



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 DECEMBER 2022.

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

	Note	Current quarter 3 months ended		Cumulative 6 months ended	
		31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Revenue	A9	9,009	38,123	37,268	72,500
Loss from operations		(5,346)	(1,283)	(9,223)	(5,734)
Finance costs		(97)	(143)	(200)	(293)
Loss before taxation		(5,443)	(1,426)	(9,423)	(6,027)
Income tax (expenses) / credit	B5	1,913	292	2,833	1,123
Loss for the period	B1	(3,530)	(1,134)	(6,590)	(4,904)
Other comprehensive income, net of taxation		-	-	-	-
Total comprehensive loss for the period		(3,530)	(1,134)	(6,590)	(4,904)
Loss and total comprehensive income attributable to:					
Owners of the Company		(3,530)	(1,134)	(6,590)	(4,904)
Non-controlling interest		-	-	-	-
Total comprehensive loss for the period		(3,530)	(1,134)	(6,590)	(4,904)
Loss per share Basic (Sen)	B15	(0.83)	(0.27)	(1.56)	(1.19)

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 2022 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 DECEMBER 2022

	Note	As at 31.12.2022 RM'000 (Unaudited)	As at 30.6.2022 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		48,967	51,914
Right-Of-Use Assets		5,130	5,178
Intangible assets		965	1,052
Deferred tax assets		9,929	7,096
		64,991	65,240
Current assets			
Inventories		43,344	54,584
Trade and other receivables		6,875	18,342
Contract Assets		293	2,044
Current tax assets		2,756	2,736
Short term investment		50,085	45,105
Deposits, cash and bank balances		3,022	7,930
		106,375	130,741
Current liabilities			
Payables and accruals		13,727	28,363
Contract liabilities		10,261	11,783
Derivative financial instruments		-	377
Provision for warranties		124	120
Borrowings	B10	6,368	6,772
		30,480	47,415
NET CURRENT ASSETS		75,895	83,326
		140,886	148,566
EQUITY AND LIABILITIES			
Equity			
Share capital		113,362	113,362
Treasury shares		(984)	(984)
Reserves		27,531	34,121
Total equity attributable to owners of the Company		139,909	146,499
Non-controlling interests		-	-
TOTAL EQUITY		139,909	146,499
Non-current liabilities			
Borrowings	B10	977	2,067
		977	2,067
TOTAL EQUITY AND LIABILITIES		140,886	148,566
		140,886	148,566
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		33.04	35.01

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 2022 and the accompanying explanatory notes attached to the interim financial statements.



SALUTICA BERHAD

(Company No. 201201040303) (1024781-T)
(Incorporated in Malaysia under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND FPE 31 DECEMBER 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 2022	113,362 ^(*)	(984)	34,121	146,499
Total comprehensive loss for the year	-	-	(6,590)	(6,590)
At 31 December 2022	113,362	(984)	27,531	139,909
At 1 July 2021	91,802 ^(*)	(991)	40,705	131,516
Total comprehensive loss for the year	-	-	(4,904)	(4,904)
Issue of new ordinary shares	21,560 ^(^)	-	-	21,560
Resale of treasury shares	-	7 ^(#)	-	7
At 31 December 2021	113,362	(984)	35,801	148,179

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 2022 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

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

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE SECOND QUARTER AND FPE 31 DECEMBER 2022

