

SALUTICA BERHAD ("**SALUTICA**" OR "**THE COMPANY**") - NOTIFICATION OF EXTENSION OF TIME FOR THE UTILISATION OF PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING

Reference is made to the utilisation of proceeds raised from the initial public offering ("**IPO**") as disclosed in the Company's prospectus dated 28 April 2016 (the "**Prospectus**") that was issued in conjunction with the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad on 18 May 2016. The Company has raised a total gross proceeds of RM62.4 million from its IPO ("**IPO Proceeds**").

To-date, the Company has yet to fully utilise the IPO proceeds. The Board of Directors of Salutica ("**Board**") wishes to announce that the Board has resolved to extend the timeframe for the utilisation of proceeds which have been earmarked for the capital expenditure in relation to the acquisition of new machinery and equipment for an additional 18 months (the "**Extension of Time**") up to 17 November 2019.

A summary of the revised utilisation of IPO Proceeds is set out below:

Details of utilisation	Intended utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Intended timeframe for utilisation (from date of listing)	Extended timeframe for utilisation
Repayment of bank borrowing	8,500	8,500	-	Within 6 months	-
Capital expenditure	25,000	11,217	13,783	Within 24 months	Additional 18 months (i.e. until 17 November 2019)
R&D expenditure	8,200	8,200	-	Within 24 months	-
Working capital	16,700	16,700	-	Within 24 months	-
Estimated listing expenses	4,000	4,000	-	Within 3 months	-
<b>Total</b>	<b>62,400</b>	<b>48,617</b>	<b>13,783</b>		

The Board is of the opinion that the Extension of Time is in the best interest of the Company.

The Extension of Time is not subject to any regulatory/shareholders' approval.

Nonetheless, the Company shall continue to be vigilant and prudent in managing the IPO Proceeds and will continue to disclose the status of the utilisation of the IPO Proceeds in the Company's quarterly results and annual reports until its full utilisation.

This announcement is dated 22 May 2018.

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