

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Statement prior to its issuance as it is an exempt document pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. 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

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

**STATEMENT TO SHAREHOLDERS
IN RELATION TO THE**

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The resolution of the above proposal will be tabled as Special Business at the Eleventh Annual General Meeting (“11th AGM”) of Salutica Berhad (“Salutica” or the “Company”), which will be conducted fully virtual through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC:D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia on **Friday, 24 November 2023 at 10.30 a.m.** using the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>.

This Statement is available at www.salutica.com together with, amongst others, the Annual Report 2023, Notice of 11th AGM, Form of Proxy and the Administrative Guide for 11th AGM. **Please read the Notes in the Notice of 11th AGM carefully and follow the procedures in the Administrative Guide for 11th AGM in order to participate remotely via RPV.**

If you are unable to participate at this 11th AGM, you may appoint a proxy(ies) to do so on your behalf by completing, signing and depositing the Form of Proxy in accordance with the instruction contained therein. Alternatively, you may appoint the Chairman of the meeting as your proxy and indicate your voting instruction in the Form of Proxy.

The completed Form of Proxy must be deposited at the Company’s Share Registrar’s office at 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 or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no later than 48 hours before the time for holding the 11th AGM, which is no later than **Wednesday, 22 November 2023 at 10.30 a.m.** or any adjournment thereof. You may also submit the proxy appointment electronically via TIIH Online website at <https://tiih.online> not later than the aforementioned time.

DEFINITIONS

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

“Act”	:	The Malaysian Companies Act 2016, as amended from time to time and include any re-enactment thereof
“AGM”	:	Annual General Meeting
“Annual Report 2023”	:	Annual Report of Salutica for the financial year ended 30 June 2023
“Board”	:	The Board of Directors of Salutica
“BOE”	:	Blue Ocean Enlightenment Sdn Bhd (Registration No. 201501017977 (1143309-D))
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Code”	:	The Malaysian Code on Take-Overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisitions, including any amendment that may be made from time to time
“Directors”	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
“EPS”	:	Earnings per Share
“FYE”	:	Financial year(s) ended/ending, as the case may be
“Listing Requirements”	:	Bursa Securities Main Market Listing Requirements and any amendments made thereto from time to time
“LPD”	:	29 September 2023, being the latest practicable date prior to the printing of this Statement
“Market Day(s)”	:	A day on which the stock market of Bursa Securities is open for the trading of securities, which may include a Surprise Holiday For the purpose of this definition, “surprise holiday” means a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
“NA”	:	Net assets
“Proposed Share Buy-Back”	:	Proposed purchase of up to ten per centum (10%) of Salutica’s total number of issued shares
“Proposed Renewal of Share Buy-Back Authority”	:	Proposed renewal of shareholders’ mandate for the authority to the Company to purchase its own shares up to ten per centum (10%) of its total number of issued shares
“Purchased Shares”	:	Shares to be purchased by the Company pursuant to the Proposed Share Buy-Back

DEFINITIONS

“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Salutica Share(s)” or “Share(s)”	:	Ordinary share(s) in Salutica
“Salutica” or “the Company”	:	Salutica Berhad (Registration No. 201201040303 (1024781-T))
“Salutica Group” or “Group”	:	Salutica and its subsidiary, collectively
“SC”	:	Securities Commission Malaysia
“Statement”	:	Statement to Shareholders dated 26 October 2023 in relation to the Proposed Renewal of Share Buy-Back Authority
“Substantial Shareholder”	:	Has the meaning given in Section 136 of the Act
“Treasury Shares”	:	Purchased Shares which are or will be retained in treasury by the Company and shall have the meaning given under Section 127(4)(b) of the Act

All reference to “**you**” or “**your**” in this Statement are to Salutica’s shareholders.

Unless specifically referred to, words denoting the singular shall include the plural and vice versa. And words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References 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 stated.

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SALUTICA BERHAD

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

Registered Office:

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

26 October 2023

Board of Directors:

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

To: The Shareholders of Salutica

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

On 16 October 2023, the Board announced to Bursa Securities that the Company intends to seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 11th AGM.

