief Financial Officer
		Mr. Low Teng Lum	- Senior Independent Non-Executive Director
		Mr. Low Chan Khiang	- Independent Non-Executive Director
		Ms. Tan Gim May	- Independent Non-Executive Director

In Attendance	:	Mr. Khaw Teik Thye] Company Secretaries
		Ms. Chong Lay Kim	
(as per attendance list)		Representatives from Crowe Malaysia PLT	

The attendance of members, corporate representatives and proxies is recorded in the Attendance List for Remote Participation and Voting.

CHAIRMAN

The Chairman welcomed all the members and attendees to the Company’s 12th AGM, which was held remotely from various locations via live streaming.

The notice convening the meeting, which had been previously circulated to all members of the Company and advertised in The New Straits Times Press, was taken as read.

The Chairman then introduced the Board members, Company Secretary and Auditors to shareholders.

For a fully virtual general meeting, the quorum is determined by the number of shareholders who logged in at the start of the meeting. The Chairman confirmed that a quorum was present and called the meeting to order at 10.30 a.m.

ANNOUNCEMENT ON ADMINISTRATIVE MATTERS

The Chairman informed that, pursuant to Paragraph 8.29A of the Main Market listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the general meeting must be voted by poll. The Chairman declared that Resolutions 1 to 8 required a simple majority of more than 50% of the affirmative votes from members present in person or proxies at the 12th AGM. Resolution 9 to 11, however, would be voted using the two-tier voting process.

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The poll administrator was Tricor Investor & Issuing House Services Sdn. Bhd. ("Poll Administrator"), and the independent scrutineer was Coopers Professional Scrutineers Sdn. Bhd. ("Scrutineer").

The Chairman then provided an overview of the meeting's agenda. The Company would first address all the resolutions outlined in the Notice of the 12th AGM, followed by the Questions and Answer ("Q&A") session. During the Q&A session, the Company would respond to the questions received from the Minority Shareholders Watch Group ("MWSG") in its letter dated 15 November 2024, then addressed the questions submitted by the shareholders prior to the 12 AGM, and finally, any questions raised by shareholders via real-time submission.

The Chairman also mentioned that, as the resolutions tabled at the 12th AGM would be voted on remotely using the remote participation and voting ("RPV") facilities, voting on the resolutions could take place at any time during the meeting or until such time as announced later.

PRESENTATION BY MANAGEMENT

At the Chairman's invitation, Mr. Joshua Lim Phan Yih, the Managing Director/Chief Executive Office presented the Group's financial performance and business operations for the financial year ended 30 June 2024.

1. **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 ("AFS 2024") TOGETHER WITH THE DIRECTORS' AND THE AUDITOR'S REPORTS THEREON**

The Chairman has informed that the AFS 2024 together with the Directors' and Auditor's Reports, were for discussion purpose only, as the Companies Act 2016 does not require formal shareholders approval for the AFS 2024. As such, the item was not put forward for a vote.

The Chairman then declared that the AFS 2024 together with the Directors' and Auditor's Reports, be received.

2. **ORDINARY RESOLUTION 1
DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

The Chairman proceeded to Resolution 1 on the Directors' fees of RM381,333.00 for the financial year ended 30 June 2024.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

"THAT the payment of Directors' fees of RM381,333.00 for the financial year ended 30 June 2024 be approved."

3. ORDINARY RESOLUTION 2
RE-ELECTION OF MR. LIM CHONG SHYH WHO RETIRES PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY

The Chairman moved on to Resolution 2 regarding the re-election of Mr. Lim Chong Shyh.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Mr. Lim Chong Shyh retiring pursuant to Clause 76(3) of the Constitution of the Company and who being eligible, be hereby re-elected as Director of the Company.”

4. ORDINARY RESOLUTION 3
RE-ELECTION OF MR. LEOW CHAN KHIANG WHO RETIRES PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY

The Chairman proceeded to the next item on the agenda, which was on the re-election of Mr. Leow Chan Kiang.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Mr. Leow Chan Kiang retiring pursuant to Clause 76(3) of the Constitution of the Company and who being eligible, be hereby re-elected as Director of the Company.”

