

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the next course of action to take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has prescribed this Share-Buy Back Statement ("**Statement**") as an Exempt Circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities and has not perused the contents of this Statement prior to its issuance. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.



SALUTICA BERHAD

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

SHARE BUY-BACK STATEMENT

IN RELATION TO THE

**PROPOSED SHARE BUY-BACK OF UP TO 10% OF THE TOTAL NO. OF ISSUED
SHARES OF THE COMPANY**

("PROPOSED SHARE BUY-BACK")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of the Extraordinary General Meeting (EGM) of Salutica Berhad ("**Salutica**" or the "**Company**") which is scheduled to be held at the Company's place of business at No. 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak Darul Ridzuan on Friday, 13 July 2018 at 10.00 a.m., or at any adjournment thereof, together with the Form of Proxy are enclosed herein.

A member entitled to attend, speak and vote at the EGM may not appoint more than one (1) proxy to attend, speak and vote on his/her behalf. In such event, the Form of Proxy should be completed and deposited at the Company's share registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty eight (48) hours before the time stipulated for holding the EGM, as indicated below, or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	: Wednesday, 11 July 2018 at 10.00 a.m.
Date and time of the EGM	: Friday, 13 July 2018 at 10.00 a.m.
Location of the EGM	: Salutica Berhad, No. 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak Darul Ridzuan

This Statement is dated 27 June 2018

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:-

“Act”	: Companies Act 2016
“AGM”	: Annual general meeting
“Board”	: Our Board of Directors of Salutica
“BOE”	: Blue Ocean Enlightenment Sdn Bhd (Company No. 1143309-D)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Company No: 635998-W)
“Code”	: Malaysian Code on Take-Overs and Mergers 2016
“Directors”	: The directors of Salutica and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007
“EGM”	: Extraordinary general meeting
“EPS”	: Earnings per Share
“FPE”	: Financial period(s) ended/ending, as the case may be
“FYE”	: Financial year(s) ended/ending, as the case may be
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 11 June 2018, being the latest practicable date prior to the printing and despatch of this Statement
“Minister”	: Minister charged with the responsibilities for companies, currently the Minister of Domestic Trade, Co-operatives and Consumerism, Malaysia
“NA”	: Net assets
“Prevailing Laws”	: Prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities
“Proposed Share Buy-Back”	: Proposed share buy-back by our Company to purchase its own shares of up to 10% of our issued share capital
“Salutica Share(s)” or our “Share(s)”	: Ordinary share(s) of Salutica
“Salutica” or our “Company”	: Salutica Berhad (Company No. 1024781-T)
“Salutica Group” or our “Group”	: Salutica and its subsidiary, collectively

DEFINITIONS (CONT'D)

“Purchased Share(s)”	:	Share(s) of our Company purchased under the Proposed Share Buy-Back
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Rules”	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions
“Statement”	:	This share buy-back statement dated 27 June 2018 in relation to the Proposed Share Buy-Back
“VWAP”	:	Volume weighted average market price

All reference to “**our Company**” or “**Salutica**” in this Statement are to **Salutica Berhad**. The reference to “**our Group**” is to our Company and our subsidiaries, and all references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where to context requires otherwise, shall include our subsidiaries. All references to “**you**” or “**your**” in this Statement are to our shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

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NOTICE OF EGM**Enclosed****PROXY FORM****Enclosed**



SALUTICA BERHAD

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

Registered Office:

41, Jalan Medan Ipoh 6
Bandar Baru Medan Ipoh
31400 Ipoh, Perak

27 June 2018

Board of Directors

Chia Chee Hoong	(Chairman/Independent Non-Executive Director)
Lim Chong Shyh	(Managing Director/Chief Executive Officer)
Chan Shook Ling	(Executive Director/Chief Financial Officer)
Joshua Lim Phan Yih	(Non-Independent Non-Executive Director)
Low Teng Lum	(Senior Independent Non-Executive Director)
Leow Chan Khiang	(Independent Non-Executive Director)

To: Our shareholders

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK

1. INTRODUCTION

On 18 June 2018, our Board announced our Company's intention to seek your approval for the Proposed Share Buy-Back at our Company's EGM to be convened on 13 July 2018.