The purpose of this Statement is to provide you with information in relation to the Proposed Renewal of Share Buy-Back Authority and to seek your approval on the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM of the Company.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

At the last AGM held on 25 November 2022, the Company had obtained the approval from the shareholders to purchase up to ten percent (10%) of the total number of issued shares of the Company and the aforesaid approval will expire at the conclusion of the 11th AGM of the Company unless mandate for share buy-back is renewed or expiration of the period within which the AGM of the Company is required by the law to be held, whichever occur first.

The Board proposes to seek shareholders' approval for the renewal of authority for the Company to purchase up to ten percent (10%) of the Company's total number of issued shares 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 any prevailing laws at the time of purchase.

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

2.1 Quantum

The maximum aggregate number of Shares, which may be purchased by the Company, shall not exceed 10% of the total number of issued shares of the Company at any point in time pursuant to Paragraph 12.09 of the Listing Requirements.

As at the LPD, the maximum number of Salutica Shares that can be purchased and/or held by the Company will be as follows:

	<u>No. of Shares</u>
Total number of issued shares of Salutica (including 3,000,000 Treasury Shares)	426,500,000
10% of the total number of issued shares	42,650,000
Less: Total number of treasury shares held by Salutica	(3,000,000)
Maximum number of shares which may be purchased in respect of the Proposed Share Buy-Back	<hr/> 39,650,000 <hr/>

The actual number of Salutica Shares to be purchased by the Company and the total amount of funds involved for each purchase(s) and the time of the purchase(s) will depend on inter alia, the market conditions and sentiments of the stock market, the availability of financial resources of the Company and the availability of the retained profits of the Company.

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 the Company from time to time.

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 the Company. In the event the Proposed Share Buy-Back is to be financed by bank borrowings, the Board will ensure that the Company has the capability to repay such borrowings and that such repayment will not have a material impact on the cash flow of the Company. In addition, the Board will ensure that the Company satisfies the solvency test as stated on Section 112(2) of the Act before execution of the Proposed Share Buy-Back.

The actual number of Salutica Shares to be purchased by the Company and the total amount of funds involved for each purchase(s) and the time of the purchase(s) will depend on *inter alia*, the market conditions and sentiments of the stock market, the availability of financial resources of the Company and the availability of the retained profits of the Company. The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate balance standing in the retained profits of the Company.

Based on the Company's latest audited financial statements for the FYE 30 June 2023, the retained profits of the Company was RM6.8 million.

2.3 Duration

The authority from the Shareholders to undertake the Proposed Share Buy-Back, if granted, will be effective immediately after obtaining your approval at the forthcoming 11th AGM and will continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the 11th AGM at which the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority was passed, at which time it will lapse unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

2.4 Purchase price

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

2.5 Treatment of Purchased Shares

In accordance with Section 127(4) of the Act, the Board may deal with the Purchased Shares, at their discretion, in the following manner:-

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

Pursuant to Section 127(7) of the Act, where such Purchased Shares are held as Treasury Shares, the Directors may, at their discretion:-

- (a) distribute all or part of the Treasury Shares as dividends to the shareholders, such dividends to be known as "shares dividends"; or
- (b) resell the Treasury Shares or any of the Treasury Shares in accordance with the relevant rules of Bursa Securities; or
- (c) transfer the Treasury Shares or any of the Treasury Shares for the purposes of or under an employees' share scheme; or
- (d) transfer the Treasury Shares or any of the Treasury Shares as purchase consideration; or
- (e) cancel the Treasury Shares or any of the Treasury Shares; or
- (f) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe.

If the Purchased Shares are held as Treasury Shares, the holder of Treasury Shares shall not confer the right to attend or vote at meeting and any purported exercise of such rights is void and the right to receive dividends or other distribution, whether cash or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company.

