



SALUTICA BERHAD

(Company No. 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 2017.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND FPE 30 SEPTEMBER 2017

	Note	Current quarter 3 months ended		Cumulative 3 months ended	
		30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
Revenue	A9	83,799	73,068	83,799	73,068
Profit from operations		8,595	7,750	8,595	7,750
Finance costs		(45)	(112)	(45)	(112)
Profit before taxation		8,550	7,638	8,550	7,638
Income tax expense	B5	(2,097)	(2,121)	(2,097)	(2,121)
Profit for the period	B1	6,453	5,517	6,453	5,517
Other comprehensive income, net of taxation		-	-	-	-
Total comprehensive income for the period		6,453	5,517	6,453	5,517
Profit and total comprehensive income attributable to:					
Owners of the Company		6,453	5,517	6,453	5,517
Non-controlling interest		-	-	-	-
Total comprehensive income for the period		6,453	5,517	6,453	5,517
Earnings per share					
Basic (Sen)	B15	1.66	1.42	1.66	1.42

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

SALUTICA BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Note	As at 30.09.2017 RM'000 (Unaudited)	As at 30.6.2017 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		45,171	45,589
Intangible assets		1,980	2,392
Other investments		119	119
		47,270	48,100
Current assets			
Inventories		54,411	39,399
Trade and other receivables		63,354	30,913
Derivative financial instruments		104	-
Current tax assets		-	1,160
Short term investment		20,164	43,034
Deposits, bank and cash balances		48,628	40,051
		186,661	154,557
TOTAL ASSETS		233,931	202,657
EQUITY AND LIABILITIES			
Equity			
Share capital		91,802	91,802
Reserves		77,346	73,221
Total equity attributable to owners of the Company		169,148	165,023
Non-controlling interests		-	-
TOTAL EQUITY		169,148	165,023
Non-current liabilities			
Borrowings	B10	576	854
Deferred Tax Liability		1,335	1,715
		1,911	2,569
Current liabilities			
Payables and accruals		60,995	32,533
Derivative financial instruments		22	15
Borrowings	B10	1,654	2,517
Current tax liabilities		201	-
		62,872	35,065
TOTAL LIABILITIES		64,783	37,634
TOTAL EQUITY AND LIABILITIES		233,931	202,657
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		43.59	42.53

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 2017 and the accompanying explanatory notes attached to the interim financial statements.



SALUTICA BERHAD

(Company No. 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 2017

	<----- Attributable to owners of the Company ----->			<- Distributable ->	
	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 July 2017	91,802	-	16	73,205	165,023
Total comprehensive income for the year	-	-	-	6,453	6,453
Dividends	-	-	-	(2,328)	(2,328)
At 30 September 2017	91,802	-	16	77,330	169,148
At 1 July 2016	38,800	53,002	16	63,163	154,981
Total comprehensive income for the year	-	-	-	5,517	5,517
Dividends	-	-	-	(2,328)	(2,328)
At 30 September 2016	38,800	53,002	16	66,352	158,170

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorized share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM53,002,368 for purposes as set out in Sections 618 (3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. Accordingly, the share premium account of RM53,002,368 has been reclassified to share capital account.



SALUTICA BERHAD

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CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE FIRST QUARTER AND FPE 30 SEPTEMBER 2017

