

SALUTICA BERHAD

 (Company No. 201201040303) (1024781-T)
 (Incorporated in Malaysia)

The Board of Directors of Salutica Berhad (“**Salutica**” or the “**Company**”) (“**Board**”) is pleased to announce the following unaudited consolidated results for the second quarter and financial period ended (“**FPE**”) 31 MARCH 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND FPE 31 MARCH 2022

	Note	Current quarter 3 months ended		Cumulative 9 months ended	
		31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Revenue	A9	21,548	43,648	94,048	149,568
Loss from operations		(4,535)	(4,882)	(10,269)	(14,747)
Finance costs		(131)	(35)	(424)	(101)
Loss before taxation		(4,666)	(4,917)	(10,693)	(14,848)
Income tax credit	B5	931	1,120	2,054	3,434
Loss for the period	B1	(3,735)	(3,797)	(8,639)	(11,414)
Other comprehensive income, net of taxation		-	-	-	-
Total comprehensive loss for the period		(3,735)	(3,797)	(8,639)	(11,414)
Loss and total comprehensive income attributable to:					
Owners of the Company		(3,735)	(3,797)	(8,639)	(11,414)
Non-controlling interest		-	-	-	-
Total comprehensive loss for the period		(3,735)	(3,797)	(8,639)	(11,414)
Loss per share Basic (Sen)	B15	(0.88)	(0.99)	(2.07)	(2.96)

Note:

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is unaudited and should be read in conjunction with the audited financial statements of the Company for the financial year ended (“**FYE**”) 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

SALUTICA BERHAD
(Company No. 201201040303) (1024781-T)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	As at 31.03.2022 RM'000 (Unaudited)	As at 30.6.2021 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		52,804	52,339
Right-Of-Use Assets		5,201	5,273
Intangible assets		1,330	2,015
Deferred tax assets		7,373	5,319
		66,708	64,946
Current assets			
Inventories		68,375	66,493
Trade and other receivables		12,655	42,175
Derivative financial instruments		37	-
Current tax assets		2,750	2,702
Short term investment		29,788	15,232
Deposits, cash and bank balances		7,489	1,552
		121,094	128,154
Current liabilities			
Payables and accruals		33,680	50,658
Derivative financial instruments		1	-
Provision for warranties		106	70
Borrowings	B10	6,922	6,596
		40,709	57,324
NET CURRENT ASSETS		80,385	70,830
		147,093	135,776
EQUITY AND LIABILITIES			
Equity			
Share capital		113,362	91,802
Treasury shares		(984)	(991)
Reserves		32,066	40,705
Total equity attributable to owners of the Company		144,444	131,516
Non-controlling interests		-	-
TOTAL EQUITY		144,444	131,516
Non-current liabilities			
Borrowings	B10	2,649	4,260
		2,649	4,260
TOTAL EQUITY AND LIABILITIES		147,093	135,776
		147,093	135,776
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		34.66	34.16

Note:

The Condensed Consolidated Statement of Financial Position is unaudited and should be read in conjunction with the audited financial statements of the Company for FYE 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.



SALUTICA BERHAD

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(Incorporated in Malaysia under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER AND FPE 31 MARCH 2022

<----- Attributable to owners of the Company ----->

<--- Non-distributable reserve --->

<- Distributable ->

	Share capital and premium RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total RM'000
At 1 July 2021	91,802 ^(*)	(991)	40,705	131,516
Total comprehensive loss for the year	-	-	(8,639)	(8,639)
Issue of new ordinary shares	21,560 ^(^)	-	-	21,560
Resale of treasury shares	-	7 ^(#)	-	7
At 31 March 2022	113,362	(984)	32,066	144,444
At 1 July 2020	91,802	(991)	50,429	141,240
Total comprehensive loss for the year	-	-	(11,414)	(11,414)
At 31 March 2021	91,802	(991)	39,015	129,826

Note:

The Condensed Consolidated Statement of Changes in Equity is unaudited and should be read in conjunction with the audited financial statements of the Company for FYE 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

* As at 31 January 2019, the share premium account of RM53,002,368 has been transferred to share capital account.

