



**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 first quarter and financial period ended (“FPE”) 30 SEPTEMBER 2023.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND FPE 30 SEPTEMBER 2023**

	Note	Current quarter 3 months ended		Cumulative 3 months ended	
		30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
<b>Revenue</b>	<b>A9</b>	<b>7,268</b>	<b>28,259</b>	<b>7,268</b>	<b>28,259</b>
Loss from operations		(5,417)	(3,877)	(5,417)	(3,877)
Finance costs		(70)	(103)	(70)	(103)
<b>Loss before taxation</b>		<b>(5,487)</b>	<b>(3,980)</b>	<b>(5,487)</b>	<b>(3,980)</b>
Income tax credit	B5	-	920	-	920
<b>Loss for the period</b>	<b>B1</b>	<b>(5,487)</b>	<b>(3,060)</b>	<b>(5,487)</b>	<b>(3,060)</b>
Other comprehensive income, net of taxation		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(5,487)</b>	<b>(3,060)</b>	<b>(5,487)</b>	<b>(3,060)</b>
Loss and total comprehensive income attributable to:					
Owners of the Company		(5,487)	(3,060)	(5,487)	(3,060)
Non-controlling interest		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(5,487)</b>	<b>(3,060)</b>	<b>(5,487)</b>	<b>(3,060)</b>
<b>Loss per share Basic (Sen)</b>	<b>B15</b>	<b>(1.30)</b>	<b>(0.72)</b>	<b>(1.30)</b>	<b>(0.72)</b>

**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 2023 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 30 SEPTEMBER 2023**

	Note	As at 30.09.2023 RM'000 (Unaudited)	As at 30.6.2023 RM'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		43,468	45,324
Right-Of-Use Assets		5,059	5,083
Intangible assets		916	929
Deferred tax assets		-	-
		49,443	51,336
<b>Current assets</b>			
Inventories		22,522	29,260
Trade and other receivables		4,478	7,581
Contract Assets		79	12
Current tax assets		2,770	2,764
Short term investment		46,082	46,020
Deposits, cash and bank balances		9,518	6,339
		85,449	91,976
<b>Current liabilities</b>			
Payables and accruals		13,722	12,677
Contract liabilities		3,573	6,988
Derivative financial instruments		-	-
Provision for warranties		108	112
Borrowings	<b>B10</b>	4,937	5,475
		22,340	25,252
<b>NET CURRENT ASSETS</b>		<b>63,109</b>	<b>66,724</b>
		<b>112,552</b>	<b>118,060</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		113,362	113,362
Treasury shares		(984)	(984)
Reserves		103	5,590
Total equity attributable to owners of the Company		112,481	117,968
Non-controlling interests		-	-
<b>TOTAL EQUITY</b>		<b>112,481</b>	<b>117,968</b>
<b>Non-current liabilities</b>			
Borrowings	<b>B10</b>	71	92
		71	92
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>112,552</b>	<b>118,060</b>
		<b>112,552</b>	<b>118,060</b>
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		26.56	27.86

**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 2023 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 FIRST QUARTER AND FPE 30 SEPTEMBER 2023

<----- 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 2023	113,362 <sup>(*)</sup>	(984)	5,590	117,968
Total comprehensive loss for the year	-	-	(5,487)	(5,487)
At 30 September 2023	113,362	(984)	103	112,481
At 1 July 2022	113,362 <sup>(*)</sup>	(984)	34,121	146,499
Total comprehensive loss for the year	-	-	(3,060)	(3,060)
At 30 September 2022	113,362	(984)	31,061	143,439