5. ORDINARY RESOLUTION 4
RE-ELECTION OF MADAM TAN GIM MAY WHO RETIRES PURSUANT TO CLAUSE 76(6) OF THE CONSTITUTION OF THE COMPANY

The Chairman moved on to the next item on the agenda, which was on the re-election of Madam Tan Gim May.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Madam Tan Gim May retiring pursuant to Clause 76(6) of the Constitution of the Company and who being eligible, be hereby re-elected as Director of the Company.”

6. ORDINARY RESOLUTION 5
RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT AS AUDITOR OF THE COMPANY

The Chairman moved on to Resolution 5, which was on the re-appointment of Auditor.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Messrs Crowe Malaysia PLT be hereby re-appointed as Auditor of the Company at a fee to be agreed upon with the Directors and to hold office until the conclusion of the next Annual General Meeting.”

7. ORDINARY RESOLUTION 6
AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The Chairman informed that Resolution 6 pertained to the authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.

Resolution 6, if approved, would grant the Directors the authority to allot and issue up to 10% of the Company's issued share capital, subject to the approval of all relevant governmental and regulatory bodies. This authority would remain in effect until the conclusion of the next Annual General Meeting, unless revoked or varied at a general meeting.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

"THAT pursuant to Sections 75 and 76 of the Companies Act 2106 (the "Act"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory, authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

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THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

8. ORDINARY RESOLUTION 7
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The next item on the agenda was the Proposed Renewal of Shares Buy-Back Authority.

Resolution 7, if passed, would allow the Company to repurchase its own shares through Bursa Malaysia Securities Berhad, up to 10% of the total issued shares of the Company.

This authority will expire at the conclusion of the next Annual General Meeting, unless renewed by the shareholders of the Company at a general meeting.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT, subject always to the Companies Act 2016 (the “Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

- i. the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase;

(“Proposed Share Buy-Back”)

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AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

- i. the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passes at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- iii. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' shares scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.”

9. ORDINARY RESOLUTION 8
ISSUANCE AND ALLOTMENT OF NEW ORDINARY SHARES IN THE COMPANY (“NEW SALUTICA SHARES”) PURSUANT TO THE DIVIDEND REINVESTMENT PLAN THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY WITH AN OPTION TO ELECT TO REINVEST THEIR CASH DIVIDENDS INTO NEW SALUTICA SHARES (“DIVIDEND REINVESTMENT PLAN”)

The Chairman then addressed Resolution 8, which related to issuance and allotment of new ordinary shares in the Company (“New Salutica Shares”) pursuant to the dividend reinvestment plan that provides the Shareholders of the Company with an option to elect to reinvest their cash dividends into New Salutica Shares (“Dividend Reinvestment Plan”).

Resolution 8, if approved, would grant the Board the authority to issue and allot New Salutica Shares under the Dividend Reinvestment Plan in respect of dividends declared and/or approved by the Company, continuing until the conclusion of the next Annual General Meeting.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT pursuant to the Dividend Reinvestment Plan as approved by the Shareholders at the Eighth Annual General Meeting held on 23 November 2020, and subject to the approvals of all relevant regulatory authorities or parties being obtained, where required, approval be and is hereby given for the Company to allot and issue such number of New Salutica Shares from time to time as may be required to be allotted and issued pursuant to the Dividend Reinvestments Plan upon terms and conditions and to such persons as the Directors of the Company may, at its absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the New Salutica Shares shall be fixed by the Directors of the Company at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (“VWAMP”) of the existing ordinary shares of Salutica immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of the New Salutica Shares AND THAT such authority to allot and issue price of the New Salutica Shares AND THAT such authority to allot and issue New Salutica Shares shall continue to be in force until conclusion of the next Annual General Meeting of the Company.

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan, with full powers to assent to any conditions, modifications, variations and/or amendments (if any), including suspension and termination of the Dividend Reinvestment Plan as the Directors may, in their absolute discretion deem fit and in the interest of the Company and/or as may be imposed or agreed to by any relevant authorities.”

10. ORDINARY RESOLUTION 9
AUTHORITY FOR MR. CHIA CHEE HOONG TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

As Resolution 9 concerned the Chairman’s continuation in office as an Independent Non-Executive Director, the Chairman handed over the Chair to Mr. Low Teng Lum, Senior Independent Non-Executive Director, to guide the meeting through the resolution.

Mr. Low Teng Lum, put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT authority be and is hereby given to Mr. Chia Chee Hoong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”

After the resolution was addressed, Mr. Low Teng Lum returned the chair to the Chairman.