^ On 18 August 2021, the Company announced issuance and listing of 38,500,000 new ordinary shares at an issue price of RM0.56 per ordinary share by way of a private placement pursuant to the general mandate obtained at the Eighth Annual General Meeting held on 23 November 2020.

The Company sold 10,000 treasury shares worth RM7,100.00 on 11 August 2021.



SALUTICA BERHAD

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CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE THIRD QUARTER AND FPE 31 MARCH 2022

	Note	Current Quarter Ended 31.03.2022 RM'000	Preceding year corresponding quarter ended 31.03.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the financial period		(8,639)	(11,414)
Adjustments for:			
Property, plant and equipment			
- depreciation		5,701	4,399
- gains on disposal		(123)	(88)
- write off		7	*
Right-of-use assets depreciation		71	71
Reversal of loss allowance for impairment of trade receivables		(64)	(96)
Bad debt recovery		(1)	-
Capitalisation of intangible assets		(35)	(19)
Amortisation of intangible assets		720	203
Written off of intangible assets		-	112
Short term investment			
- Gain on disposal		(40)	(36)
- Fair value gain		(334)	(493)
Finance costs		424	101
Interest income		(55)	(29)
Inventories – Allowance of slow moving		557	396
Provision		40	20
Unrealised (gain) / loss on foreign exchange		(27)	500
Fair value (gain) / loss on derivative financial instruments		(53)	112
Tax credit		(2,054)	(3,434)
Operating loss before changes in working capital		(3,905)	(9,695)
Changes in working capital:			
Inventories		(2,439)	(25,810)
Trade and other receivables		29,642	10,704
Trade and other payables		(15,866)	12,535
Cash generated from operations		7,432	(12,266)
Income tax paid		(49)	(134)
Income tax refund		-	-
Net cash generated from/(used in) operating activities		7,383	(12,400)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	B6	(6,481)	(5,634)
Proceeds from disposal of plant and equipment		124	89
Interest income received		55	29
Purchase of short term investment		(91,650)	(32,850)
Proceeds from sale of short term investment		77,467	56,076
Net investing cash flow		(20,485)	17,710
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares under private placement		21,560	-
Resale of treasury shares		7	-
Repayment of hire-purchase creditor		(2,132)	(642)
Repayment of term loans		-	(47)
Repayment of lease liability		(16)	(15)
Interest paid		(424)	(101)
Net cash from/(used in) financing activities		18,995	(805)



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CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE THIRD QUARTER AND FPE 31 MARCH 2022

Note	Current Quarter Ended 31.03.2022 RM'000	Preceding year corresponding quarter ended 31.03.2021 RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,893	4,505
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,552	3,836
Effect of change in foreign currency exchange rates	44	150
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7,489	8,491
Cash and cash equivalents comprise:		
Short-term deposits with licensed banks	-	-
Cash and bank balances	7,489	8,491
	7,489	8,491
Deposits with maturity more than 3 months	-	-
	7,489	8,491

* Amount is less than RM100

Note:

The Condensed Consolidated Cash Flows Statement is unaudited and should be read in conjunction with the audited financial statements of the Company for FYE 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2022

A COMPLIANCE WITH MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING AND THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“LISTING REQUIREMENTS”)

A1 Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Listing Requirements.

These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Company for FYE 30 June 2021 and the accompanying explanatory notes therein. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of Salutica and its subsidiary (“Group”) since the FYE 30 June 2021.

A2 Changes in accounting policies

The significant accounting policies adopted in these quarterly financial statements are consistent with those adopted as disclosed in the audited financial statements of the Group for FYE 30 June 2021-.

New standards, amendments to published standards and Issue Committee (“IC”) interpretations to existing standards that are applicable to the group and are effective

The new accounting standards, amendments and improvements to published standards and IC interpretations to existing standards that are effective for the Group’s and Company’s financial year beginning on 1 July 2021 are as follows:

- Amendment to MFRS 16 ‘Covid-19-Related Rent Concessions beyond 30 Jun 2020’ (2021 Amendment)
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘ Interest Rate Benchmark (“IBOR”) Reform – Phase 2’

The Group is currently assessing the financial impact that may arise from the adoption of these new standards, amendments and IC interpretations to existing standards on the financial statements of the Group in the financial years of initial application and none of these is expected to have a significant effect on the financial statements of the Group.

