



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 second quarter and financial period ended (“FPE”) 31 DECEMBER 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND FPE 31 DECEMBER 2025

	Note	Current quarter 3 months ended		Cumulative 6 months ended	
		31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Revenue	A9	8,469	3,202	15,385	6,847
Loss from operations		(6,013)	(6,337)	(13,156)	(15,154)
Finance costs		(*)	(1)	(1)	(16)
Loss before taxation		(6,013)	(6,338)	(13,157)	(15,170)
Income tax credit	B5	30	-	60	-
Loss for the period / year	B1	(5,983)	(6,338)	(13,097)	(15,170)
Other comprehensive income, net of taxation		-	-	-	-
Transfer from revaluation reserve		96	-	191	-
Total comprehensive loss for the period / year		(5,887)	(6,338)	(12,906)	(15,170)
Loss for the period / year attributable to:					
Owners of the Company		(5,983)	(6,338)	(13,097)	(15,170)
Total comprehensive loss for the period / year attributable to:					
Owners of the Company		(5,887)	(6,338)	(12,906)	(15,170)
Loss per share Basic (Sen)	B15	(1.28)	(1.50)	(2.89)	(3.58)

* Amount is less than RM1,000

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 2025 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 DECEMBER 2025

	Note	As at 31.12.2025 RM'000 (Unaudited)	As at 30.6.2025 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	A10	38,852	40,698
Right-Of-Use Assets		8,869	8,947
Intangible assets		753	790
		48,474	50,435
Current assets			
Inventories		2,168	3,811
Trade and other receivables		5,377	3,326
Contract Assets		127	65
Current tax assets		8	761
Short term investment		5,745	11,445
Fixed deposit with licensed bank		20	20
Cash and bank balances		4,047	4,077
		17,492	23,505
Current liabilities			
Payables and accruals		9,495	9,866
Contract liabilities		869	2,160
Provision for warranties		46	56
Borrowings	B10	27	26
		10,437	12,108
NET CURRENT ASSETS		7,055	11,397
		55,529	61,832
EQUITY AND LIABILITIES			
Equity			
Share capital		120,425	113,557
Treasury shares		(984)	(984)
Reserves		(67,829)	(54,732)
Total equity attributable to owners of the Company		51,612	57,841
Non-controlling interests		-	-
TOTAL EQUITY		51,612	57,841
Non-current liabilities			
Deferred Tax Liability	B5	3,905	3,965
Borrowings	B10	12	26
		3,917	3,991
TOTAL EQUITY AND LIABILITIES		55,529	61,832
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		11.41	13.66

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 2025 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 SECOND QUARTER AND FPE 31 DECEMBER 2025

	<----- Attributable to owners of the Company ----->				
	<----- Non-distributable reserve ----->			<-- Distributable -->	
	Share capital and premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Retained Profit/(Loss) RM'000	RM'000
At 1 July 2025	113,557 ^(*)	(984)	12,557 ⁽⁺⁾	(67,289)	57,841
Loss for the year	-	-	-	(13,097)	(13,097)
Transfer of reserve	-	-	(191)	191	-
Total comprehensive loss for the year			(191)	(12,906)	(13,097)
Issue of new ordinary shares	6,868 ^(@)	-	-	-	6,868
At 31 December 2025	120,425	(984)	12,366	(80,195)	51,612
At 1 July 2024	113,362 ^(*)	(984)	-	(37,529)	74,849
Total comprehensive loss for the year	-	-	-	(15,170)	(15,170)
At 31 December 2024	113,362	(984)	-	(52,699)	59,679

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 2025 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. During the financial fourth quarter of 2025, the Company had issued 1,000,000 new ordinary shares for a consideration of RM195,000 pursuant to the private placement.

+ Revaluation surplus, net of tax, amounting to RM12,557,090 arising from the valuation of the Group's properties at 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak by an external property valuer on 16 December 2024.

@ During the FPE 30 September 2025, the Company had issued a further 41,350,000 new ordinary shares for a consideration of RM6,867,400. A cumulative total of 42,350,000 ordinary shares was placed out, with a total consideration of RM7,062,400, marking the completion of the private placement exercise. Further details are disclosed in Note B9 of this report.