11. ORDINARY RESOLUTION 10
AUTHORITY FOR MR. LOW TENG LUM TO CONTINUE IN OFFICE AS A SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

The Chairman moved on to the next agenda item, which was on the continuation in office of Mr. Low Teng Lum as a Senior Independent Non-Executive Director.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT authority be and is hereby given to Mr. Low Teng Lum who has served as a Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”

12. ORDINARY RESOLUTION 11
AUTHORITY FOR MR. LEOW CHAN KHIANG TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

The Chairman proceeded with the final agenda item, which concerned the continuation in office of Mr. Leow Chan Kiang as an Independent Non-Executive Director.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT authority be and is hereby given to Mr. Leow Chan Kiang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”

ANY OTHER BUSINESS

The Chairman announced that no notice of other business had been received, in accordance with the Companies Act 2016.

Q&A SESSION

At the Chairman's invitation, Mr. Joshua Lim Phan Yih, the Managing Director/Chief Executive Officer, addressed the questions submitted by MWSG regarding the Company's operational, financial, sustainability and corporate governance matters, followed by questions from shareholders received both prior to and during the 12th AGM.

The Q&A session, attached as "Appendix A", shall be considered an integral part of these minutes.

CONDUCT OF POLL

After addressing all the items on the agenda, the meeting proceeded to vote on Resolutions 1 to 11 by poll, with Resolutions 9 to 11 being voted on using the two-tier voting process. The Chairman adjourned the meeting at 11.28 a.m. for the counting and verification of the votes.

Following the completion of the votes counting by the Poll Administrator and the verification of the results by the Scrutineer, the Chairman resumed the meeting at 11.45 a.m. to announce the poll results.

Based on the attached poll results, marked as "Appendix B," the Chairman declared that ALL resolutions had been carried.

CLOSURE

The Chairman closed the meeting at 11.50 a.m. and thanked those present for their attendance.

SALUTICA BERHAD (201201040303) (1024781-T)
MINUTES OF THE TWELFTH ANNUAL GENERAL MEETING HELD ON 22 NOVEMBER 2024

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Dated:

READ AND CONFIRMED BY

.....
CHAIRMAN

SALUTICA BERHAD
(201201040303) (1024781-T)
(Incorporated in Malaysia)

**QUESTIONS AND ANSWER SESSION OF THE TWELFTH ANNUAL GENERAL MEETING OF
THE COMPANY HELD ON 22 NOVEMBER 2024 AT 10.30 A.M.**

I. QUESTIONS FROM MINORITY SHAREHOLDERS WATCH GROUP

A. Operational & Financial Matters

1. Last year, the Group anticipated a financial turnaround by FYF2024. However, the Group's revenue dropped by 66.6 % to RM21.3 million from RM63.8 million in FYF2023, mainly due to lower order volumes, product development delays, and weak consumer electronics demand. (Source: Page 15 of the Annual Report (AR) 2024)
- (a) Which product development has been delayed and has the issue been resolved?
- (b) Given the challenges faced in FYF2024, what is the realistic outlook for FYE2025 specially on the order volumes and consumer electronics demand?

The Company's response to Q1

There were two projects end-of-life, one under medical grade hearables (Nuheara) and another under lifestyle headsets (Dynasound) while another hearable Truly Wireless System ("TWS") recorder low order volume due to weak market demand.

Furthermore, product development delays for phone mount for motorcycles, which was originally plan for July 2023 eventually went into mass production in June 2024, have also contributed to the low sales for FYE2024.

High inflation has eroded consumer purchasing power, particularly in discretionary spending categories, which has had a cascading effect on demand for some of our products.

Compounding this is the impact of elevated interest rates in major economics like United States and Europe, further dampening economic activity and reducing order volumes from our key customers. These external pressures have necessitated a re-evaluation and strategic repositioning of our business focus.

Our decision to pivot towards the automotive and medical sectors is central to this strategy. Both sectors offer growth opportunities that are less susceptible to economic volatility and align with Salutica's strengths in advanced manufacturing and innovation.

2. The Group's long-term strategy focuses on diversifying its revenue to reduce reliance on short-lifecycle Truly Wireless System (TWS) and lifestyle electronics. (Source: Page 18 of the AR2024).

How much of the total revenue generated is attributable to the automotive and medical business segments, in percentage? Are both segments showing an upward trend in revenue growth?