While the Purchased Shares are held as Treasury Shares, the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purpose including, without limiting the generality of Section 127(9) of the Act, the provisions of any law or requirements of the Company's constitution or the Listing Requirements on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

Accordingly to Paragraph 12.18 of the Listing Requirements, the Company may only resell or transfer any Treasury Shares on Bursa Securities at:-

- (a) a price which is not less than 5-day weighted average market price for the shares immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the 5-day weighted average market price for the 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 Shares being resold or transferred.

As at the date of this Statement, the Board has yet to make any decision with regards to the treatment of the Shares so purchased in the future. An immediate announcement will be made to Bursa Securities upon each purchase, cancellation, resale and/or transfer of Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

Where the Directors resolve to cancel the Shares so purchased or cancel any treasury shares, the number of the Company's issued shares be diminished by the cancellation of the Shares so cancelled. It is pertinent to note that the cancellation of Shares made pursuant to Section 127(15) of the Act shall not be deemed to be a reduction in share capital.

2.6 Public shareholding spread

The public shareholding spread of the Company as at the LPD and the resulting public shareholding spread of the Company, assuming the Company implements the Proposed Share Buy-Back in full, are as follows:-

	As at the LPD [@]	After the Proposed Share Buy-Back [#]
Public Shareholding Spread	37.80	28.51

Notes:

[@] Computation of Public Shareholding Spread is based on total issued shares of Salutica excludes 3,000,000 Shares held by Salutica as Treasury Shares.

[#] Based on the assumption that the maximum number of Shares bought back by Salutica is up to 10% of the total number of issued shares of the Company.

The Board is mindful of the requirement to maintain the public shareholding spread of at least twenty-five percent (25%) of the total number of issued shares of the Company (excluding Treasury Shares) pursuant to Paragraph 8.02(1) of the Listing Requirements and will continue to be mindful of such requirement when making any purchase of Salutica Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

2.7 Implication of the Code

Based on the Register of Substantial Shareholders of the Company as at the LPD, BOE and its parties acting in concert, collectively hold more than 50% of the issued share capital of the Company. As such, the Proposed Renewal Share Buy-Back Authority is not expected to have any implication pursuant to the Code.

2.8 Historical share prices

The monthly highest and lowest traded prices of Salutica Shares on Bursa Securities for the past 12 months from October 2022 to September 2023 are as follows:-

	High (RM)	Low (RM)
2022		
October	0.290	0.260
November	0.285	0.235
December	0.280	0.255
2023		
January	0.300	0.250
February	0.335	0.240
March	0.375	0.240
April	1.650	0.395
May	0.950	0.625
June	0.890	0.595
July	0.745	0.585
August	0.700	0.505
September	0.560	0.505
Last transacted market price of Salutica Shares on LPD before printing this Statement		0.515

(Source: Bloomberg)

2.9 Previous purchases, resale and cancellation of treasury shares

The total treasury shares held by the Company currently stands at 3,000,000 shares. The Company has not made any purchase, resale, transfer and/or cancellation of its treasury shares in the preceding 12 months.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if exercised is expected to potentially benefit the Company and its shareholders as follows:-

- i. The Proposed Share Buy-Back, if implemented, will allow the Company to utilise its financial resources which is not immediately required for other uses, to purchase Salutica Shares. If the Shares purchased are held as Treasury Shares or cancelled immediately, this may strengthen the consolidated EPS of the Group;
- ii. If the Shares bought back are kept as Treasury Shares, the Proposed Share Buy-Back will give the Directors an option to sell the Shares so purchased at a higher price than the purchase prices and therefore make a potential capital gain for the Company and such proceeds may be subsequently used for investment opportunities arising in the future, working capital and/or distribution as dividends to shareholders; and
- iii. The Company may be able to stabilise the supply and demand of its Shares in the open market of Bursa Securities and reduce the short-term volatility of Salutica Share prices. The stability of Salutica Share prices is important to maintain investors' confidence in order to facilitate future fund-raising exercises of the Company via the equity market.