SALUTICA BERHAD

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CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE SECOND QUARTER AND FPE 31 DECEMBER 2025

	Note	Current Quarter ended 31.12.2025 RM'000	Preceding year corresponding quarter ended 31.12.2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss before tax for the financial period		(13,157)	(15,170)
Adjustments for:			
Property, plant and equipment			
- depreciation		2,200	2,193
- gains on disposal		(1)	(16)
- write off		24	11
Right-of-use assets depreciation		78	47
Trade receivables			
Reversal of allowance for impairment of trade receivables		(50)	(438)
Amortisation of intangible assets		37	36
Finance costs		1	16
Interest income		(2)	*
Inventories – allowance / (reversal) of slow moving		276	(553)
Reversal of warranties		(8)	(43)
Unrealised loss on foreign exchange		23	377
Fair value gain on derivative financial instruments		-	-
Operating loss before changes in working capital		(10,579)	(13,540)
Changes in working capital:			
Inventories		1,367	586
Trade and other receivables		(2,280)	(300)
Trade and other payables		(658)	268
Cash generated from operations		(12,150)	(12,986)
Income tax paid		(4)	(7)
Income tax refund		758	3
Net cash generated from/(used in) operating activities		(11,396)	(12,990)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	B6	(1,119)	(1,210)
Capitalisation of intangible assets		-	-
Proceeds from disposal of property, plant and equipment		1	16
Interest Income received		2	*
Net investing cash flow		(1,116)	(1,194)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares under private placement		6,867	-
Repayment of hire-purchase creditor		-	(15)
Repayment of lease liability		(13)	(12)
Repayment of short term loan		-	(2,000)
Interest paid		(1)	(16)
Net cash from/(used in) financing activities		6,853	(2,043)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(5,659)	(16,227)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		15,542	36,167
Effect of change in foreign currency exchange rates		(71)	(3)



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CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE SECOND QUARTER AND FPE 31 DECEMBER 2025

	Current Quarter ended 31.12.2025 RM'000	Preceding year corresponding quarter ended 31.12.2024 RM'000
Note		
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9,812	19,937
Cash and cash equivalents comprise:		
Short-term investment in an Islamic money market fund	5,745	15,801
Fixed deposit with licensed banks	20	-
Cash and bank balances	4,047	4,136
	9,812	19,937
Deposits with maturity more than 3 months	-	-
	9,812	19,937

*Amount is less than RM10

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 2025 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2025

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 2025 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 2025.

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 2025.

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 2025 are as follows:

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

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.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2025

A2 Changes in accounting policies (cont'd)

New standards early adopted by the Group (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 2026

- Annual improvements to MFRS Accounting Standards – Volume 11
- Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments

Financial year beginning on 1 July 2027

- MFRS 18 Presentation and Disclosure in Financial Statements. MFRS101 shall be withdrawn on the application of MFRS 18.
- MFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures

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 2025 was not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's operation is dependent on the seasonal and cyclical trend of the consumer electronics and servers industries.

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 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.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2025

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 is 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, server for data processing center 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				6 months ended			
	31.12.2025		31.12.2024		31.12.2025		31.12.2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Americas	5,378	63.5	2,248	70.2	8,763	57.0	3,862	56.4
Asia (excluding Malaysia)	1,342	15.8	512	16.0	3,089	20.1	1,060	15.5
Europe	1,263	14.9	255	8.0	2,381	15.5	1,487	21.7
Malaysia	433	5.1	166	5.2	915	5.9	248	3.6
Australia (including New Zealand and Oceania)	40	0.5	20	0.6	223	1.4	189	2.8
Africa (including Middle East)	13	0.2	1	^	14	0.1	1	^
Total	8,469	100	3,202	100	15,385	100	6,847	100

A substantial part of the Group revenue was derived from the Americas region representing 57.0% of total revenue for the 6 months ended 31 December 2025, of which, approximately 98.1% of revenue was attributable to United States of America. The second highest was from the Asia region representing 20.1% of total revenue, with the Bhutan contributing approximately 76.3% to this region.

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2025

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 follow:

	As at
	31.12.2025
	RM'000
Contracted but not provided for	174

A15 Significant related party transactions

	6 months
	ended
	31.12.2025
	RM'000
Consultancy fee paid/payable	
- to a person connected with directors of the Company	133

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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2025

B1 Review of performance

(i) Revenue

For the current quarter ended 31 December 2025, the Group recorded revenue of approximately RM8.5 million compared to RM3.2 million in the corresponding quarter last year, representing an increase in revenue of approximately 166% or RM5.3 million. This increase was mainly contributed by high order volume for current running models.

For the 6-month period ended 31 December 2025, total revenue was RM15.4 million compared to RM6.8 million in the corresponding period last year, an increase of approximately 126% or RM8.6 million. The increase was mainly due to reason as explained above.