	Note	Current Quarter Ended 31.12.2022 RM'000	Preceding year corresponding quarter ended 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss before tax for the financial period		(9,423)	(6,027)
Adjustments for:			
Property, plant and equipment			
- depreciation		4,252	3,706
- gains on disposal		(57)	(123)
- write off		*	-
Right-of-use assets depreciation		47	47
Loss / (reversal) of allowance for impairment of trade receivables		35	(61)
Bad debt recovery		-	(1)
Amortisation of intangible assets		105	579
Finance costs		200	293
Interest income			(13)
Inventories – Allowance of slow moving		575	4
Provision		5	32
Unrealised (gain) / loss on foreign exchange		(123)	246
Fair value gain on derivative financial instruments		(377)	(62)
Operating loss before changes in working capital		(4,761)	(1,380)
Changes in working capital:			
Inventories		10,665	92
Trade and other receivables		13,119	22,021
Trade and other payables		(15,970)	(12,390)
Cash generated from operations		3,053	8,343
Income tax paid		(21)	(48)
Income tax refund		-	-
Net cash generated from/(used in) operating activities		3,032	8,295
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	B6	(1,302)	(3,219)
Capitalisation of intangible assets		(18)	(2)
Proceeds from disposal of plant and equipment		136	124
Interest Income received			13
Net investing cash flow		(1,184)	(3,084)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares under private placement		-	21,560
Resale of treasury shares		-	7
Repayment of hire-purchase creditor		(1,483)	(1,415)
Repayment of lease liability		(11)	(10)
Interest paid		(200)	(293)
Net cash from/(used in) financing activities		(1,694)	19,849
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		154	25,060
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		53,035	16,784



SALUTICA BERHAD

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

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE SECOND QUARTER AND FPE 31 DECEMBER 2022

	Note	Current Quarter Ended 31.12.2022 RM'000	Preceding year corresponding quarter ended 31.12.2021 RM'000
Effect of change in foreign currency exchange rates		(82)	(251)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		53,107	41,593
Cash and cash equivalents comprise:			
Short-term investment in an Islamic money market fund		50,085	21,607
Cash and bank balances		3,022	19,986
		53,107	41,593
Deposits with maturity more than 3 months		-	-
		53,107	41,593

* 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 2022 and the accompanying explanatory notes attached to the interim financial statements.

[- The rest of this page has been intentionally left blank -]



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 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 2022 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 2022.

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 2022-.

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 2022 are as follows:

- 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’

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.



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 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 2023

- Initial Application of MFRS 17 Insurance Contract and MFRS 9 Comparative Information Amendments to MFRS 17 Insurance Contract
- 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.

Financial year beginning on 1 July 2024

- Amendments to MFRS 16 Leases on Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 'Presentation of Financial Statements' on Non-current Liabilities with Covenants

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 2022 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.

[- The rest of this page has been intentionally left blank -]



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2022

A7 Changes in debt and equity securities

There was 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 comprise vertical integration processes covering product design and development, and manufacturing of mobile communication products, wireless electronics, embedded computing devices 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				6 months ended			
	31.12.2022		31.12.2021		31.12.2022		31.12.2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
America	3,721	41.3	28,586	75.0	16,450	44.2	51,784	71.4
Europe	2,081	23.1	4,390	11.5	8,512	22.8	11,362	15.7
Asia (excluding Malaysia)	1,370	15.2	2,345	6.2	8,502	22.8	4,137	5.7
Malaysia	1,297	14.4	765	2.0	3,258	8.7	1,731	2.4
Australia (including New Zealand and Oceania)	537	6.0	2,033	5.3	543	1.5	3,479	4.8
Africa (including Middle East)	3	^	4	^	3	^	7	^
Total	9,009	100	38,123	100	37,268	100	72,500	100

^ negligible

For FPE 31 December 2022 the Group revenue was mainly derived from America region, of which, approximately 97% of revenue was attributable to the United States of America. The second country was from Netherlands, contributing approximately 93% to the Europe region.

