



## 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 third quarter and financial period ended (“FPE”) 31 MARCH 2023.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND FPE 31 MARCH 2023

	Note	Current quarter 3 months ended		Cumulative 9 months ended	
		31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
<b>Revenue</b>	<b>A9</b>	<b>11,761</b>	<b>21,548</b>	<b>49,029</b>	<b>94,048</b>
Loss from operations		(7,364)	(4,535)	(16,587)	(10,269)
Finance costs		(93)	(131)	(293)	(424)
<b>Loss before taxation</b>		<b>(7,457)</b>	<b>(4,666)</b>	<b>(16,880)</b>	<b>(10,693)</b>
Income tax (expenses) / credit	B5	1,769	931	4,602	2,054
<b>Loss for the period</b>	<b>B1</b>	<b>(5,688)</b>	<b>(3,735)</b>	<b>(12,278)</b>	<b>(8,639)</b>
Other comprehensive income, net of taxation		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(5,688)</b>	<b>(3,735)</b>	<b>(12,278)</b>	<b>(8,639)</b>
Loss and total comprehensive income attributable to:					
Owners of the Company		(5,688)	(3,735)	(12,278)	(8,639)
Non-controlling interest		-	-	-	-
<b>Total comprehensive loss for the period</b>		<b>(5,688)</b>	<b>(3,735)</b>	<b>(12,278)</b>	<b>(8,639)</b>
<b>Loss per share Basic (Sen)</b>	<b>B15</b>	<b>(1.34)</b>	<b>(0.88)</b>	<b>(2.90)</b>	<b>(2.07)</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 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 MARCH 2023**

	Note	As at 31.03.2023 RM'000 (Unaudited)	As at 30.6.2022 RM'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		47,093	51,914
Right-Of-Use Assets		5,107	5,178
Intangible assets		963	1,052
Deferred tax assets		11,697	7,096
		64,860	65,240
<b>Current assets</b>			
Inventories		34,009	54,584
Trade and other receivables		7,869	18,342
Derivative financial instruments		2	-
Contract Assets		7	2,044
Current tax assets		2,764	2,736
Short term investment		42,151	45,105
Deposits, cash and bank balances		6,727	7,930
		93,529	130,741
<b>Current liabilities</b>			
Payables and accruals		10,287	28,363
Contract liabilities		7,101	11,783
Derivative financial instruments		-	377
Provision for warranties		131	120
Borrowings	<b>B10</b>	6,198	6,772
		23,717	47,415
<b>NET CURRENT ASSETS</b>		<b>69,812</b>	<b>83,326</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		113,362	113,362
Treasury shares		(984)	(984)
Reserves		21,843	34,121
Total equity attributable to owners of the Company		134,221	146,499
Non-controlling interests		-	-
<b>TOTAL EQUITY</b>		<b>134,221</b>	<b>146,499</b>
<b>Non-current liabilities</b>			
Borrowings	<b>B10</b>	451	2,067
		451	2,067
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>134,672</b>	<b>148,566</b>
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		31.69	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 THIRD QUARTER AND FPE 31 MARCH 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
<b>At 1 July 2022</b>	113,362 <sup>(*)</sup>	(984)	34,121	<b>146,499</b>
Total comprehensive loss for the year	-	-	(12,278)	<b>(12,278)</b>
<b>At 31 March 2023</b>	<b>113,362</b>	<b>(984)</b>	<b>21,843</b>	<b>134,221</b>
<b>At 1 July 2021</b>	91,802 <sup>(*)</sup>	(991)	40,705	<b>131,516</b>
Total comprehensive loss for the year	-	-	(8,639)	<b>(8,639)</b>
Issue of new ordinary shares	21,560 <sup>(^)</sup>	-	-	<b>21,560</b>
Resale of treasury shares	-	7 <sup>(#)</sup>	-	<b>7</b>
<b>At 31 March 2022</b>	<b>113,362</b>	<b>(984)</b>	<b>32,066</b>	<b>144,444</b>

