

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 fourth quarter and financial year ended (“**FYE**”) 30 JUNE 2017.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FYE 30 JUNE 2017

	Note	Current quarter 3 months ended		Cumulative 12 months ended	
		30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Revenue	A9	51,698	72,037	247,091	241,827
Profit from operations		2,965	10,469	25,678	33,661
Finance costs		(62)	(213)	(345)	(762)
Profit before taxation		2,903	10,256	25,333	32,899
Income tax expense	B5	(529)	(2,744)	(5,979)	(8,574)
Profit for the period	B1	2,374	7,512	19,354	24,325
Other comprehensive income, net of taxation		-	-	-	-
Total comprehensive income for the period		2,374	7,512	19,354	24,325
Profit and total comprehensive income attributable to:					
Owners of the Company		2,374	7,512	19,354	24,325
Non-controlling interest		-	-	-	-
Total comprehensive income for the period		2,374	7,512	19,354	24,325
Earnings per share					
Basic (Sen)	B15	0.61	2.35	4.99	7.61

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 2016 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 JUNE 2017

	Note	As at 30.06.2017 RM'000 (Unaudited)	As at 30.6.2016 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		45,589	40,096
Intangible assets		2,392	2,191
Other investments		119	119
Deferred tax assets		0	172
		48,100	42,578
Current assets			
Inventories		39,399	34,289
Trade and other receivables		30,913	28,402
Derivative financial instruments		-	113
Current tax assets		1,160	21
Short term investment		43,034	57,733
Deposits, bank and cash balances		40,051	40,163
		154,557	160,721
TOTAL ASSETS		202,657	203,299
EQUITY AND LIABILITIES			
Equity			
Share capital		91,802	38,800
Share premium		-	53,002
Reserves		73,221	63,179
Total equity attributable to owners of the Company		165,023	154,981
Non-controlling interests		-	-
TOTAL EQUITY		165,023	154,981
Non-current liabilities			
Borrowings	B10	854	3,382
Deferred Tax Liability		1,715	-
		2,569	3,382
Current liabilities			
Payables and accruals		32,533	40,500
Derivative financial instruments		15	46
Borrowings	B10	2,517	4,390
Current tax liabilities		-	-
		35,065	44,936
TOTAL LIABILITIES		37,634	48,318
TOTAL EQUITY AND LIABILITIES		202,657	203,299
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		42.53	39.94

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 2016 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 FYE 30 JUNE 2017

	<----- Attributable to owners of the Company ----->				Total RM'000
	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 July 2016	38,800	53,002	16	63,163	154,981
Total comprehensive income for the year	-	-	-	19,354	19,354
Transition to no-par value regime on 31 January 2017 *	53,002	(53,002)	-	-	-
Dividends	-	-	-	(9,312)	(9,312)
At 30 June 2017	91,802	-	16	73,205	165,023
At 1 July 2015	31,000	-	16	45,166	76,182
Total comprehensive income for the year	-	-	-	24,325	24,325
Issue of share capital	7,800	54,600	-	-	62,400
Transaction costs arising from issue of share capital	-	(1,598)	-	-	(1,598)
Dividends	-	-	-	(6,328)	(6,328)
At 30 June 2016	38,800	53,002	16	63,163	154,981

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 2016 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.



SALUTICA BERHAD

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CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE FYE 30 JUNE 2017

	Note	12 months ended 30.06.2017 RM'000	12 months ended 30.06.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the financial period		19,354	24,325
Adjustments for:			
Property, plant and equipment			
- depreciation		6,688	6,290
- gains on disposal		(28)	(29)
- write off		20	17
Capitalisation of development costs		(1,888)	(2,191)
Amortisation of development costs		1,687	0
Short term investment			
- Gain on disposal		(98)	(12)
- Fair value gain		(1,491)	(183)
Gain from early settlement of finance lease		-	(1,149)
Finance costs		345	762
Interest income		(1,431)	(1,165)
Inventories			
- Allowance / (reversal) for slow moving		3	(69)
Provision		49	48
Unrealised (gain)/loss on foreign exchange		110	92
Fair value (gain)/loss on derivative financial instruments		82	(215)
Taxation (income)/expenses		5,979	8,574
Operating profit before changes in working capital		29,381	35,095
Changes in working capital:			
Inventories		(5,113)	(18,626)
Trade and other receivables		(3,941)	(9,462)
Trade and other payables		(9,210)	9,915
Cash generated from operations		11,117	16,922
Income tax paid		(5,252)	(285)
Income tax refund		21	-
Net cash generated from operating activities		5,886	16,637
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	B6	(9,712)	(4,280)
Proceeds from disposal of plant and equipment		45	355
Interest income received		1,431	1,165
(Placement)/uplift of deposit with bank with maturity period of more than three months		(10,000)	8,800
Purchase of short term investment		(44,410)	(72,450)
Proceeds from sale of short term investment		60,698	14,912
Acquisition of other investment		-	(64)
Net investing cash flow		(1,948)	(51,562)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of shares		0	62,400
Payment for expenses relating to issuance of shares		0	(1,598)
Dividend paid		(9,312)	(6,328)
Repayment of hire-purchase creditor		(949)	(642)
Repayment of term loans		(3,452)	(10,385)
Uplift of deposits with bank as security		5,000	1,500
Interest paid		(345)	(762)
Net cash from/(used in) financing activities		(9,058)	44,185