THE PURPOSE OF THIS STATEMENT IS TO PROVIDE OUR SHAREHOLDERS WITH THE RELEVANT DETAILS AND INFORMATION PERTAINING TO THE PROPOSED SHARE BUY-BACK, TOGETHER WITH THE RECOMMENDATION OF OUR BOARD AND TO SEEK THE APPROVAL FROM OUR SHAREHOLDERS ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF OUR FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED HEREIN, WHICH HAS BEEN DESPATCHED TOGETHER WITH THIS STATEMENT.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT OUR FORTHCOMING EGM.

2. PROPOSED SHARE BUY-BACK

Our Board proposes to seek your approval for the authority for our Company to purchase up to 10% of our Company's issued share capital at any point in time, subject to Section 127 of the Act, Subdivision 3 of Division 1 of Part III of the Act, Chapter 12 of the Listing Requirements, the Code and the Prevailing Laws at the time of purchase.

The purchases of our Shares under the Proposed Share Buy-Back will be carried out through Bursa Securities via stockbroker(s) appointed by our Board.

2.1 Quantum

The maximum aggregate number of Salutica Shares, which may be purchased by our Company, shall not exceed 10% of the total issued share capital of our Company at any point in time.

As at the LPD, our total issued share capital is RM38,800,000.00 comprising 388,000,000 Salutica Shares. Pursuant thereto, the maximum aggregate number of Salutica Shares that may be purchased under the Proposed Share Buy-Back is up to 38,800,000 Salutica Shares, representing up to 10% of its issued share capital.

The actual number of Salutica Shares to be purchased will depend on, amongst others, market conditions and sentiments, as well as the retained earnings and financial resources of our Company at the time of the purchase(s).

2.2 Funding

The Proposed Share Buy-Back may be funded through internally-generated funds and/or external borrowings as long as the purchase is backed by an equivalent amount of retained profits of our Company, subject to compliance with the Prevailing Laws. As at the LPD, we have not determined the source of funding for the Proposed Share Buy-Back.

The actual amount of funds to be utilised for the Proposed Share Buy-Back will only be determined later depending on the actual number of Salutica Shares to be purchased, the availability of funds at the time of purchase(s) and other relevant cost factors.

The Proposed Share Buy-Back, if funded through internally-generated funds, is not expected to have a material impact on the cash flow position of our Company. In the event the Proposed Share Buy-Back is to be financed by bank borrowings, our Company will ensure our capabilities of repaying such borrowings and that such repayment will not have a material effect on our cash flow. In addition, our Board will ensure that our Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Share Buy-Back.

The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the retained profits of our Company. Based on the Company's latest audited consolidated financial statements for the FYE 30 June 2017 and the latest unaudited financial statements for the 9-month FPE 31 March 2018, the audited retained profits of our Company are approximately RM1.6 million and RM3.5 million.

2.3 Duration

The authority from our shareholders to undertake the Proposed Share Buy-Back, if granted, will be effective immediately after obtaining our shareholders' approval at our forthcoming EGM and will continue to be in force until:-

- (a) the conclusion of the next AGM of Salutica following the general meeting at which the ordinary resolution for the Proposed Share Buy-Back is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of our Company at a general meeting,

whichever occurs first.

Your approval for the Proposed Share Buy-Back does not impose an obligation on our Company to purchase our Shares. However, it will allow our Board to exercise the power of our Company to purchase our Shares at any time within the abovementioned time period.

2.4 Purchase price

Pursuant to Rule 12.17 of the Listing Requirements, our Company may only purchase our Shares on Bursa Securities at a price which is not more than 15% above the 5-day VWAP of Salutica Shares immediately before the date of the purchase(s).

2.5 Treatment of Purchased Shares

In accordance with Section 127(4) of the Act, where our Company has purchased our Shares, our Directors may deal with the Purchased Shares, at their discretion, in the following manner:-

- (a) cancel the Purchased Shares; or
- (b) retain the Purchased Shares as treasury shares; or
- (c) retain part of the Purchased Shares as treasury shares and cancel the remainder.

Accordingly, based on Section 127(7) of the Act, where such Purchased Shares are held as treasury shares, our Directors may, at their discretion:

- (a) distribute the Purchased Shares as dividends to our shareholders, such dividends to be known as "shares dividends"; or
- (b) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities; or
- (c) transfer the Purchased Shares or any of the Purchased Shares for the purposes of or under an employees' share scheme; or
- (d) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration; or
- (e) cancel the Purchased Shares or any of the Purchased Shares; or

- (f) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister may by order prescribe.