New standards early adopted by the Group

There are no new standards, amendments to published standards and IC interpretations to existing standards early adopted by the Group.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2022

A2 Changes in accounting policies (cont'd)

New standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group but not yet effective and not early adopted

Financial year beginning on 1 July 2022

- Amendments to MFRS 3 Business Combinations: 'Reference to the Conceptual Framework'
- Amendments to MFRS 116 Property, Plant and Equipment: 'Proceeds before Intended Use'
- Amendments to MFRS 137 'Onerous Contracts – Cost of Fulfilling a Contract'
- Annual Improvements to MFRSs 2018 – 2020: Amendments to Illustrative Example 13 accompanying MFRS 16 Leases: 'Lease Incentives' and Amendment to MFRS 9: 'Fees in the '10 per cent' test for Derecognition of Financial Liabilities'
- Amendment to MFRS 16 Leases: Covid-19 Related Rent Concessions beyond 30 June 2021.

Financial year beginning on 1 July 2023

- Amendments to MFRS 101 'Classification of Liabilities as Current or Non-current' and deferral of effective date
- Amendments to MFRS 101 'Presentation of Financial Statements' and MFRS Practice Statement 2 on 'Disclosure of Accounting Policies'
- Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors' on 'Definition of Accounting Estimates'
- Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

A3 Auditors' report on preceding annual financial statements

The auditors' report on the preceding audited financial statements of the Group for the FYE 30 June 2021 was not subject to any qualification.

A4 Seasonal or cyclical factors

The operations of the Group are affected by seasonal factors. Generally the demand for consumer electronic goods will increase before the year-end holiday season in many countries globally.

A5 Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

A6 Changes in estimates

There were no material changes in estimates of amounts reported in prior interim period or financial year that have a material effect in the current quarter.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2022

A7 Changes in debt and equity securities

There were no issuance, cancellation, repurchase, resale or repayments of debt and equity securities until the date of this report.

A8 Dividends paid

No dividend was paid for the current quarter.

A9 Operating segments

The Group operates in Malaysia under one operating segment – Consumer Electronics. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before taxation are mainly confined to this operating segment.

The principal activities of the Group comprises vertical integration processes covering product design and development, and manufacturing of mobile communication products, wireless electronics and lifestyle devices.

In presenting information on the operating segment, an analysis of the revenue by geographical region is shown below where revenue is based on geographical markets where the goods are delivered rather than the origin of the customers:

Regions	Current quarter				Cumulative quarter			
	3 months ended				9 months ended			
	31.03.2022		31.03.2021		31.03.2022		31.03.2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
America	14,400	66.8	36,490	83.6	66,184	70.4	125,088	83.6
Europe	1,523	7.1	3,126	7.2	12,885	13.7	12,670	8.4
Asia (excluding Malaysia)	1,939	9.0	1,514	3.5	6,076	6.5	4,596	3.1
Australia (including New Zealand and Oceania)	496	2.3	1,884	4.3	3,975	4.2	4,275	2.9
Malaysia	3,188	14.8	633	1.4	4,919	5.2	2,933	2.0
Africa (including Middle East)	2	^	1	^	9	^	6	^
Total	21,548	100	43,648	100	94,048	100	149,568	100

^ negligible

For FPE 31 March 2021 the Group revenue was mainly derived from America region, of which, approximately 98% of revenue was attributable to the United States of America. The second country was from Netherlands, contributing approximately 71% to the Europe region.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS
THIRD QUARTER ENDED 31 MARCH 2022

A10 Valuation of property, plant and equipment

There were no valuations of property, plant and equipment during the current quarter under review.

A11 Material events subsequent to the end of the current quarter

There were no material events subsequent to the end of the current quarter that have not been reflected in these interim financial statements.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

A13 Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at the date of this interim financial report.