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CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE FYE 30 JUNE 2017

	12 months ended 30.06.2017 RM'000	12 months ended 30.06.2016 RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,120)	9,260
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	35,163	25,918
Effect of change in foreign currency exchange rates	8	(15)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	30,051	35,163
Cash and cash equivalents comprise:		
Short-term deposits with licensed banks	25,500	32,300
Cash and bank balances	4,551	2,863
	30,051	35,163
Deposits with maturity more than 3 months	10,000	5,000
	40,051	40,163

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 30 JUNE 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 2016 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 2016.

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 2016.

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 116 and MFRS 138 “Clarification of Acceptable Methods of Depreciation and Amortisation”
- Amendments to MFRS 127 “Separate Financial Statements – Equity Accounting in Separate Financial Statements”
- Amendments to MFRS 101 “Presentation of Financial Statements – Disclosure Initiative”
- Amendments to MFRS 10, 12 & 128 “Investment entities – Applying the Consolidation Exception”
- 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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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"
- Annual Improvements to MFRS 12 "Disclosures of Interest in Other Entities"

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"

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 standards.

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 2016 was not subject to any qualification.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 30 JUNE 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 dividends were paid during the FYE 30 June 2017:

	FYE 30.06.2017 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
Second interim single-tier tax exempt dividend of 0.6 sen per share declared on 24 November 2016 and paid on 23 December 2016 (based on 388,000,000 shares)	2,328
Third interim single-tier tax exempt dividend of 0.6 sen per share declared on 20 February 2017 and paid on 31 March 2017 (based on 388,000,000 shares)	2,328
Fourth interim single-tier tax exempt dividend of 0.6 sen per share declared on 29 May 2017 and paid on 30 June 2017 (based on 388,000,000 shares)	2,328
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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 30 JUNE 2017

In addition, the dividend paid for the previous FYE 30 June 2016 is as follows:

	FYE 30.06.2016 RM'000
In respect of the FYE 30 June 2016:	
First interim single-tier tax exempt dividend of 0.645 sen (rounded to 3 decimal places) per share declared on 12 October 2016 and paid on 23 October 2015 (based on 310,000,000 shares)	2,000
Second interim single-tier tax exempt dividend of 0.645 sen (rounded to 3 decimal places) per share declared on 4 April 2016 and paid on 18 April 2016 (based on 310,000,000 shares)	2,000
Third interim single-tier tax exempt dividend of 0.6 sen per share declared on 19 May 2016 and paid on 30 June 2016 (based on 388,000,000 shares)	2,328
	<u>6,328</u>

A9 Operating segments

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. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before taxation are mainly confined to one operating segment.

In presenting information on the basis of geographical segments, segment revenue is based on geographical markets where the goods are delivered rather than the origin of the customers as follows:

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
North America	34,103	63,122	187,169	216,492
Europe	11,138	4,212	30,998	8,671
Australia (including New Zealand, Oceania)	44	46	1,578	133
Asia (excluding Malaysia)	5,072	3,858	24,632	14,676
Africa (including Middle East)	14	8	24	33
Malaysia	1,327	791	2,690	1,822
Total	<u>51,698</u>	<u>72,037</u>	<u>247,091</u>	<u>241,827</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 30 JUNE 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 30.06.2017 RM'000
Contracted	995
Authorised but not contracted	11,872
	<u>12,867</u>

A15 Significant related party transactions

	12 months ended 30.06.2017 RM'000
Consultancy fee paid/payable	
- to a person connected with directors of the Company	25
- to firms in which certain directors of the Company are members of the respective firms	72
	<u>97</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 30 JUNE 2017

B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of performance

Current quarter vs. corresponding quarter

The Group recorded revenue of approximately RM51.7 million for current quarter ended 31 June 2017, a decrease of approximately 28.2% compared to the corresponding quarter ended 30 June 2016 of approximately RM72 million.

Bluetooth headsets contributed approximately 94.6% or RM48.9 million of total revenue for the current quarter. Non-Bluetooth products and in-house brand FOBO made up of the balance 5.4% of total revenue for the current quarter.

Profit before taxation (“**PBT**”) for current quarter ended 30 June 2017 was approximately RM2.9 million compared to the corresponding quarter ended 30 June 2016 of approximately RM10.2 million. This represents a decrease of approximately 71.6% or RM7.3 million and was mainly due to the deferment of new product launch to the following quarter. This had affected the absorption efficiencies of fixed and variable overheads.

Current year vs. corresponding year

The revenue for FYE 30 June 2017 was approximately RM247.1 million, which was an increase of approximately 2.2% compared to the previous FYE 30 June 2016 of approximately RM241.8 million. This increase was mainly contributed by the increased sales of Bluetooth headsets. Bluetooth headsets revenue contributed RM236.6 million or 95.8% of total revenue, followed by non-Bluetooth products and in-house brand FOBO of approximately RM10.5 million or 4.2% of total revenue for the current FYE 30 June 2017.