**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 2023 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.



## SALUTICA BERHAD

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

### CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE FIRST QUARTER AND FPE 30 SEPTEMBER 2023

	Note	Current Quarter ended 30.09.2023 RM'000	Preceding year corresponding quarter ended 30.09.2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss before tax for the financial period		(5,487)	(3,980)
Adjustments for:			
Property, plant and equipment			
- depreciation		2,002	2,133
- gains on disposal		-	(10)
- write off		-	*
Right-of-use assets depreciation		24	24
Loss of allowance for impairment of trade receivables		31	12
Amortisation of intangible assets		18	89
Finance costs		70	103
Interest income		(9)	-
Inventories – Allowance of slow moving (Write back) / Provision		21 (4)	231 8
Unrealised (loss) / gain on foreign exchange		129	(115)
Fair value gain on derivative financial instruments		-	(149)
Operating loss before changes in working capital		<b>(3,205)</b>	<b>(1,654)</b>
Changes in working capital:			
Inventories		6,716	14,452
Trade and other receivables		3,116	6,384
Trade and other payables		(2,629)	(12,609)
Cash generated from operations		3,998	6,573
Income tax paid		(6)	(11)
Income tax refund		-	-
Net cash generated from/(used in) operating activities		<b>3,992</b>	<b>6,562</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	B6	(181)	(824)
Capitalisation of intangible assets		(5)	(18)
Proceeds from disposal of plant and equipment		-	10
Interest Income received		9	-
Net investing cash flow		<b>(177)</b>	<b>(832)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of hire-purchase creditor		(552)	(737)
Repayment of lease liability		(6)	(5)
Interest paid		(70)	(103)
Net cash from/(used in) financing activities		<b>(628)</b>	<b>(845)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>3,187</b>	<b>4,885</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		<b>52,359</b>	<b>53,035</b>
Effect of change in foreign currency exchange rates		54	125
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<b>55,600</b>	<b>58,045</b>



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### CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE FIRST QUARTER AND FPE 30 SEPTEMBER 2023

	Note	Current Quarter ended 30.09.2023 RM'000	Preceding year corresponding quarter ended 30.09.2022 RM'000
<b>Cash and cash equivalents comprise:</b>			
Short-term investment in an Islamic money market fund		46,082	52,646
Cash and bank balances		9,518	5,399
		<b>55,600</b>	<b>58,045</b>
Deposits with maturity more than 3 months		-	-
		<b>55,600</b>	<b>58,045</b>

\* 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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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## SALUTICA BERHAD

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2023

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#### **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 2023 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 2023.

##### **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 2023-.

##### ***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 2023 are as follows:

- Amendments to MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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.



## SALUTICA BERHAD

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2023

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#### **A2 Changes in accounting policies (cont'd)**

##### *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.

##### *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 2024

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendment to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants

##### Financial year beginning on 1 July 2025

- Amendments to MFRS 121 The Effect of Changes in Foreign Exchange Rates – Lack of Exchangeability

#### **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 2023 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.



## SALUTICA BERHAD

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2023

#### 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				3 months ended			
	30.09.2023		30.09.2022		30.09.2023		30.09.2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Asia (excluding Malaysia)	4,065	56.0	7,132	25.2	4,065	56.0	7,132	25.2
Americas	1,979	27.2	12,729	45.0	1,979	27.2	12,729	45.0
Malaysia	800	11.0	1,961	7.0	800	11.0	1,961	7.0
Europe	396	5.4	6,431	22.8	396	5.4	6,431	22.8
Australia (including New Zealand and Oceania)	26	0.4	6	^	26	0.4	6	^
Africa (including Middle East)	2	^	*	^	2	^	*	^
<b>Total</b>	<b>7,268</b>	<b>100</b>	<b>28,259</b>	<b>100</b>	<b>7,268</b>	<b>100</b>	<b>28,259</b>	<b>100</b>

\* amount is less than RM500

^ negligible

For FPE 30 September 2023, a substantial part of the Group revenue was derived from the Asia region, of which, approximately 54% of revenue was attributable to Vietnam. The second country was from United States of America, contributing approximately 99% to the Americas region.