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

The increase in revenue had resulted in a lower loss for the current quarter. The Group posted LBT of approximately RM6.0 million for the current quarter under review compared to LBT of approximately RM6.3 million for the corresponding quarter last year, a decrease in loss of approximately 4.8% or RM0.3 million.

During the current quarter, the Group had embarked on a mutual separation scheme (“MSS”) exercise amounting to approximately RM1.5 million. The adjusted LBT would be RM4.5 million without the MSS.

For the current period under review, the Group recorded a LBT of RM13.2 million compared to RM15.2 million loss in the corresponding period last year, representing a decrease in loss of approximately 13.2% or RM2.0 million. The loss was mainly attributed to the different product mix and the MSS exercise as explained above. The adjusted LBT for the current 6-month period would be RM11.6 million without the MSS.

B2 Comment on material change in PBT / (LBT)

	Current Quarter 31.12.2025 RM'000	Preceding Quarter 30.09.2025 RM'000	Variance RM'000	%
Revenue	8,469	6,916	1,553	22.5%
LBT	(6,013)	(7,144)	1,131	-15.8%

The Group’s revenue for the current quarter ended 31 December 2025 had increased to RM8.5 million compared to RM6.9 million for the preceding quarter ended 30 September 2025. This was mainly contributed by higher order volume for current running products.

In tandem with the higher revenue, the LBT for the current quarter had decrease to approximately RM6.0 million compared to LBT of approximately RM7.1mil in the preceding quarter.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2025

B3 Prospects

The Board acknowledged the challenging financial condition the Group is experiencing in view of the fluctuations in customers' sales orders. The Group will continue its rigorous effort to secure more customers to improve its revenue and to optimize the absorption of factory overheads and efficient utilization of its manpower resources.

Premise on the above, the Board is mindful of the challenges to turnaround the Group in the short term. Continuous efforts are being intensified to streamline operations as seen in the MSS exercise embarked by the Group to optimize its resources utilization and urgency for its business development activities to secure more sales orders and customers/product range diversifications. The Board will continue to 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.

B5 Taxation

	3 months ended		6 months ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year	-	-	-	-
Prior year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax liability				
Current year	30	-	60	-
Prior year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	30	0	60	0

The current quarter deferred tax liability was calculated at Malaysia statutory tax rate of 24% on the revaluation surplus and recognized in the income statement over the remaining useful life of the Group's revalued properties at 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2025

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 private placement exercise

As at 31 December 2025, the status of the utilisation of proceeds from the private placement exercise which was completed on 11 September 2025, amounting to RM7.0624 million 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)
Capital Expenditure ⁽¹⁾	5,000.0	573.7	4,426.3	Within 12 months
Working Capital Requirements ⁽²⁾	1,862.4	1,523.5	338.9	Within 12 months
Estimated expenses in relation to the private placement	200.0	175.8	24.2	Upon completion of the private placement
Total	7,062.4	2,273.0	4,789.4	

Note:

- (1) Capital expenditure to support new customers and new product range.
- (2) Working capital requirements for purchase of raw materials, upkeep & maintenance including general overheads and administrative expenses.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 31 DECEMBER 2025

B10 Borrowings and debt securities

The Group's borrowings as at **31 December 2025** are as follows:

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
<u>Unsecured</u>			
Finance lease liability	27	12	39

Finance lease liability is denominated in Ringgit Malaysia.

B11 Derivative financial instruments

As at the date of the statement of financial position 31 December 2025, the Group does 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. The Group attempts to limit the foreign currency exchange risk by having a natural hedge between its receivables and a portion of its payables and may also enter into foreign currency exchange contracts.

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.

On 5 February 2024, Solicitors for both the Plaintiff and the Defendant have attended 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 heard together with the Plaintiff's appeal against the granting of the protective order (Appeal No: W-02(IM)(IPCv)-2057-12/23). Upon hearing both parties, the Court of Appeal has allowed the Defendant's appeal with cost and disallowed the Plaintiff's appeal with cost. The Plaintiff has then filed for a change of its solicitors and is now represented by Messrs LindaWang Su and Boo.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 31 DECEMBER 2025

B13 Material litigation (cont'd)

(i) Legal suit against Apple Malaysia Sdn. Bhd. (cont'd)

Solicitors for the parties have attended trial for the suit on 11 to 14 March 2024 and 18 to 22 March 2024. The trial continued on 1 April 2024 to 3 April 2024. The original date scheduled for parties to provide oral submissions on 23 August 2024 and the decision date on 2 October 2024 has been postponed as parties have been given an extended period to provide their written submissions in reply by 11 September 2024. The Court has on 23 August 2024 fixed 28 November 2024 for oral submissions and 17 January 2025 for its decision.