A14 Capital commitments

Capital commitments in respect of property, plant and equipment not provided for in the financial statements are as follows:

	As at 31.03.2022 RM'000
Contracted	826
Authorised but not contracted	23,783
	<u>24,609</u>

A15 Significant related party transactions

	9 months ended 31.03.2022 RM'000
Consultancy fee paid/payable	
- to a person connected with directors of the Company	77
	<u>77</u>



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2022

B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of performance

(i) Revenue

For the current quarter ended 31 March 2022, the Group recorded revenue of RM21.5 million, compared to RM43.6 million generated in the corresponding quarter last year, a decrease of approximately 50.7% or RM22.1 million. The current quarter sales was affected by low sales volume for replacement models for the end of life Truly Wireless System (TWS) models. Furthermore, the revenue for the 3rd quarter is normally low due to the seasonal factors which generally have lower sales after year-end festive season. Meanwhile the sales from the embedded computing devices has started to pick up, contributing approximately 12% to total revenue for the current quarter.

For the 9-month period ended 31 March 2022, total revenue was RM94.0 million compared to RM149.6 million in the corresponding period last year, a decrease of 37.2% or RM55.6 million. TWS headsets continues to be the major contributor to the revenue albeit slightly lower at approximately 58% to total revenue, followed by computer peripherals at 32%, FOBO sales at 3% and the balance 7% for other non-headsets products.

(ii) Profit/(Loss) Before Taxation (“PBT”/ “(LBT)”)

In line with the declining revenue, the Group posted a current quarter LBT of RM4.7 million, a decrease in loss of RM0.2 million from LBT of RM4.9 million in the corresponding quarter last year.

For the current period under review, the Group recorded a LBT of RM10.7 million compared to RM14.8 million loss in the corresponding period last year. The decrease in loss of RM4.1 million was mainly due to the one-off insurance compensation amounting to RM3.2 million for the Covid-19 outbreak at production floor.

B2 Comment on material change in PBT / (LBT)

	Current Quarter 31.03.2022 RM'000	Preceding Quarter 31.12.2021 RM'000	Variance RM'000	%
Revenue	21,548	38,123	(16,575)	-43.5%
LBT	(4,666)	(1,426)	(3,240)	227.2%

The Group’s revenue for the current quarter ended 31 March 2022 has decreased to RM21.5 million compared to RM38.1 million for the preceding quarter ended 31 December 2021. In tandem with the lower sales, LBT for the current quarter was of 4.7mil compared to LBT of RM1.4 million for the preceding quarter.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2022

B3 Prospects

With the progressive rollout of vaccines in major countries around the world and uncertainties associated with Covid-19 crisis is slowly abating, risk remain with supply chain disruptions. However, the Group is mindful of the logistic constraints and worldwide component shortages issues and will put effort to mitigate unnecessary delays in order fulfilment to customers.

The Group will continue to spend on product development in advance of sales orders in order to support continuous business growth. Meanwhile, the sales of embedded computing devices has started to grow and expected to contribute to the operating income from fourth quarter onwards.

Premised on the above, the Board is of the opinion that the financial performance for the financial year ending 30 June 2022 will remain challenging.

B4 Variance between actual profit and forecast profit

The Group has not provided any revenue or profit forecast in any public documents and announcements.

B5 Taxation

	3 months ended		9 months ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year	*	-	*	-
Prior year	-	(*)	-	(*)
	<hr/>	<hr/>	<hr/>	<hr/>
	*	(*)	*	(*)
Deferred tax				
Current year	(931)	(1,120)	(2,054)	(3,434)
Prior year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(931)	(1,120)	(2,054)	(3,434)

Income tax is calculated at the Malaysia statutory tax rate of 24% of the estimated assessable profit for the current quarter and current financial year.

The deferred assets comprises mainly unutilised capital allowances and unused tax losses.

* amount is less than RM500

B6 Unquoted investments and properties

There were no purchases or sales of unquoted investment or properties for the current quarter.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2022

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the current quarter.

B8 Status of corporate proposals

There is no corporate proposal announced but pending completion as at the date of this report.