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2023

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#### 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 are as follows:

	As at
	<b>30.09.2023</b>
	<b>RM'000</b>
Contracted but not provided for	59

#### A15 Significant related party transactions

	<b>3 months</b>
	<b>ended</b>
	<b>30.09.2023</b>
	<b>RM'000</b>
Consultancy fee paid/payable	
- to a person connected with directors of the Company	35

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## SALUTICA BERHAD

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2023

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#### B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS

##### B1 Review of performance

###### (i) Revenue

In the first quarter ended 30 September 2023, total revenue generated by the Group remained soft at RM7.3 million against RM28.3 million recorded in the corresponding quarter last year, a decline of 74.2% or RM21.0 million. This was primarily attributable to the lower sales volume from the current running products and the end-of-life of custom-fit Truly Wireless System (“TWS”).

TWS contributed 50% to the revenue while in-house brand FOBO contributed 12% with the balance 38% from other products such as sub-assembly printed circuit board assembly (“PCBA”) modules for automotive line fit and injected plastic parts.

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

The Group posted LBT of approximately RM5.5 million for the current quarter under review compared to LBT of approximately RM4.0 million in the corresponding quarter last year, an increase in loss of RM1.5 million. The loss was mainly attributed to the low sales volume for the current running products and the end-of-life of custom-fit TWS.

##### B2 Comment on material change in PBT / (LBT)

	Current Quarter 30.09.2023 RM'000	Preceding Quarter 30.06.2023 RM'000	Variance RM'000	%
Revenue	7,268	14,824	-7,556	-51.0%
LBT	(5,487)	(4,557)	-930	20.4%

The Group’s revenue for the current quarter ended 30 September 2023 has decreased to RM7.3 million compared to RM14.8 million for the preceding quarter ended 30 June 2023 due to the lower sales volume from current running products.

##### B3 Prospects

The Group will continue to maintain its commitment to diversify its products categories. The recently acquired letter of conformance for IATF 16949 in October 2023 is a milestone for the Group to increase its effort to develop additional revenue from manufacturing services for the automotive industry. Furthermore, the Group is continuing its effort in developing sensors for the agriculture segment.

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



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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2023

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#### 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		3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year	-	-	-	-
Prior year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax				
Current year	-	(920)	-	(920)
Prior year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	(920)	-	(920)

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.

As at 30 September 2023, the Group's unabsorbed capital allowances and unutilised tax losses were approximately RM44 million and RM25 million respectively. The continued losses indicated the uncertainty for the Group to utilise the capital allowances and tax losses, hence, no deferred tax assets were recognised in the current quarter.

#### 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.

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## SALUTICA BERHAD

(Company No. 201201040303) (1024781-T)  
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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2023

#### B9 Utilisation of proceeds from private placement exercise

As at **30 September 2023**, 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 <sup>(1)</sup>	17,710	17,710	0	Within 6 months	
Other Expenditure <sup>(2)</sup>	3,350	2,596	754	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	
<b>Total</b>	<b>21,560</b>	<b>20,806</b>	<b>754</b>		

**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 **30 September 2023** are as follows:

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
<b><u>Secured</u></b>			
Hire Purchase	1,413	-	1,413
Short term loan	3,500	-	3,500
	<u>4,913</u>	<u>-</u>	<u>4,913</u>
<b><u>Unsecured</u></b>			
Finance lease liability	24	71	95
	<u>4,937</u>	<u>71</u>	<u>5,008</u>

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



## SALUTICA BERHAD

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2023

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#### **B11 Derivative financial instruments**

As at the date of the statement of financial position 30 September 2023, 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**

(i) Legal suit against Apple Malaysia Sdn. Bhd.

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 have on 11 October 2023 attended case management at the Court of Appeal (Appeal No. W-02(IM)(IPCv)-1416-09/2023) in relation to the Defendant's appeal against the dismissal of its application to disqualify the Plaintiff's solicitors. The Court of Appeal has directed as follows: -

- a) Parties to file Written Submissions, Executive Summary, Common Core Bundle & Ikatan Khas simultaneously on or before 26.12.2023;
- b) Parties to file Submissions in Reply (if any) simultaneously on or before 08.01.2024;
- c) Case Management is fixed on 09.01.2024;
- d) Hearing of the Appeal is fixed on 22.01.2024.

In respect of the Defendant's application for the protective order, solicitors for both parties have attended Court on 22 November 2023 in which the Judge has allowed the Defendant's said application.