	Note	Current Quarter Ended 30.09.2017 RM'000	Preceding year corresponding quarter ended 30.09.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the financial period		6,453	5,517
Adjustments for:			
Property, plant and equipment			
- depreciation		1,902	1,574
- gains on disposal		(1)	(4)
- write off		-	1
Capitalisation of development costs		(95)	-
Amortisation of development costs		508	274
Short term investment			
- Gain on disposal		(51)	(23)
- Fair value gain		(230)	(417)
Finance costs		45	112
Interest income		(362)	(377)
Inventories			
- Allowance / (reversal) for slow moving		(7)	4
Provision		9	14
Unrealised (gain)/loss on foreign exchange		411	(106)
Fair value (gain)/loss on derivative financial instruments		(97)	95
Taxation (income)/expenses		2,097	2,121
Operating profit before changes in working capital		10,582	8,785
Changes in working capital:			
Inventories		(15,005)	(7,538)
Trade and other receivables		(33,317)	(10,647)
Trade and other payables		30,009	5,879
Cash generated from operations		(7,731)	(3,521)
Income tax paid		(1,117)	(70)
Income tax refund		-	-
Net cash generated from operating activities		(8,848)	(3,591)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	B6	(2,539)	(5,665)
Proceeds from disposal of plant and equipment		1	4
Interest income received		362	377
(Placement)/uplift of deposit with bank with maturity period of more than three months		(10,000)	(10,000)
Purchase of short term investment		(19,360)	(1,200)
Proceeds from sale of short term investment		42,511	13,023
Acquisition of other investment		-	-
Net investing cash flow		10,975	(3,461)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(2,328)	(2,328)
Repayment of hire-purchase creditor		(248)	(231)
Repayment of term loans		(893)	(844)
Uplift of deposits with bank as security		-	5,000
Interest paid		(45)	(112)
Net cash from/(used in) financing activities		(3,514)	1,485



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CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE FIRST QUARTER AND FPE 30 SEPTEMBER 2017

	Note	Current Quarter Ended 30.09.2017 RM'000	Preceding year corresponding quarter ended 30.09.2016 RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,387)	(5,567)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		30,051	35,163
Effect of change in foreign currency exchange rates		(36)	2
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		28,628	29,598
Cash and cash equivalents comprise:			
Short-term deposits with licensed banks		25,500	27,700
Cash and bank balances		3,128	1,898
		28,628	29,598
Deposits with maturity more than 3 months		20,000	10,000
		48,628	39,598

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2017

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 2017 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 2017.

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 2017.

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

There are no new standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group for the current financial period.

New standards early adopted by the Group

There are no 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

The Group will apply the new standards, amendments to published standards and IC interpretations in the following financial period:

Effective for the financial year beginning on/after 1 July 2016

- Amendments to MFRS 127 “Separate Financial Statements – Equity Accounting in Separate Financial Statements”
- Amendments to MFRS 101 “Presentation of Financial Statements – Disclosure Initiative”
- Annual Improvements to MFRSs 2012 – 2014 Cycle (Amendments to MFRS 5 “Non-current Assets Held for sale and Discontinued Operations”, MFRS 7 “Financial Instruments: Disclosures” and MFRS 134 “Interim Financial Reporting”)



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NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2017

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 (cont'd)

Effective for the financial year beginning on/after 1 July 2017

- Amendments to MFRS 107 "Statement of Cash Flows – Disclosure Initiative"
- Amendments to MFRS 112 "Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses"

Effective for the financial year beginning on/after 1 July 2018

- MFRS 9 "Financial Instruments"
- MFRS 15 "Revenue from Contracts with Customers"
- Annual Improvements to MFRSs 2014 – 2016 Cycle (Amendments to MFRS 128 "Investments in Associates and Joint Ventures")
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"

Effective for the financial year beginning on/after 1 July 2019

- MFRS 16 "Leases"
- IC Interpretation 23 "Uncertainty over Income Tax Treatments"

The initial application of the above mentioned standards and amendments are not expected to have any material financial impacts to the current and prior periods' financial statements of the Group except as the mentioned below:

- Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative' (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.
- Amendments to MFRS 112 'Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses' (effective from 1 January 2017) clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.

In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences.

The Group is currently assessing the financial impact that may arise from the adoption of these new standards, amendments and IC interpretations.

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 2017 was not subject to any qualification.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2017

A4 Seasonal or cyclical factors

The operations of the Group during the current quarter as compared to the preceding quarter are also subject to seasonal factors due to the increase in demand for consumer electronic products during the year-end holiday period 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.