[- The rest of this page has been intentionally left blank -]



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 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 31.12.2022 RM'000
Contracted	248
Authorised but not contracted	28,016
	<u>28,264</u>

A15 Significant related party transactions

	6 months ended 31.12.2022 RM'000
Consultancy fee paid/payable	
- to a person connected with directors of the Company	67

[- The rest of this page has been intentionally left blank -]



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2022

B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of performance

(i) Revenue

For the current quarter ended 31 December 2022, the Group recorded revenue of RM9.0 million representing a decrease of approximately 76.4% or RM29.1 million compared to RM38.1 million generated in the corresponding quarter last year. This was attributable to:

- (i) the cessation of production of the computer peripherals for one customer due to the tightening profit margin particularly taking into account the increase in operating costs including the rise in minimum wage and electricity tariff.
- (ii) low order volume for current running models including two Truly Wireless System (“TWS”) models which had moved to end of life earlier. The replacement model for TWS is at its final development stage. Nonetheless, the order volume is expected to be low.
- (iii) the customer order for embedded computing device has been put on hold due to current unfavourable market condition for the product.

For the 6-month period ended 31 December 2022, total revenue was RM37.3 million compared to RM72.5 million in the corresponding period last year, a decrease of approximately 48.5% or RM35.2 million. The decrease was mainly as explained above.

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

In tandem with the low revenue, the Group’s LBT for the current quarter ended 31 December 2022 had increased from approximately RM1.4 million to RM5.4 million, representing an increase in loss of approximately RM4.0 million.

For the current period under review, the Group recorded a LBT of RM9.4 million compared to RM6.0 million loss in the corresponding period last year. The increase in loss of approximately RM3.4 million was mainly due to cessation of production of the computer peripherals and the low order volume for TWS models.

Due to the continue softening of the TWS order demand from our customers, the Group had embarked on a re-organisation exercise of its business since the second half of last year. This has resulted in redundancies in the course of exercising such re-organisation. Hence, a Voluntary Separation Scheme (“VSS”) was carried out and a provision was made in the current quarter amounting to RM0.8 million.

For the current quarter ended 31 December 2022, the Group had also received a government grant disbursement of RM2.6 million.

[- The rest of this page has been intentionally left blank -]



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2022

B2 Comment on material change in PBT / (LBT)

	Current Quarter 31.12.2022 RM'000	Preceding Quarter 30.09.2022 RM'000	Variance RM'000	%
Revenue	9,009	28,259	(19,250)	-68.1%
LBT	(5,443)	(3,980)	(1,463)	36.8%

The Group's revenue for the current quarter ended 31 December 2022 has decreased to RM9.0 million compared to RM28.3 million for the preceding quarter ended 30 September 2022. LBT for the current quarter was of RM5.4mil compared to LBT of RM4.0 million for the preceding quarter which was mainly attributed to the drop in revenue.

B3 Prospects

The World Economic Outlook in January 2023 update that global growth will fall to 2.9% in 2023 but will rise to 3.1% in 2024. Nonetheless, rising interest rates and the prolonged Russia-Ukraine conflict, entering its first anniversary this year, continue to weigh on economic activities globally. Albeit, the re-opening of China has paved the way for a faster than expected economic recovery (source: World Economic Outlook January 2023, IMF). Uncertainties remain with our customers' demand for new models launches and uptake in current running models. Our customers continue to be cautious in their volume forecast.

Product diversification remains the Group's long-term strategy to diversify its revenue base to reduce its dependency on TWS and other lifestyle electronic products which are relatively short in their product lifecycle. With such plan in mind, the Group has been working toward obtaining IATF 16949 certification which is the global technical specification and quality management standard for the automotive industry. With this certification, the Group hopes to secure more orders from new customers in making the component parts for the automotive industry.

As the Group continues to navigate through macroeconomic headwinds and work to reduce costs across the Group, we have undertaken VSS to optimise our workforce to reduce costs in the long term and also adjustments to remuneration taking into account of the VSS. These changes are designed to impact our executive level more significantly and will help support the investments and overall workforce needed to accelerate our transformation and achieve our long-term strategy.

The Board will continue to exercise caution but expects the overall prospect for the Group remain challenging arising from the global economic uncertainties.