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2023

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#### **B13 Material litigation (cont'd)**

(ii) Legal suit against Paradigm Metal Industries Sdn. Bhd.

On 11 August 2023, 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 11 August 2023, at the High Court of Malaya in Penang against Paradigm Metal Industries Sdn. Bhd. (“PMI” or “Defendant”).

Solicitors for both the Plaintiff and Defendant in the suit have on 19 October 2023 attended case management for the Defendant’s application to stay proceedings and to refer the matter to arbitration under Section 10 of the Arbitration Act 2005. By consent of the parties, the Court has allowed the Defendant’s application with no orders as to cost.

By a letter dated 8th November 2023, the Asian International Arbitration Centre in Kuala Lumpur (“AIAC”) has registered the matter under the AIAC Arbitration Rules 2023 (“the Rules”) between Salutica Allied Solutions Sdn. Bhd. as the Claimant and Paradigm Metal Industries Sdn. Bhd. as the Respondent. Each party must pay the provisional advance deposit to cover 30% of the estimated costs of the arbitration of RM21,120.15 for each party by 29 November 2023.

(iii) Legal suit against Apple South Asia Pte. Ltd.

On 16 November 2023, Salutica Allied Solutions Sdn. Bhd. (“the Plaintiff”), a wholly-owned subsidiary of the Company had filed an Originating Claim together with the Statement of Claim (“SOC”) and Particulars of Infringement at the High Court of the Republic of Singapore against Apple South Asia Pte. Ltd. (“the Defendant”), (“the Suit”).

The Plaintiff is the owner of the Singapore Patent No. 11201504174W (hereinafter the “Singapore Patent”). The CrossPair Technology is the invention claimed by the Plaintiff in the Singapore Patent.

The Defendant, subsequent to the grant of the Singapore Patent and before the filing of this Suit, infringed the Singapore Patent. On 6 November 2023, the Plaintiff had through its Singaporean solicitors, Amica Law LLC, issued a letter of demand to the Defendant in respect of the infringement of the Singapore Patent.

Prior to this, on 11 January 2022, the Plaintiff has commenced a patent infringement claim based on its Malaysian patent No. MY-172803-A relating to the CrossPair Technology in Malaysia against products sold and/or offered for sale by the Defendant’s related company that are identical to and/or highly similar to the infringing products. In the circumstances, the Defendant knew or ought reasonably to have known that the Plaintiff is the registered proprietor of the Singapore Patent and that, at all material times, the Singapore Patent is valid and subsisting. However, the Defendant did not obtain any prior consent from the Plaintiff in relation to the Singapore Patent.

Save for the above litigations, 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.



## SALUTICA BERHAD

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

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2023

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#### 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		3 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Loss attributable to owners of the Company (RM'000)	(5,487)	(3,060)	(5,487)	(3,060)
Weighted average number of ordinary shares in issue ('000) <sup>(1)</sup>	423,500	423,500	423,500	423,500
Basic EPS (sen)	(1.30)	(0.72)	(1.30)	(0.72)

<sup>(1)</sup> 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.

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#### B16 Notes to the Statement of Comprehensive Income

	3 months ended 30.09.2023 RM'000	3 months ended 30.09.2023 RM'000
Profit from operations for the period/year is arrived at after charging/(crediting):		
Provision of loss allowance for impairment of trade receivables	31	31
Provision for slow moving inventories	21	21
Write-off inventories	8,756	8,756
Claim made for obsolete materials	(10,246)	(10,246)
Property, plant & equipment:		
- Depreciation	2,002	2,002
- Gain on disposal	-	-
Right-of-use asset depreciation	24	24
Reversal provision for warranty	(4)	(4)
Rental of hostels	37	37
Rental of equipment / machinery	24	24
Finance costs	70	70
Interest income	(9)	(9)
Net foreign exchange (gains)/losses:		
- Realised	(40)	(40)
- Unrealised	129	129
Fair value (gains) / losses on derivative financial instruments	-	-
Fair value gains on short term investments	(362)	(362)

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 November 2023.

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