If the Purchased Shares are held as treasury shares, the rights attaching to them as to voting, dividends and participation in other distributions or otherwise, will be suspended and the treasury shares will not be taken into account in calculating the number of percentage of Shares, or of a class of shares in our Company for any purpose including substantial shareholdings, take-overs, notices, requisitioning of meetings, quorum for a meeting and result of a vote on resolution(s) at a meeting.

According to Rule 12.18 of the Listing Requirements, our Company may only resell or transfer any treasury shares on Bursa Securities at:-

- (a) a price which is not less than the 5-day VWAP of Salutica Shares immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the 5-day VWAP of Salutica Shares immediately before the date of the resale or transfer provided that:-
 - (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the Salutica Shares being resold or transferred.

An immediate announcement will be made to Bursa Securities in respect of the intention of our Directors to either resell the Purchased Shares or cancel them.

2.6 Public shareholding spread

The Proposed Share Buy-Back will be carried out in accordance with the Prevailing Laws at the time of the purchase including compliance with the 25% shareholding spread requirements as set out under Rule 8.02(1) of the Listing Requirements.

Based on the Record of Depositors of our Company as at the LPD, the public shareholding spread of Salutica stood at 131,526,891 Salutica Shares representing approximately 33.9% in the hands of 2,100 public shareholders holding not less than 100 Salutica Shares each.

Our Company will ensure that the Proposed Share Buy-Back will not breach Rule 12.14 of the Listing Requirements, which states that a listed company must not purchase its own shares on Bursa Securities if that purchase(s) will result in the listed company being in breach of the public shareholding spread requirements as set out under Rule 8.02(1) of the Listing Requirements.

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2.7 Implication of the Code

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory offer under the Code by any of our Company's substantial shareholders or persons acting in concert with them, our Board will ensure that only such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Proposed Share Buy-Back would not result in the triggering of any mandatory offer obligation on the part of our Company's substantial shareholders and/or persons acting in concert with them. In this connection, our Board is mindful of the requirements of the Listing Requirements, the Code and the Prevailing Laws when making any purchase of our Shares pursuant to the Proposed Share Buy-Back.

In the event the Proposed Share Buy-Back is implemented in full, the proforma effects of the Proposed Share Buy-Back on the shareholdings of the substantial shareholders and Directors of Salutica as at the LPD are illustrated in **Section 5.5** of this Statement. Based on **Section 5.5** of this Statement, the Proposed Share Buy-Back will not trigger a mandatory offer for the remaining Shares not held by the BOE and its parties acting in concert.

2.8 Historical share prices

The monthly highest and lowest traded prices of Salutica Shares on Bursa Securities for the past 12 months up to May 2018 are as follows:-

	High RM	Low RM
2017		
June	1.627	1.496
July	1.575	1.397
August	1.486	1.250
September	1.384	1.240
October	1.512	1.295
November	1.562	1.364
December	1.450	1.251
2018		
January	1.420	1.082
February	1.132	0.774
March	0.840	0.650
April	0.670	0.535
May	0.620	0.455
Last transacted market price on LPD		0.56

(Source: Bloomberg)

2.9 Previous purchases, resale and cancellation of treasury shares

Our Company does not have an existing authority to purchase our Shares. Hence, our Company does not currently hold any treasury shares and have not purchased, resold and/or cancelled any Shares during the last 12 months preceding the LPD.

3. RATIONALE OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, will enable Salutica to utilise our surplus financial resources, which is not immediately required for other uses, to purchase our own Shares from the market. The Proposed Share Buy-Back is expected to stabilise the supply and demand, as well as the price of Salutica Shares.

If the Salutica Shares purchased are subsequently cancelled, the Proposed Share Buy-Back will result in a lower number of Shares being used for the purposes of computing EPS and thereby enhance the EPS of our Group. Consequently, long-term investors are expected to enjoy a corresponding increase in the value of their investments in our Company.

The Purchased Shares can also be held as treasury shares and resold on Bursa Securities at a higher price therefore realising a potential gain without affecting our total issued share capital. Should any treasury shares be distributed as share dividends, this would serve to reward you as shareholders of our Company.