The Court in delivering its decision has dismissed the Plaintiff's claim and allowed the Defendant's counterclaim with cost of RM1.2 million to be paid by the Plaintiff. Solicitors for the Plaintiff on 27 January 2025 had filed a notice of appeal to the Court of Appeal and on 4 February 2025 a notice of application to stay the judgement against the decision of the High Court handed down on 17 January 2025.

The hearing of the appeal against the High Court decision handed down on 17 January 2025 has been fixed at the Court of Appeal on 26 June 2026. The parties are required to file their respective core bundles, written submissions and bundle of authorities on or before 8 June 2026.

(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.

The appointed panel arbitrators are as follows: -

- a) Datuk Vernon Ong Lam Kiat (as the Presiding Arbitrator)
- b) Loshini Ramarmuty
- c) Lim Hock Siang

Solicitors for the parties attended case management before the tribunal on 30 May 2024. The tribunal has given trial directions for the matter and has fixed the matter for hearing on 16 June 2025 to 20 June 2025. The original hearing date from 16 June 2025 to 20 June 2025 has been rescheduled to a new date which is from 23 September 2025 to 26 September 2025 and was completed. Parties have filed their respective main submissions on 6 February 2026 and to file their respective replies by 24 February 2026 which was extended to 10 March 2026.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2025

B13 Material litigation (cont'd)

(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.

On 16 April 2024, the Court has set security for cost at SGD70,000.00 that the Plaintiff (being a foreign entity to the suit) is to provide via a solicitor’s undertaking. This is to be provided by the Plaintiff 14 days after the determination of the Defendant’s striking out application. Solicitors for the parties attended the hearing of the Defendant’s striking out application on 3 May 2024. After the said hearing, the Court has adjourned the matter to 7 June 2024.

Solicitors for the parties have attended the hearing of the Defendant's striking out application on 4 July 2024. The Assistant Registrar of the Court has allowed the Defendant's application to strike out the Plaintiff claim. Nevertheless, the striking out is without prejudice to recommencing the action.

The Plaintiff has then on 30 September 2024 re-filed its Statement of Claim with the Particulars of Infringement both dated 30 September 2024.

On 4 February 2025, the High Court of Singapore has ordered both parties to exchange the list of documents for discovery by 18 March 2025 and to provide their respective list of witness by 1 April 2025.

The High Court of Singapore has fixed the next case conference date on 30 September 2025 pending the exchange of documents. Subsequently the Court has fixed a hearing for the Defendant’s confidentiality order application on 9 January 2026 which has been postponed as the Court suggest for parties to reach an agreement on the confidentiality order and parties will update the Court on the disputed items by 13 February 2026 for the Court to decide which has now been fixed for hearing on 30 March 2026.

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.

B14 Proposed dividend

The Directors do not recommend any payment of dividend in respect of the current quarter.



SALUTICA BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2025

B15 Earnings per Share (“EPS”)

BASIC EPS	3 months ended		6 months ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Loss attributable to owners of the Company (RM'000)	(5,983)	(6,338)	(13,097)	(15,170)
Weighted average number of ordinary shares in issue ('000) ⁽¹⁾	465,850	423,500	452,466	423,500
Basic EPS (sen)	(1.28)	(1.50)	(2.89)	(3.58)

⁽¹⁾ 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 31.12.2025 RM'000	6 months ended 31.12.2025 RM'000
Profit from operations for the period/year is arrived at after charging/(crediting):		
(Reversal) / loss allowance for impairment of trade receivables	(55)	(50)
Bad debts written off	-	-
Allowance for slow moving inventories	276	276
Write-off inventories	34	52
Claim made for obsolete materials	(145)	(168)
Property, plant & equipment:		
- Depreciation	1,071	2,200
- (Gain) / loss on disposal	(1)	23
Right-of-use asset depreciation	39	78
(Reversal of) / provision for warranties	(5)	(8)
Rental of hostels	21	44
Rental of equipment / machinery	817	1,087
Finance costs	*	1
Interest income	(1)	(2)
Net foreign exchange (gains)/losses:		
- Realised	20	19
- Unrealised	73	23
Fair value (gains) / losses on derivative financial instruments	-	-
Fair value gains on short term investments	(78)	(170)

* amount is less than RM1,000

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



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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 31 DECEMBER 2025

B17 Authorisation for issue

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 27 February 2026.

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