The PBT for FYE 30 June 2017 was approximately RM25.3 million compared to FYE 30 June 2016 of approximately RM32.9 million. The decrease in PBT was mainly due the costs incurred for development of several new products. Furthermore, the PBT was also affected by the deferment in new product launches from its original intended date to the following quarter. This had resulted in inefficient absorption of fixed and variable overheads.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 30 JUNE 2017

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

	Current Quarter 30.06.2017 RM'000	Preceding Quarter 31.03.2017 RM'000	Variance RM'000	%
Revenue	51,698	31,530	20,168	64.0%
PBT	2,903	988	1,915	193.8%

The Group recorded better revenue for the current quarter as compared to the revenue in the preceding quarter mainly due to the seasonality of the business. Orders from customers generally increased in the current quarter in anticipation of higher consumer demand for the coming holiday seasons at year end.

The current quarter PBT have also increased by approximately RM1.9 million mainly due to the higher revenue recorded which resulted in better absorption of fixed and variable overheads.

B3 Prospects

The Group will continue to focus its R&D capabilities on small form factors and high precision manufacturing processes. One of the models to be shipped to one of its major customers in the second half of calendar year 2017 will be a new form factor of Bluetooth headsets.

The Group expect the sales of its in-house brand FOBO to grow by increasing the marketing and sales activities through expansion of sales distribution channels and promotional activities. Currently, the Group is marketing *FOBO Tire*, which is a tire pressure monitoring system for light vehicles, as an OEM after-market accessories to automotive brand owners. FOBO Ultra, which is for heavy vehicles continue to receive encouraging response from commercial vehicles and fleet companies. The Group expects to grow and expand in tandem with the market response.

Premised on the above, the Board is of the opinion that the Group's prospects will remain favourable.

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		12 months ended	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Income tax				
Current year	400	80	4,092	280
Prior year	-	-	-	(18)
	400	80	4,092	262
Deferred tax				
Current year	129	2,664	1,887	8,312
Prior year	-	-	-	-
	529	2,744	5,979	8,574

NOTES TO THE INTERIM FINANCIAL STATEMENTS



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FOURTH QUARTER ENDED 30 JUNE 2017

B5 Taxation (cont'd)

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 lower than the Malaysia statutory tax rate due mainly to certain revenue expenses and qualifying capital expenditure being 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.

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 30.06.2017 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	8,398	-	16,602	Within 24 months
R&D expenditure	8,200	2,806	-	5,394	Within 24 months
Working capital	16,700	12,229	-	4,471	Within 24 months
Estimated listing expenses	4,000	4,000	-	-	Within 3 months
Total	62,400	35,933	-	26,467	

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS



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FOURTH QUARTER ENDED 30 JUNE 2017

B10 Borrowings and debt securities

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

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
<u>Secured</u>			
Hire Purchase	1,015	293	1,308
Term loans	1,263	-	1,263
<u>Unsecured</u>			
Term loans	239	561	800
	<u>2,517</u>	<u>854</u>	<u>3,371</u>

All the borrowings are denominated in Ringgit Malaysia.

B11 Derivative financial instruments

As at the date of the statement of financial position 30 June 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	6,028	(15)

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 30 JUNE 2017

B14 Proposed dividend

The Board does not recommend for a final dividend in respect of the FYE 30 June 2017.

However, the Board has on 22 August 2017 declared a first 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 15 September 2017 and payment date on 29 September 2017.

B15 Earnings per Share (“EPS”)

BASIC EPS	3 months ended		12 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Profit attributable to owners of the Company (RM'000)	2,374	7,512	19,354	24,325
Weighted average number of ordinary shares in issue ('000)	388,000	319,830	388,000	319,830
Basic EPS (sen)	0.61	2.35	4.99	7.61

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 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 30.06.2017 RM'000	As at 30.06.2016 RM'000
Total retained profits / (loss) of the Group:		
Realised	55,640	44,756
Unrealised	(448)	394
	<hr/>	<hr/>
	55,192	45,150
Add: Consolidation adjustments	18,013	18,013
Total	<hr/> 73,205	<hr/> 63,163

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SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 30 JUNE 2017

B17 Notes to the Statement of Comprehensive Income

	3 months ended 30.06.2017 RM'000	12 months ended 30.06.2017 RM'000
Profit from operations for the period/year is arrived at after charging/(crediting):		
Allowance for slow moving inventories	1	3
Depreciation of property, plant and equipment	1,830	6,688
Provision for warranty	15	49
Rental expenses:		
- Hostel/premise	19	50
- equipment/machinery	11	50
Finance costs	62	345
Net foreign exchange (gain)/losses:		
- realised	207	(1,273)
- unrealised	128	110
Fair value (gains)/losses on derivative financial instruments	14	82
Gain on disposal of property, plant & equipment	(19)	(28)
Rental income	-	(12)
Interest income	(355)	(1,431)
Short term investments:		
- gains on disposal	(30)	(98)
- fair value gain	(340)	(1,491)

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 22 August 2017.