The Proposed Share Buy-Back is not expected to have any potential material disadvantage to our Company and our shareholders, and it will be implemented only after due consideration of the financial resources of our Group, and of the resultant impact on our shareholders. Our Board will be mindful of the interests of Salutica and our shareholders in undertaking the Proposed Share Buy-Back.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The potential advantages of the Proposed Share Buy-Back to our Company and our shareholders are as follows:-

- (a) allows our Company to take preventive measures against speculation particularly when our shares are undervalued, which would in turn, stabilise the market price of Salutica Shares and hence, enhance investors' confidence;
- (b) allows our Company flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;
- (c) if the Purchased Shares which are retained as treasury shares are resold at a higher price, it will provide our Company with opportunities for potential gains; and
- (d) if the treasury shares are distributed as share dividends by our Company, it may then serve to reward the shareholders of our Company.

The potential disadvantages of the Proposed Share Buy-Back to our Company and our shareholders are as follows:-

- (a) the Proposed Share Buy-Back will reduce the financial resources of our Group and may result in our Group foregoing other investment opportunities that may emerge in the future; and
- (b) as the Proposed Share Buy-Back can only be made out of retained earnings of our Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back on the issued share capital, NA and working capital, earnings and EPS, dividend and substantial shareholders' and Directors' shareholdings of our Company are set out below.

5.1 Issued share capital

The effect of the Proposed Share Buy-Back on our issued share capital will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

In the event that all Purchased Shares are retained as treasury shares, resold, or distributed to our shareholders, the Proposed Share-Buy-Back will have no effect on our issued share capital.

Based on the issued share capital of our Company as at the LPD, and assuming that the maximum number of Salutica Shares (of up to 10% of the issued share capital) authorised under the Proposed Share Buy-Back are purchased and cancelled, the effects of the Proposed Share Buy Back are set out below:-

	No. of Shares
As at the LPD	388,000,000
<i>Less: Maximum number of Shares that may be purchased and cancelled pursuant to the Proposed Share Buy-Back</i>	<i>(38,800,000)</i>
Resultant number of Shares in issue	349,200,000

5.2 NA and working capital

The effect of the Proposed Share Buy-Back on the NA of our Group will depend on the actual number of Salutica Shares purchased, the prices paid for such Salutica Shares, the effective funding cost to our Group to finance the purchase of such Salutica Shares, if any, or any loss in interest income to Salutica, and whether the Purchased Shares are cancelled or retained as treasury shares.

In the event that all Purchased Shares are retained as treasury shares, the NA of our Group would decrease by the purchase cost of the treasury shares because the treasury shares are required to be carried at cost and be offset against equity. If the treasury shares are subsequently cancelled or distributed as share dividends, there will be no additional effect on the NA of our Group.

The Purchased Shares that are retained as treasury shares and/or cancelled and/or distributed as share dividends will reduce our NA per Share if the purchase price of such Shares exceeds our NA per Share, and *vice versa*. If the treasury shares are resold on Bursa Securities, the NA of our Group would increase if our Company realises a gain from the resale, and *vice versa*.

The Proposed Share Buy-Back will reduce funds available for working capital of our Company and our Group, the quantum of which will depend on, amongst others, the number of Salutica Shares purchased, the purchase price(s) of Salutica Shares and any costs incurred in making the purchase.

5.3 Earnings and EPS

Depending on the number of Salutica Shares purchased, the prices paid for such Shares, our effective funding cost to finance the purchase of such Shares, or any loss in interest income to Salutica or opportunity cost in relation to other investment

opportunities, the Proposed Share Buy-Back may increase or reduce the EPS of our Group.

Assuming that our Shares so purchased are retained as treasury shares and subsequently resold, the extent of the effects on the earnings of our Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or the interest savings arising from the exercise.

If the Salutica Shares so purchased are cancelled, the Proposed Share Buy-Back will increase the EPS of our Group provided the income forgone and interest expense incurred on the Shares purchased are less than the EPS before the share purchase.

5.4 Dividends

The Proposed Share Buy-Back is not expected to have any impact on the policy of our Board in recommending dividends, if any, to our shareholders. However, as stated in **Section 2.5** of this Statement, our Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Share Buy-Back.