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

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

- (a) to allow the Company to take preventive measures against trading speculation particularly when the shares are undervalued, which would in turn, stabilise the market price of Salutica Shares and hence, enhance investors' confidence;
- (b) to enable the 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 than the purchase price, it will provide the Company with opportunities for potential gains; and
- (d) if the Treasury Shares are distributed as share dividends by the Company, it may then serve to reward the shareholders of the Company.

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

- (a) the Proposed Share Buy-Back will reduce the financial resources of the Group and may result in the Group foregoing other investment opportunities that may emerge in the future;
- (b) as the Proposed Share Buy-Back must be backed by an equivalent amount of retained profits of the Company, the amount of retained profits available for distribution as dividends to our shareholders may decrease accordingly; and
- (c) if the Company decides to utilise bank borrowings to finance the Proposed Share Buy-Back, the cash flow of the Company may be affected to the extent of the interest costs associated with such borrowings.

The Proposed Share Buy-Back, however, is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be exercised only after in-depth consideration of the financial resources of Salutica which need to be balanced against investment opportunities and other proposals that can enhance the value to its shareholders. The Board, in exercising any decision in implementing the Proposed Renewal, will be mindful of the interest of the Company and its shareholders.

5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

The financial effects of the Proposed Share Buy-Back are set out below.

5.1 Issued Shares

The effect of the Proposed Share Buy-Back on the total number of issued shares 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 the shareholders, the Proposed Share Buy-Back will have no effect on the total number of issued shares of the Company.

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

	Number of Shares
Total number of issued shares as at the LPD	426,500,000
<i>Less: Treasury shares as at the LPD</i>	<i>(3,000,000)</i>
<i>Less: Maximum number of Salutica Shares that may be purchased and cancelled pursuant to the Proposed Renewal</i>	<i>(39,650,000)</i>
Resultant issued shares capital after cancellation of Salutica Shares purchased under the Proposed Renewal	383,850,000

5.2 NA and working capital

The effect of the Proposed Share Buy-Back on the NA of the Group will depend on the actual number of Shares purchased, the purchase prices of Shares purchased, the effective cost of funding and the treatment of the Shares purchased.

The Proposed Share Buy-Back will reduce the NA per Share if the purchase price is more than the NA per Share at the time of purchase. On the contrary, the NA per Share will increase if the purchase price is less than the NA per Share at the time of purchase.

The Proposed Share Buy-Back, as and when implemented, will result in an outflow of cash and thereby reduce funds available for working capital of the Company and the Group. The quantum of reduction in working capital is dependent on, amongst others, the number of Salutica Shares purchased, the purchase price(s) of Salutica Shares and any costs incurred in making the purchase.

However, for Salutica Shares so purchased and kept as Treasury Shares, upon its resale at a higher selling price than the initial purchase price, the working capital and the cash flow of Salutica Group will increase. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

5.3 Earnings and EPS

The effects of the Proposed Share Buy-Back on the EPS of the Group are dependent on the number and the purchase prices of the Purchased Shares, the effective cost of funding and/or the interest income forgone in connection with the funding of such Purchased Shares.

If the Salutica Shares so purchased are retained as Treasury Shares or cancelled subsequently, the number of Shares applied in the computation of the EPS will be reduced and this may improve the EPS of the Group.

5.4 Dividends

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

5.5 Substantial shareholders' and Directors' shareholdings

For illustration purposes only, based on the Register of Substantial Shareholders and Register of Directors' Shareholdings of the Company as at the LPD and assuming the purchase by the Company of its Shares pursuant to the Proposed Renewal of Share Buy-Back Authority 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 the Company, the proforma effects of the Proposed Share Buy-Back on the shareholdings of the existing substantial shareholders and Directors of the Company are as follows:-