**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 THIRD QUARTER AND FPE 31 MARCH 2023

	Note	Current Quarter Ended 31.03.2023 RM'000	Preceding year corresponding quarter ended 31.03.2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss before tax for the financial period		(16,880)	(10,693)
Adjustments for:			
Property, plant and equipment			
- depreciation		6,363	5,701
- gains on disposal		(57)	(123)
- write off		4	7
- impairment loss		467	-
Right-of-use assets depreciation		71	71
Loss / (reversal) of allowance for impairment of trade receivables		24	(64)
Bad debt recovery		-	(1)
Amortisation of intangible assets		121	720
Finance costs		293	424
Interest income		-	(55)
Inventories – Allowance of slow moving		522	557
Provision		12	40
Unrealised loss / (gain) on foreign exchange		118	(27)
Fair value gain on derivative financial instruments		(379)	(53)
Operating loss before changes in working capital		<b>(9,321)</b>	<b>(3,496)</b>
Changes in working capital:			
Inventories		20,053	(2,439)
Trade and other receivables		12,351	29,641
Trade and other payables		(22,559)	(15,866)
Cash generated from operations		524	7,840
Income tax paid		(27)	(49)
Income tax refund		-	-
Net cash generated from/(used in) operating activities		<b>497</b>	<b>7,791</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	B6	(2,191)	(6,481)
Capitalisation of intangible assets		(33)	(35)
Proceeds from disposal of plant and equipment		136	124
Interest Income received		-	55
Net investing cash flow		<b>(2,088)</b>	<b>(6,337)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of shares under private placement		-	21,560
Resale of treasury shares		-	7
Repayment of hire-purchase creditor		(2,173)	(2,132)
Repayment of lease liability		(17)	(16)
Interest paid		(293)	(424)
Net cash from/(used in) financing activities		<b>(2,483)</b>	<b>18,995</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(4,074)</b>	<b>20,449</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		<b>53,035</b>	<b>16,784</b>



## SALUTICA BERHAD

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

### CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE THIRD QUARTER AND FPE 31 MARCH 2023

	Current Quarter Ended 31.03.2023 RM'000	Preceding year corresponding quarter ended 31.03.2022 RM'000
Effect of change in foreign currency exchange rates	(83)	44
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>48,878</b>	<b>37,277</b>
<b>Cash and cash equivalents comprise:</b>		
Short-term investment in an Islamic money market fund	42,151	29,788
Cash and bank balances	6,727	7,489
	<b>48,878</b>	<b>37,277</b>
Deposits with maturity more than 3 months	-	-
	<b>48,878</b>	<b>37,277</b>

**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 THIRD QUARTER ENDED 31 MARCH 2023

---

#### **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 THIRD QUARTER ENDED 31 MARCH 2023

---

#### **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 THIRD QUARTER ENDED 31 MARCH 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				9 months ended			
	31.03.2023		31.03.2022		31.03.2023		31.03.2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
America	4,934	42.0	14,400	66.8	21,384	43.6	66,184	70.4
Europe	4,260	36.2	1,523	7.1	12,772	26.0	12,885	13.7
Asia (excluding Malaysia)	1,400	11.9	1,939	9.0	9,902	20.2	6,076	6.5
Malaysia	751	6.4	3,188	14.8	4,009	8.2	4,919	5.2
Australia (including New Zealand and Oceania)	328	2.8	496	2.3	871	1.8	3,975	4.2
Africa (including Middle East)	88	0.7	2	^	91	0.2	9	^
<b>Total</b>	<b>11,761</b>	<b>100</b>	<b>21,548</b>	<b>100</b>	<b>49,029</b>	<b>100</b>	<b>94,048</b>	<b>100</b>

^ negligible

For FPE 31 March 2023 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 86% 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 THIRD QUARTER ENDED 31 MARCH 2023

---

#### 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>31.03.2023</b>
	<b>RM'000</b>
Contracted but not provided for	1,078

#### A15 Significant related party transactions

	<b>9 months</b>
	<b>ended</b>
	<b>31.03.2023</b>
	<b>RM'000</b>
Consultancy fee paid/payable	
- to a person connected with directors of the Company	<b>66</b>

**[- 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 THIRD QUARTER ENDED 31 MARCH 2023

---

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

##### **B1 Review of performance**

###### **(i) Revenue**

In the current third quarter, the Group recorded revenue of RM11.8 million against RM21.5 million generated in the corresponding quarter last year, a decline of RM9.7 million. This was mainly attributable to the drop in current running Truly Wireless System (“TWS”) headset models and cessation of production of the computer peripherals and embedded computing device.

For the 9-month period ended 31 March 2023, the Group recorded a total revenue of RM49.0 million compared to RM94.0 million in the corresponding period last year, a decrease of approximately 47.9% or RM45.0 million. The decrease was mainly due to the low order volume for TWS headsets and the cessation of production of computer peripherals.

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

In line with the declining revenue, the Group posted a current quarter LBT of approximately RM7.5 million, representing an increase in loss of approximately RM2.8 million compared to the corresponding quarter last year LBT of RM4.7 million.

For the current period under review, the Group recorded a LBT of RM16.9 million compared to RM10.7 million loss in the corresponding period last year, an increase loss of RM6.2 million.

The increase in LBT for the 9-month period ended 31 March 2023 was mainly attributed by the following:

- a) Low order volume from current running products;
- b) Higher line setup-costs due to non-optimisation of production line because of the low production volume;
- c) Inefficient absorption of fixed overheads due to low revenue;
- d) Increase in Imbalance Cost Pass-Through (“ICPT”) from RM0.037/kWh to RM0.20/kWh with effect from January 2023;
- e) Voluntary Separation Scheme (“VSS”) final payout of approximately RM0.5 million; and
- f) Impairment loss on property, plant & equipment (“PPE”) of approximately RM0.5 million.