B4 Variance between actual profit and forecast profit

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

[- The rest of this page has been intentionally left blank -]



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2022

B5 Taxation

	3 months ended		6 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year	-	-	-	-
Prior year	-	-	-	-
	-	-	-	-
Deferred tax				
Current year	(1,913)	(292)	(2,833)	(1,123)
Prior year	-	-	-	-
	(1,913)	(292)	(2,833)	(1,123)

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 tax assets comprise mainly unabsorbed capital allowances and unused tax losses.

B6 Unquoted investments and properties

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

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.

[- The rest of this page has been intentionally left blank -]



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2022

B9 Utilisation of proceeds from private placement exercise

As at **31 December 2022**, the Company has yet to fully utilised the private placement proceeds which was completed on 18 August 2021, amounting to RM21.56 million. The Board has resolved to extend the timeframe for the utilisation of the proceeds for an additional 18 months up to 17 February 2024.

A summary of the status of the utilisation of proceeds from the private placement exercise 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)	Extended timeframe for utilization (from date of receipts of proceeds)
Working Capital ⁽¹⁾	17,710	17,710	0	Within 6 months	
Other Expenditure ⁽²⁾	3,350	1,444	1,906	Within 12 months	Additional 18 months (i.e. 17 February 2024)
Estimated expenses in relation to the private placement	500	500	0	Upon completion of the private placement	
Total	21,560	19,654	1,906		

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.

B10 Borrowings and debt securities

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

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
<u>Secured</u>			
Hire Purchase	2,345	888	3,233
Short term loan	4,000	-	4,000
	<u>6,345</u>	<u>888</u>	<u>7,233</u>
<u>Unsecured</u>			
Finance lease liability	23	89	112
	<u>6,368</u>	<u>977</u>	<u>7,345</u>

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



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2022

B11 Derivative financial instruments

As at the date of the statement of financial position 31 December 2022, the Group do not have any outstanding derivative financial instruments.

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.

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, 17 May 2022, 24 May 2022, 12 July 2022, 6 September 2022 and 15 November 2022. The Common Bundle of Documents, List of Witnesses, Defendant's Case Summary, Agreed Facts and Issues to be Tried has been filed. During the case management on 15 November 2022, the Court has directed parties to file their respective expert reports and replies to such expert reports by 7 April 2023. Both parties are to also file their respective witness statements by 19 May 2023. The Court has also fixed additional trial dates from 26 June 2023 to 28 June 2023 in addition to the original trial dates of 19 June 2023 to 22 June 2023.

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.

[- The rest of this page has been intentionally left blank -]



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2022

B15 Earnings per Share (“EPS”)

BASIC EPS	3 months ended		6 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Loss attributable to owners of the Company (RM'000)	(3,530)	(1,134)	(6,590)	(4,904)
Weighted average number of ordinary shares in issue ('000) ⁽¹⁾	423,500	423,500	423,500	413,454
Basic EPS (sen)	(0.83)	(0.27)	(1.56)	(1.19)

⁽¹⁾ net of Treasury Shares

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.

B16 Notes to the Statement of Comprehensive Income

	3 months ended 31.12.2022 RM'000	6 months ended 31.12.2022 RM'000
Profit from operations for the period/year is arrived at after charging/(crediting):		
Provision of loss allowance for impairment of trade receivables	23	35
Provision for slow moving inventories	344	575
Write-off inventories	398	3,007
Claim made for obsolete materials	(510)	(3,866)
Property, plant & equipment:		
- Depreciation	2,119	4,252
- Gain on disposal	(47)	(57)
Right-of-use asset depreciation	23	47
(Write back) / provision for warranty	(3)	5
Rental of hostels	56	108
Rental of machinery	353	808
Finance costs	97	200
Net foreign exchange (gains)/losses:		
- Realised	297	526
- Unrealised	(8)	(123)
Fair value gains on derivative financial instruments	(228)	(377)
Fair value gains on short term investments	(359)	(700)
Government grant income	(2,583)	(2,583)

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 24 February 2023.