A7 Changes in debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

A8 Dividends paid

The following dividend was paid during the FPE 30 September 2017:

	FPE 30.09.2017 RM'000
In respect of the FYE 30 June 2018:	
First interim single-tier tax exempt dividend of 0.6 sen per share declared on 22 August 2017 and paid on 29 September 2017 (based on 388,000,000 shares)	2,328
	<hr/> 2,328

In addition, the dividend paid for the previous FPE 30 September 2016 is as follows:

	FPE 30.09.2016 RM'000
In respect of the FYE 30 June 2017:	
First interim single-tier tax exempt dividend of 0.6 sen per share declared on 15 August 2016 and paid on 30 September 2016 (based on 388,000,000 shares)	2,328
	<hr/> 2,328

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2017

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				3 months ended			
	30.09.2017		30.09.2016		30.09.2017		30.09.2016	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
North America	55,936	66.8	57,607	78.8	55,936	66.8	57,607	78.8
Europe	14,308	17.1	6,218	8.5	14,308	17.1	6,218	8.5
Asia (excluding Malaysia)	11,848	14.1	7,947	10.9	11,848	14.1	7,947	10.9
Australia (including New Zealand, Oceania)	1,130	1.3	717	1.0	1,130	1.3	717	1.0
Malaysia	575	0.7	577	0.8	575	0.7	577	0.8
Africa (including Middle East)	2	^	2	^	2	^	2	^
Total	83,799	100	73,068	100	83,799	100	73,068	100

^ negligible

North America region continues to be the top export market for the Group with 66.8% of products delivered to that region followed by Europe at 17.1% and Asia at 14.1%. Growth is expected to continue from these regions in line with the niche products manufactured by the Group.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2017

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 30.09.2017 RM'000
Contracted	321
Authorised but not contracted	23,358
	<u>23,679</u>

A15 Significant related party transactions

	3 months ended 30.09.2017 RM'000
Consultancy fee paid/payable	
- to a person connected with directors of the Company	18
	<u>18</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2017

B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of performance

Current quarter vs. corresponding quarter

Total revenue for the current quarter was RM83.8 million compared corresponding quarter ended 30 September 2016 of RM73.1 million, an increase of approximately RM10.7 million (14.6%). The shipment of the new product from a major customer have contributed to the increase, besides the inherent increase in demand before the year-end holiday seasons.

The Bluetooth headsets revenue contribution for the current quarter ended 30 September 2017 was approximately RM82.5 million of total revenue. Non-Bluetooth products and in-house brand FOBO made up the balance of RM1.3 million. The Bluetooth headsets revenue have grown by 16.8% or increased approximately RM11.9 million compared to the corresponding quarter ended 30 September 2016 of RM70.6 million.

Profit before taxation ("**PBT**") for current quarter ended 30 September 2017 was approximately RM8.5 million compared to the corresponding quarter ended 30 September 2016 of approximately RM7.6 million. This represents an increase of approximately 11.8% or RM0.9 million in tandem with the higher revenue.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2017

B2 Comment on material change in profit before taxation (“PBT”)

	Current Quarter 30.09.2017 RM’000	Preceding Quarter 30.06.2017 RM’000	Variance RM’000	%
Revenue	83,799	51,698	32,101	62.1%
PBT	8,550	2,903	5,647	194.5%

The Group recorded better revenue for the current quarter as compared to the revenue in the preceding quarter mainly due to the following:

1. Seasonality of the business. Orders from customers generally increased in the current quarter in anticipation of higher consumer demand for the holiday seasons at year end.
2. Launch of a new product in the current quarter.

The current quarter PBT have also increased by approximately RM5.6 million mainly due to the higher revenue recorded which resulted in better absorption of fixed and variable overheads.

B3 Prospects

The Group is consistently looking for new business opportunities to further improve the financial performance of the Group. Leveraging on the Group’s experience and expertise in Bluetooth technology and R&D capabilities, we had begun developing Bluetooth-enabled personal healthcare related products under our in-house brand FOBO. Currently, we are at the proof of concept stage base on engineering prototypes. If our venture into healthcare related products are successful, they will contribute to additional revenue and earnings stream for the Group.

The Group is continuing with the manufacturing of a USB-powered device that adds touchscreen functionality to a non-touch laptop screen. The touch enabling functionality may be incorporated into applications for various industry segments, such as automotive and electronic appliances, subject to expected gestation period for product certification or homologation.