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5.5 Substantial shareholders' and Directors' shareholdings

For illustration purposes only, based on the Record of Depositors of our Company as at the LPD and assuming the purchase by our Company of our Shares pursuant to the Proposed Share Buy-Back is carried out in full on the basis that all the Shares are purchased from shareholders other than the existing substantial shareholders and Directors of our Company, the effect of such purchase on the shareholdings of the existing substantial shareholders and Directors of our Company are as follows:-

	Shareholdings as at the LPD				Proforma I			
	Direct		Indirect		After the Proposed Share Buy-Back		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Substantial shareholders								
Blue Ocean Enlightenment Sdn. Bhd. ("BOE")	214,500,000	55.28	-	-	214,500,000	61.43	-	-
Genius Thinkers Sdn. Bhd. ("GT")	24,240,000	6.25	-	-	24,240,000	6.94	-	-
Lim Chong Shyh	-	-	238,740,000 ¹	61.53	-	-	238,740,000 ¹	68.37
Joshua Lim Phan Yih	-	-	238,740,000 ¹	61.53	-	-	238,740,000 ¹	68.37
Joel Lim Phan Hong	-	-	214,500,000 ²	55.28	-	-	214,500,000 ²	61.43
Directors								
Chia Chee Hoong	700,000	0.18	-	-	700,000	0.20	-	-
Low Teng Lum	700,000	0.18	30,000 ³	0.01	700,000	0.20	30,000 ³	0.01
Leow Chan Khiang	700,000	0.18	-	-	700,000	0.20	-	-
Chan Shook Ling	6,100,000	1.57	-	-	6,100,000	1.75	-	-
Lim Chong Shyh	-	-	238,740,000 ¹	61.53	-	-	238,740,000 ¹	68.37
Joshua Lim Phan Yih	-	-	238,740,000 ¹	61.53	-	-	238,740,000 ¹	68.37

Notes:-

1. Deemed interested by virtue of shareholdings in BOE and GT pursuant to Section 8 of the Companies Act, 2016.
2. Deemed interested by virtue of shareholdings in BOE pursuant to Section 8 of the Companies Act, 2016.
3. Deemed interested by virtue of the shares held by his spouse in the Company.

6. APPROVALS REQUIRED/OBTAINED

The Proposed Share Buy-Back is subject to and conditional upon your approval at our forthcoming EGM.

The Proposed Share Buy-Back is not conditional upon any other proposal undertaken or to be undertaken by our Company.

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Share Buy-Back as set out in **Section 5.5** of this Statement, none of the Directors, major shareholders of Salutica, and/or persons connected to them, has any interest, whether directly or indirectly, in the Proposed Share Buy-Back.

8. DIRECTORS' RECOMMENDATION

Our Board, after due deliberation and having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of our Company and recommends that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back to be tabled at our forthcoming EGM.

9. EGM

Our Company's EGM, the notice of which is enclosed in this Share Buy-Back Statement, will be held at the Company's place of business at No. 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak Darul Ridzuan on Friday, 13 July 2018 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolution so as to give effect to the Proposed Share Buy-Back, an extract of which is enclosed with this Statement.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy enclosed in accordance with the instructions contained herein, to be deposited at the Share Registrar's Office, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty eight (48) hours before the time stipulated for holding the EGM. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the EGM, should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are advised to refer to **Appendix I** of this Statement for further information.

Yours faithfully,
For and on behalf of our Board
SALUTICA BERHAD

LIM CHONG SHYH
Managing Director/Chief Executive Officer

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by our Board and they collectively and individually, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents available for inspection at our registered office at 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak, during normal business hours from Monday to Friday (except public holidays) from the date of this Statement up to and including the date of our forthcoming EGM:-

- (a) the Constitution of Salutica; and
- (b) Audited consolidated financial statements of Salutica Group for the past 2 financial years up to FYE 30 June 2017 and the latest unaudited consolidated financial statements of Salutica Group for the 9-month financial period ended 31 March 2018.



SALUTICA BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Salutica Berhad ("Salutica" or the "Company") will be held at the Company's place of business at No. 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak Darul Ridzuan on Friday, 13 July 2018 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolution:-

ORDINARY RESOLUTION

PROPOSED AUTHORITY FOR SALUTICA BERHAD TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED SHARE BUY-BACK")

"THAT subject to the provisions of the Companies Act 2016 ("**Act**"), the provisions of the Memorandum and Articles of Association/Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all prevailing laws, rules, regulations, orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company ("**Directors**"), to the extent permitted by law, to purchase such number of ordinary shares in the Company ("**Shares**") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that:-