B9 Utilisation of proceeds from private placement exercise

As at **31 March 2022**, the status of the utilisation of proceeds from the private placement exercise which was completed on 18 August 2021, amounting to RM21.56 million is as follows:

Details of utilisation	Intended utilisation RM'000	Actual utilisation RM'000	Balance Unutilised RM'000	Intended timeframe for utilisation (from date of receipts of proceeds)
Working Capital ⁽¹⁾	17,710	17,710	0	Within 6 months
Other Expenditure ⁽²⁾	3,350	1,447	1,903	Within 12 months
Estimated expenses in relation to the private placement	500	500	0	Upon completion of the private placement
Total	21,560	19,657	1,903	

Note:

- (1) Purchase of component materials used in production of TWS and other electronic products.
(2) Expenditure on R&D, production testers, medical certification and purchase of simulation software and equipment.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2022

B10 Borrowings and debt securities

The Group's borrowings as at 31 March 2022 are as follows:

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
Secured			
Hire Purchase	2,900	2,543	5,443
Short term loan	4,000	-	4,000
	6,900	2,543	9,443
Unsecured			
Finance lease liability	22	106	128
	6,922	2,649	9,571

Hire purchase creditors, short term loan and finance lease liability are denominated in Ringgit Malaysia.

B11 Derivative financial instruments

As at the date of the statement of financial position 31 March 2022, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional Amount (RM'000)	Fair value Net gain / (loss) (RM'000)
Currency forward contracts: Less than 1 year	8,458	36

For the current quarter, there is no change to the Group's financial risk management policies and objectives in managing these derivative financial instruments and its related accounting policies. Foreign currency forward contracts are entered into by the Group in currencies other than its functional currency to manage exposure to the fluctuations in foreign currency exchange rates.

B12 Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at the end of the current quarter to the date of the interim financial report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2022

B13 Material litigation

On 11 January 2022, Salutica Allied Solutions Sdn. Bhd. (“the Plaintiff”), a wholly-owned subsidiary of the Company had filed a Writ of Summons with the Statement of Claim dated 10 January 2022, at the High Court of Malaya in Kuala Lumpur against Apple Malaysia Sdn. Bhd. (“the Defendant”), (the “Suit”).

The Plaintiff is the owner of the Malaysian Patent No. MY-172803-A (hereinafter the “MY’803 Patent”). The Crosspair Technology is the invention claimed by the Plaintiff in the MY’803 Patent.

Solicitors for both the Plaintiff and the Defendant in the suit have attended case management on 20 April 2022, 26 April 2022 and 17 May 2022. With regards to the Defendant’s leave application to file the Rejoinder, the Plaintiff has filed its Affidavit in Reply on 9 May 2022 and the Court has fixed the next case management date on 24 May 2022.

Save for the above, there is no litigation involving the Group which has a material effect on the financial position of the Group and the Board is not aware of any material litigation or any proceedings pending or threatened.

B14 Proposed dividend

The Directors do not recommend any payment of dividend in respect of the current quarter.

B15 Earnings per Share (“EPS”)

BASIC EPS	3 months ended		9 months ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Loss attributable to owners of the Company (RM’000)	(3,735)	(3,797)	(8,639)	(11,414)
Weighted average number of ordinary shares in issue (’000)	423,500	384,990	416,754	384,990
Basic EPS (sen)	(0.88)	(0.99)	(2.07)	(2.96)

There was no dilution in the EPS as there was no potential diluted ordinary share outstanding as at the end of the current period under review.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2022

B16 Notes to the Statement of Comprehensive Income

	3 months ended 31.03.2022 RM'000	9 months ended 31.03.2022 RM'000
Profit from operations for the period/year is arrived at after charging/(crediting):		
Reversal of loss allowance for Impairment of trade receivables	(3)	(64)
Provision for slow moving inventories	553	557
Write-off inventories	116	805
Claim made for obsolete materials	(95)	(1,084)
Insurance compensation for Covid-19	-	(3,221)
Interest income	(42)	(55)
Property, plant & equipment:		
- Depreciation	1,995	5,701
- Gain on disposal	-	(123)
Right-of-use asset depreciation	24	71
Provision for warranty	8	40
Rental of hostels	56	174
Rental of machinery	1,353	1,373
Finance costs	131	424
Net foreign exchange (gains)/losses:		
- Realised	70	(328)
- Unrealised	(273)	(27)
Fair value (gain)/losses on derivative financial instruments	9	(53)
Short term investments:		
- gains on disposal	(3)	(40)
- fair value gains	(139)	(334)

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements are not applicable.

B17 Authorisation for issue

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 23 May 2022.