The Company's response to Q2:

The Group's strategy of pivoting towards the automotive and medical sector is a central strategy moving forward and we target to have it attribute more than 50% of our revenue moving forward.

3. A key milestone for the Group in FYE2024 was receiving the letter of conformance for the IATF 16949 certification on 23 October 2023, which marks the Group's entry into the automotive industry. (Source: Page 14 of the AR 2024).
- (a) The Group has been awarded three projects from three new customers, one of which is for an automotive diagnostic tool. Please provide some details on the projects including the job scope, duration, and total contract value.
- (b) Besides the automotive tool for diagnostics, what other automotive component parts or products are the Group currently manufacturing under this certification ?
- (c) What is the Group current production capacity for plastic injection moulding and electronic assembly to cater demands for automotive orders? What is the current utilisation rate of the production capacity?
- (d) What is the geographical reach of the Group's automotive segment? Please also provide the profile of the major customer within this segment.

The Company's response to Q3:

This marks a critical milestone in our efforts to strengthen our position within the automotive industry. One of the new customers that we have secured is related to automotive tool for diagnostic. This product is currently at project development stage and expect to mass production in first quarter of calendar year 2025.

The volume and demand of the products are dependent on the sales of such products by our customers (who are the brand owners of the products). Given the current economic climate, there continues to be a high degree of volatility in product demand.

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We are currently engaging with top-tier automotive supplier to contribute to advanced driver assistance systems (“ADAS”) and wiper systems. We have also signed a Memorandum of Understanding with Shanghai Yudian Electronic Technology Co., Ltd. This collaboration will focus on research and development as well as manufacturing of automotive electronics.

Our plastic injection moulding capacity is flexible to cater for prospective automotive or current customer. The current utilisation rate is low given the current low order volume of existing customers.

We do not restrict our geographical reach and we are pursuing customers in the automotive segment globally. We do not provide profile of our customers due to confidentiality.

4. At the 11th AGM, the Board/Management mentioned that the major customer of the Group for the medical segment involved in producing hearing assistance to consumers.
- (a) How does the order volume for medical devices in FYE2024 compare to FYE2023? Did it meet expectations? If not, what were the main reasons for any decline, and what strategies does the Group have to boost sales?
 - (b) What is the current outstanding order book for the medical segment, particularly from the US and Europe markets?
 - (c) How much revenue did hearing assistance devices contribute to the medical segment in FYE2024? Besides hearing aids, what other medical devices does the Group produce or supply?

The Company’s response to Q4:

The revenue contribution from medical grade hearable TWS contributed approximately 20% to the total revenue for FYE2024. However, we have since ceased business with one of the customers that is based in Australia as that company has gone into liquidation. As we are not the brand owner of the products that we produce, we are dependent on our customer sales to the end consumer.

We do not operate our business on an order book basis. In any event, the hearing assistance device currently has ended production and we are currently developing with our partners hearing aid devices which we target to materialize second half of calendar year 2025.

5. Last year, FOBO brands contributed 6% of total revenue. With the agriculture expansion, the Group expects FOBO sales to reach 10% of total revenue within two years.

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- (a) Are FOBO brands reported under automotive segment? How much revenue do the brands contribute to the segment, in terms of percentage?
- (b) The expansion of the FOBO brand into the agriculture industry is set for mid-2024. Has the program commenced, and is it on track with the set milestones?
- (c) Are Tire Pressure Monitoring System (TPMS) still the best-selling products in FOBO brands in FYE2024, and have their sales grown compared to FYE2023?

The Company's response to Q5:

FOBO sales contribution had increased from approximately 6% in FYE2023 to 19% in FYE2024. This is a testament of our product gaining traction and recognition due to its product reliability and quality.

We are expecting to deliver the first batch of sensors to Lembaga Koko Malaysia in January 2025.

The sales of the TPMS in FYE2024 is RM4.1 million compared to 3.96 million for FYE2023.

- 6. The impairment loss of property, plant and equipment rose significantly from RM467k in FYE2023 to RM9.3 million in FYE2024. (Source: Page 91 of the AR2024)
 - (a) Please specify which assets were subject to impairment losses and under which business division.
 - (b) What is the nature of this impairment and what made this impairment necessary? Is any portion of the impairment recoverable?

The Company's response to Q6

The Group is required to perform impairment test of its Cash Generating Unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount.