	Shareholdings as at LPD [@]				After the Proposed Share Buy-Back [#]			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
<u>Substantial shareholders</u>								
BOE	214,500,000	50.65	-	-	214,500,000	55.88	-	-
Lim Chong Shyh	-	-	214,500,000 ¹	50.65	-	-	214,500,000 ¹	55.88
Joshua Lim Phan Yih	-	-	214,500,000 ¹	50.65	-	-	214,500,000 ¹	55.88
Joel Lim Phan Hong	-	-	214,500,000 ¹	50.65	-	-	214,500,000 ¹	55.88
Cheong Siew Chyuan	19,369,300	4.57	16,130,700 ²	3.81	19,369,300	5.05	16,130,700	4.20
<u>Directors</u>								
Chia Chee Hoong	300,000	0.07	-	-	300,000	0.08	-	-
Low Teng Lum	100,000	0.02	-	-	100,000	0.03	-	-
Leow Chan Khiang	-	-	-	-	-	-	-	-
Chan Shook Ling	6,100,000	1.44	-	-	6,100,000	1.59	-	-
Lim Chong Shyh	-	-	214,500,000 ¹	50.65	-	-	214,500,000 ¹	55.88
Joshua Lim Phan Yih	-	-	214,500,000 ¹	50.65	-	-	214,500,000 ¹	55.88
Joel Lim Phan Yih	-	-	214,500,000 ¹	50.65	-	-	214,500,000 ¹	55.88

Notes:-

[@] Computation of percentage of shareholdings is based on the total issued shares of Salutica excludes 3,000,000 Shares held by Salutica as Treasury Shares.

[#] Based on the assumption that the maximum number of Shares bought back by Salutica is 10% of the total number of issued shares of the Company.

1. Deemed interested by virtue of shareholdings in BOE pursuant to Section 8 of the Companies Act, 2016 (the "Act").

2. Deemed interested by virtue of the shares held by his spouse pursuant to Section 8 of the Act.

6. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of the shareholders of Salutica at the forthcoming 11th AGM to be convened. Save for the approval of the shareholders of Salutica, there is no other approvals required for the Proposed Renewal of Share Buy-Back Authority.

7. INTEREST OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO 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, substantial shareholders of Salutica, and/or persons connected to them, has any interest, whether directly or indirectly, in the Proposed Share Buy-Back.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal is in the best interest of our Company. Accordingly, the Board recommends that the Shareholders of Salutica vote in favour of the ordinary resolution in relation thereto to be tabled at the 11th AGM.

9. AGM

The resolution in respect of the Proposed Renewal of Share Buy-Back Authority will be tabled at the forthcoming 11th AGM. This Statement is available at www.salutica.com together with, the Annual Report 2023, Notice of 11th AGM, Form of Proxy and the Administrative Guide for 11th AGM.

The 11th AGM of the Company will be conducted fully virtual through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC:D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia on Friday, 24 November 2023 at 10.30 a.m., using Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>, for the purpose of considering and if thought fit, passing with or without modifications, the ordinary resolution on the Proposed Renewal of Share Buy-Back Authority, under the agenda of Special Business.

Please read the Notes in the Notice of 11th AGM carefully and follow the procedures in the Administrative Guide for 11th AGM in order to participate remotely via RPV.

If you are unable to participate in this 11th AGM, you may appoint a proxy(ies) to do so on your behalf by completing, signing and depositing the Form of Proxy in accordance with the instructions contained therein. Alternatively, you may appoint the Chairman of the meeting as your proxy and indicate your voting instruction in the Form of Proxy.

The completed Form of Proxy must be deposited at the Company's Share Registrar's office at 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 or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for convening the 11th AGM, which is no later than **Wednesday, 22 November 2023 at 10.30 a.m.** or any adjournment thereof. You may also submit the proxy appointment electronically via TIIH Online at <https://tiih.online> before the proxy appointment cut off time as mentioned above. For further information on electronic lodgement of Form of Proxy, please refer to Administrative Guide for 11th AGM.

10. FURTHER INFORMATION

Shareholders are requested to refer to **Appendix I** for further information.

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

JOSHUA LIM PHAN YIH
Managing Director/ Chief Executive Officer

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Directors and they collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein 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 the AGM:-

- a. the Constitution of Salutica; and
- b. Audited consolidated financial statements of Salutica for the past two (2) FYE 30 June 2022 and 2023.

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