The above costs were partially cushioned by the income received from government grant of approximately RM2.6 million in December 2022.

**[- 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 THIRD QUARTER ENDED 31 MARCH 2023

---

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

	Current Quarter 31.12.2022 RM'000	Preceding Quarter 31.12.2022 RM'000	Variance RM'000	%
Revenue	11,761	9,009	2,752	30.5%
LBT	(7,457)	(5,443)	(2,014)	37.0%

The Group's revenue for the current quarter ended 31 March 2023 has increased to RM11.8 million compared to RM9.0 million for the preceding quarter ended 31 December 2022 due to different product mix. However, LBT for the current quarter was higher at RM7.5mil compared to LBT of RM5.4 million for the preceding quarter. This was mainly attributed to the low order volume and the recognition of impairment loss of RM0.5mil for the current quarter. Furthermore, the government grant of RM2.6mil recognised in the preceding quarter had helped to cushion the loss.

#### B3 Prospects

The prolongation of the Russia-Ukraine conflict, rising inflation and interest rates, climate-related issues and the general macroeconomics and geopolitical uncertainties have affected consumer sentiments and demand pattern for non-essential items. Our customers continue to be cautious in their volume forecast. These had led the Group to embark on an aggressive pursuit for product and customer diversifications since early last year.

The Group is moving away from dependency on TWS headsets and other lifestyle electronic products which are relatively short in their product lifecycle. Hence, 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.

Sales for our own in-house brand FOBO tire pressure monitoring systems ("tpms") especially for bikes continues to grow. Efforts are on-going to secure more distributors to grow the tpms market.

The Board is mindful of the challenges ahead and will continue to exercise caution and take proactive steps to manage the Group's financial resilience.

#### B4 Variance between actual profit and forecast profit

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



## SALUTICA BERHAD

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

### NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2023

#### B5 Taxation

	3 months ended		9 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year	(1)	*	(1)	*
Prior year	-	-	-	-
	(1)	*	(1)	*
Deferred tax				
Current year	(1,768)	(931)	(4,601)	(2,054)
Prior year	-	-	-	-
	<b>(1,769)</b>	<b>(931)</b>	<b>(4,602)</b>	<b>(2,054)</b>

\* amount is less than RM500

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 THIRD QUARTER ENDED 31 MARCH 2023

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

As at **31 March 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	1,774	1,576	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>19,984</b>	<b>1,576</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 **31 March 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	2,175	368	2,543
Short term loan	4,000	-	4,000
	<u>6,175</u>	<u>368</u>	<u>6,543</u>
<b><u>Unsecured</u></b>			
Finance lease liability	23	83	106
	<u>6,198</u>	<u>451</u>	<u>6,649</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 THIRD QUARTER ENDED 31 MARCH 2023

---

#### B11 Derivative financial instruments

As at the date of the statement of financial position 31 March 2023, 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	223	2

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, 15 November 2022 and 11 May 2023. The respective parties have filed their expert report. During the case management on 11 May 2023, the Court has directed parties to file their respective expert reply reports by 25 May 2023. The parties are also directed to file their respective Convergence and Divergence report and witness statements by 9 June 2023. The Court has also fixed a final case management on 12 June 2023. No changes are made to the original trial dates fixed on 19 June 2023 to 22 June 2023 and 26 June 2023 to 28 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.



## SALUTICA BERHAD

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

### NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2023

#### 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		9 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Loss attributable to owners of the Company (RM'000)	(5,688)	(3,735)	(12,278)	(8,639)
Weighted average number of ordinary shares in issue ('000) <sup>(1)</sup>	423,500	423,500	423,500	416,754
Basic EPS (sen)	(1.34)	(0.88)	(2.90)	(2.07)

<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.

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

	3 months ended 31.03.2023 RM'000	9 months ended 31.03.2023 RM'000
Profit from operations for the period/year is arrived at after charging/(crediting):		
(Reversal) / provision of loss allowance for impairment of trade receivables	(11)	24
(Reversal) / provision for slow moving inventories	(53)	522
Write-off inventories	4,639	7,646
Claim made for obsolete materials	(4,682)	(8,548)
Property, plant & equipment:		
- Depreciation	2,111	6,363
- Gain on disposal	-	(57)
- Impairment loss	467	467
Right-of-use asset depreciation	24	71
Provision for warranty	7	12
Rental of hostels	40	148
Rental of machinery	-	808
Finance costs	93	293
Net foreign exchange (gains)/losses:		
- Realised	(66)	460
- Unrealised	241	118
Fair value gains on derivative financial instruments	(2)	(379)
Fair value gains on short term investments	(346)	(1,046)
Government grant income	-	(2,583)

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



## **SALUTICA BERHAD**

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

### **NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2023**

---

#### **B17 Authorisation for issue**

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 22 May 2023.