The continued losses in the FYE2024 indicates that the carrying amount of the CGU of the consumer electronics segment of the Group may be impaired. Hence, for the FYE2024, the Group had performed an impairment assessment on its plant and equipment and recognised an impairment loss of RM9.3 million in the accounts. The impairment loss may be reversed if the performance of the CGU improves or there is significant increase in the value of the CGU during the period under review.

7. The allowance of impairment loss in trade receivables increased from RM1.5 million in FYE2023 to RM7.9 million in FYE2024. (Source: Page 91 of the AR2024).
- (a) Please provide some details about the industry or general background of the customer who defaulted on their debt, leading to the increased impairment.
- (b) What specific issues caused this customer to default on their payment, resulting in the Group raising the loss allowance?

The Company's response to Q7:

The allowance of impairment loss in trade receivables of RM7.9 million reported in the Income Statement in FYE2024 relates to one customer whom we are currently pursuing legally to recover the debts.

B. Sustainability Matters

1. The incoming Quality Control (IQC) check for Defective Parts Per Million (DPPM) on raw materials and parts from the Group's suppliers is as follows: (Source: Page 26 of the AR2024)

The reported Defective Parts Per Million (DPPM) for FYE2024 is 231.4. Although this is still below the internal target of 400 DPPM, it has significantly increased from 21.7 DPPM in FYE2023.

Which products contributed the most to the high number of defective parts in FYE2024, and what are the reasons behind this increase? Is this a one-time occurrence, or is it expected to continue?

The Company's response to Q1:

In FYE2023, there were 3 defective parts from one supplier while in FYE2024, there were 18 defective parts from three suppliers. All were due to cosmetic issues. It is not expected to recur as improvements have been carried out to prevent similar occurrence.

2. For FYE on or after December 31, 2024, main market listed issuers must provide enhanced quantitative information, including at least three financial years' data for each reported indicator.

Has the Group started its initiative to gather data for the enhanced sustainability reporting requirements despite not falling within this reporting cycle?

The Company's response to Q2:

The Group will provide three financial years data (FYE2023-FYE2025) for the Group's each reported indicator in FYE2025 reporting cycle.

C. Corporate Governance Matters

1. The Group has departed from Practice 7.1 of the MCCG, which states that the Board has remuneration policies and procedures to determine the remuneration of Directors and senior management. These policies and procedures consider the demands, complexities and performance of the Group, as well as the required skills and experience. The policies and procedures are periodically reviewed and made available on the Group's website.

While we acknowledge the need to protect the confidentiality of senior staff rewards and avoid industry poaching, we believe publishing the remuneration policies and practices on the Group's website can significantly enhance transparency and trust among stakeholders. We call upon the Board to reconsider the current approach and move towards a more transparent remuneration disclosure policy. This change would demonstrate the Group's dedication to upholding the highest corporate governance standards and strengthening stakeholders' trust.

The Company's response to Q1:

The Board take note of your valuable suggestion regarding the Group's remuneration disclosure practices. We recognise the importance of transparency in this area and the increasing expectations for clear, comprehensive reporting on executive compensation and other related matters.

The Board is fully committed to maintaining the highest standards of corporate governance and ensuing our policies reflect fairness, accountability, and transparency. We will give careful consideration to your request for enhanced disclosure, taking into account applicable regulations, industry best practice, and the interest of our stakeholders.

We appreciate your continued engagement and will keep you informed of any developments regarding this issue.

II. QUESTIONS FROM SHAREHOLDERS

1. Is the coffee machine project a well-known brand or an independent brand?

The Company's respond to Q1:

It is an independent brand base in United State of America.

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2. Does the Company plan to issue right issue or private placement in FYE2025?

The Company's respond to Q2:

The Company will consider both plans if situation warrants such exercise to strengthen its financials to capitalise on business opportunities should they arise.

3. Will 2025 be better or worse than 2024?

The Company's response to Q3:

Based on our current planning and the strong growth potential in the automotive segment, as well as our continuing focus on both the automotive and medical sectors, we anticipate that 2025 to outperform 2024.

4. Does the Company have the capability to produce sensors that is used for Supervisory Control and Data ("SCADA") purpose which is considered crucial in the era of Environmental, Social and Governance ("ESG") practises?