FOBO Tag, the World’s 1st patented Bluetooth 5 tracker was launched on 31 August 2017 on a crowd funding platform. The Group will start shipping FOBO Tag product in early December 2017.

Premised on the above, the Board is of the view that the Group will enjoy positive growth and favourable prospects in the long term.

B4 Variance between actual profit and forecast profit

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2017

B5 Taxation

	3 months ended		3 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year	2,477	166	2,477	166
Prior year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,477	166	2,477	166
Deferred tax				
Current year	(380)	1,955	(380)	1,955
Prior year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,097	2,121	2,097	2,121

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 effective tax rate of the Group for the current quarter was slightly higher than the Malaysia statutory tax rate due mainly to certain expenses being non-deductible for tax purposes.

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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NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2017

B9 Utilisation of proceeds from the IPO

Based on the IPO price of RM0.80, the gross proceeds arising from the public issue amounting to RM62.4 million is intended to be utilised in the following manner:

Details of utilisation	Intended utilisation RM'000	Actual utilisation as at 30.09.2017 RM'000	Deviation RM'000	Balance RM'000	Intended timeframe for utilisation (from date of listing)
Repayment of bank borrowing	8,500	8,500	-	-	Within 6 months
Capital expenditure	25,000	9,420	-	15,580	Within 24 months
R&D expenditure	8,200	4,394	-	3,806	Within 24 months
Working capital	16,700	16,700	-	-	Within 24 months
Estimated listing expenses	4,000	4,000	-	-	Within 3 months
Total	62,400	43,014	-	19,386	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 April 2016.

B10 Borrowings and debt securities

The Group's loans and borrowings as at 30 September 2017 are as follows:

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
<u>Secured</u>			
Hire Purchase	985	75	1,060
Term loans	428	-	428
<u>Unsecured</u>			
Term loans	241	501	742
	<u>1,654</u>	<u>576</u>	<u>2,230</u>

All the borrowings are denominated in Ringgit Malaysia.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FIRST QUARTER ENDED 30 SEPTEMBER 2017

B11 Derivative financial instruments

As at the date of the statement of financial position 30 September 2017, 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	11,525	82

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

As at the date of this report, 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 Board has on 23 November 2017 declared a second interim single tier tax-exempt dividend in respect of the financial year ending 30 June 2018 of 0.6 sen per share on 388 million ordinary shares amounting to RM2.328 million. The entitlement date will be on 8 December 2017 and payment date on 22 December 2017.

B15 Earnings per Share ("EPS")

BASIC EPS	3 months ended		3 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Profit attributable to owners of the Company (RM'000)	6,453	5,517	6,453	5,517
Weighted average number of ordinary shares in issue ('000)	388,000	388,000	388,000	388,000
Basic EPS (sen)	1.66	1.42	1.66	1.42

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 FIRST QUARTER ENDED 30 SEPTEMBER 2017

B16 Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	As at 30.09.2017 RM'000	As at 30.09.2016 RM'000
Total retained profits / (loss) of the Group:		
Realised	60,858	49,696
Unrealised	(1,541)	(1,357)
	<u>59,317</u>	<u>48,339</u>
Add: Consolidation adjustments	18,013	18,013
Total	<u>77,330</u>	<u>66,352</u>

B17 Notes to the Statement of Comprehensive Income

	3 months ended 30.09.2017 RM'000	3 months ended 30.09.2017 RM'000
Profit from operations for the period/year is arrived at after charging/(crediting):		
Allowance / (Reversal) for slow moving inventories	(7)	(7)
Property, plant & equipment:		
- depreciation	1,902	1,902
- gains on disposal	(1)	(1)
Provision for warranty	9	9
Rental expenses:		
- Hostel/premise	26	26
- equipment/machinery	11	11
Finance costs	45	45
Net foreign exchange (gains)/losses:		
- realised	(50)	(50)
- unrealised	411	411
Fair value (gains)/losses on derivative financial instruments	(97)	(97)
Interest income	(362)	(362)
Short term investments:		
- gains on disposal	(51)	(51)
- fair value gains	(230)	(230)

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

B18 Authorisation for issue

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 23 November 2017.