- (i) the maximum aggregate number of Shares purchased or held by the Company pursuant to this resolution shall not exceed 10% of the issued share capital of the Company at any point in time;
- (ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its Shares shall not exceed the amount of the retained profits of the Company at the time of purchase; and
- (iii) the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until:-
 - (a) the conclusion of the next annual general meeting of the Company at which time the authority will lapse unless the authority is renewed by a resolution passed at that meeting, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
 - (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company, whichever occurs first;

THAT the Directors be and are hereby authorised to deal with the Shares so purchased, at their discretion, in the following manner:-

- (i) cancel the Shares so purchased;

- (ii) retain the Shares so purchased as treasury shares; or
- (iii) retain part of the Shares so purchased as treasury shares and cancel the remainder of the Shares;

THAT where such Shares are held as treasury shares, the Directors be and are hereby authorised to deal with the treasury shares in their absolute discretion, in the following manner:-

- (i) distribute the Shares as dividends to shareholders, such dividends to be known as “shares dividends”;
- (ii) resell the Shares or any of the Shares in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the Shares or any of the Shares for the purposes of or under an employees’ share scheme;
- (iv) transfer the Shares or any of the Shares as purchase consideration;
- (v) cancel the Shares or any of the Shares; or
- (vi) sell, transfer or otherwise use the Shares for such other purposes as the Minister charged with the responsibilities for companies, currently the Minister of Domestic Trade, Co-operatives and Consumerism, Malaysia may by order prescribe;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps as necessary or expedient (including opening and maintaining a Central Depository System account) and to enter into and execute, on behalf of the Company, any instrument, agreement and/or arrangement with any person, and with full power to assent to any condition, modification, variation and/or amendment as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as the Directors may deem fit, necessary and expedient in the best interest of the Company in order to implement, finalise and give full effect to the purchase by the Company of its Shares.”

BY ORDER OF THE BOARD
CHAN CHEE KHEONG (MAICSA 0810287)
CHAN SHOOK LING (MIA 17167)
Company Secretaries

Ipoh
27 June 2018

NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company.
2. A member of the Company who is entitled to attend and vote at a meeting of the Company may not appoint more than one (1) proxy to attend, speak and vote instead of the member at the meeting.
3. A member of the Company, who is an authorised nominee as defined under Securities Industry (Central Depositories) Act 1991, may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be executed by the appointor or any person duly authorised by the appointor or, if the appointor is a corporation, executed by a duly authorised person or under its common seal or in any other manner authorised by its constitution, shall be deposited at the Share Registrar's Office, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 5 July 2018. Only a Member whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, speak and vote on his/her behalf. The resolution set out in the Notice of the Meeting is to be voted by poll.
8. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



FORM OF PROXY

Number of Shares Held	
CDS Account Number	

I/We, _____ Tel: _____
 (Full name, NRIC No./Company No. and telephone no.)

of _____
 (Address)

being a Member of **SALUTICA BERHAD**, hereby appoint _____

(Full name, NRIC No./Company No.)

of _____
 (Address)

or failing him/her, the Chairman of the Meeting as my/our proxy, to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of Salutica Berhad (“Salutica” or the “Company”), to be held at the Company’s place of business at No. 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak Darul Ridzuan on Friday, 13 July 2018 at 10.00 a.m. or at any adjournment thereof.

Please indicate with a cross (“x”) in the space provided whether you wish your votes to be cast for or against the Resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

RESOLUTION	FOR	AGAINST
Ordinary Resolution – Proposed Authority to the Company to Purchase Its Own Shares of Up To Ten Percent (10%) of Its Total Number of Issued Shares		

Dated this _____ day of _____ 2018

 Signature(s)/Common Seal of Member

Notes:-

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company.
- (ii) A member of the Company who is entitled to attend and vote at a meeting of the Company may not appoint more than one (1) proxy to attend, speak and vote instead of the member at the meeting.
- (iii) A member of the Company, who is an authorised nominee as defined under Securities Industry (Central Depositories) Act 1991, may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (v) Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (vi) The instrument appointing a proxy shall be executed by the appointor or any person duly authorised by the appointor or, if the appointor is a corporation, executed by a duly authorised person or under its common seal or in any other manner authorised by its constitution, shall be deposited at the Share Registrar’s Office, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.
- (vii) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 5 July 2018. Only a Member whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, speak and vote on his/her behalf. The resolution set out in the Notice of the Meeting is to be voted by poll.
- (viii) By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Please fold across the line and close



**Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd**

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Please fold across the line and close