The Company's response to Q4:

Our company has developed its own platform customized specifically for our sensors. The FOBO sensor is designed, developed, and produced as a 100% eco-friendly bike component, giving the company full control over both the hardware and software. Thus, customizing our proprietary sensor for other purposes is definitely within our capabilities

5. What is the revenue potential for glucose monitoring? Is it a new project?

The Company's response to Q5:

Glucose monitoring is currently one of the target medical segments for the company, and we have engaged in high-level discussions with potential customers in this area. We believe this presents significant revenue potential, as the medical sector continues to grow. This aligns with our strategy to expand and reposition our business scope. Additionally, obtaining ISO13485 certification has opened new avenues for the company to explore a wider range of potential markets.

6. Please consider giving e voucher to participating shareholder as a token for effort to support the Company.

SALUTICA BERHAD (201201040303) (1024781-T)
QUESTIONS AND ANSWER SESSION OF THE TWELFTH ANNUAL GENERAL MEETING OF
THE COMPANY HELD ON 22 NOVEMBER 2024 AT 10.30 A.M.

The Company's response to Q6:

Considering the current financial situation of the company, it is important to be prudent with expenditures. Moving forward, the company plans to hold a physical meeting next year, as has been the practice in previous years. During the Annual General Meeting, a door gift will be presented as a token of appreciation to the attending shareholders. Once the company's financial position strengthens, we are committed to rewarding shareholders for their continued support over the years.

7. Does the Company receive any enquiry on AI smart glasses?

The Company's response to Q7:

The Company did not receive any enquiry on AI smart glasses

SALUTICA BERHAD

(201201040303)

Twelfth Annual General MeetingOnline Meeting Platform via TIH Online website at <https://tih.online>

(Domain registration number with MYNIC: DIA282781)

On 22-November-2024 at 10:30AM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No Of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	4,759,036	96.3557	48	75.0000	179,991	3.6443	16	25.0000	4,939,027	100.0000	64	100.0000
Ordinary Resolution 2	11,030,937	99.9177	57	86.3636	9,090	0.0823	9	13.6364	11,040,027	100.0000	66	100.0000
Ordinary Resolution 3	225,521,237	99.9917	55	82.0896	18,790	0.0083	12	17.9104	225,540,027	100.0000	67	100.0000
Ordinary Resolution 4	225,521,437	99.9960	57	86.3636	9,090	0.0040	9	13.6364	225,530,527	100.0000	66	100.0000
Ordinary Resolution 5	225,521,437	99.9960	57	86.3636	9,090	0.0040	9	13.6364	225,530,527	100.0000	66	100.0000
Ordinary Resolution 6	225,370,936	99.9292	54	81.8182	159,591	0.0708	12	18.1818	225,530,527	100.0000	66	100.0000
Ordinary Resolution 7	225,520,936	99.9915	55	82.0896	19,091	0.0085	12	17.9104	225,540,027	100.0000	67	100.0000
Ordinary Resolution 8	225,371,136	99.9293	55	83.3333	159,391	0.0707	11	16.6667	225,530,527	100.0000	66	100.0000



SALUTICA BERHAD

(201201040303)

Twelfth Annual General MeetingOnline Meeting Platform via TIH Online website at <https://tjih.online>

(Domain registration number with MYNIC: D1A282781)

On 22-November-2024 at 10:30AM

Result On Voting By Poll - Two Tier

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
<u>Tier 1 - Large Holders</u>												
Ordinary Resolution 9	214,500,000	100.0000	1	100.0000	0	0.0000	0	0.0000	214,500,000	100.0000	1	100.0000
Ordinary Resolution 10	214,500,000	100.0000	1	100.0000	0	0.0000	0	0.0000	214,500,000	100.0000	1	100.0000
Ordinary Resolution 11	214,500,000	100.0000	1	100.0000	0	0.0000	0	0.0000	214,500,000	100.0000	1	100.0000
<u>Tier 2 - Other Holders</u>												
Ordinary Resolution 9	11,020,936	99.8271	53	80.3030	19,091	0.1729	13	19.6970	11,040,027	100.0000	66	100.0000
Ordinary Resolution 10	11,010,936	99.8269	52	80.0000	19,091	0.1731	13	20.0000	11,030,027	100.0000	65	100.0000
Ordinary Resolution 11	11,010,936	99.8269	52	80.0000	19,091	0.1731	13	20.0000	11,030,027	100.0000	65	100.0000

