

**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 the contents of this Statement prior to its issuance as it is an exempt document pursuant to Paragraph 2.1 of the 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 Ninth Annual General Meeting (“9<sup>th</sup> 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 **Thursday, 25 November 2021 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>.

Shareholders will not be allowed to attend the 9<sup>th</sup> AGM in person on the day of the meeting.

This Statement is available at [www.salutica.com](http://www.salutica.com) together with, amongst others, the Annual Report 2021, Notice of 9<sup>th</sup> AGM, Proxy Form and the Administrative Guide for 9<sup>th</sup> AGM. **Please read the Notes in the Notice of 9<sup>th</sup> AGM carefully and follow the procedures in the Administrative Guide for 9<sup>th</sup> AGM in order to participate remotely via RPV.**

If you are unable to participate at this 9<sup>th</sup> AGM, you may appoint a proxy(ies) to do so on your behalf by completing, signing and depositing the Proxy Form 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 Proxy Form.

The completed Proxy Form 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 9<sup>th</sup> AGM, which is no later than **Tuesday, 23 November 2021 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.

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## DEFINITIONS

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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 2021”	:	Annual Report of Salutica for the financial year ended 30 June 2021
“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, as amended from time to time and include any re-enactment thereof
“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”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	1 October 2021, 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
“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 Share(s)”	:	Shares to be purchased by the Company pursuant to the Proposed Share Buy-Back
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Salutica Share(s)” or “Share(s)”	:	Ordinary share(s) in Salutica

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**DEFINITIONS**

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“Salutica” or “the Company”	:	Salutica Berhad (Registration No. 201201040303 (1024781-T))
“Salutica Group” or “the Group”	:	Salutica and its subsidiary, collectively
“SC”	:	Securities Commission Malaysia
“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
“VWAP”	:	Volume weighted average market price

All reference to “**you**” 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

27 October 2021

### **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	(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 Berhad**

**Dear Sir/Madam,**

### **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

#### **1. INTRODUCTION**

At the 8<sup>th</sup> AGM of the Company held on 23 November 2020, the Company had obtained the approval from the shareholders for renewal of authority to the Company to purchase its own shares of up to 10% of its total number of issued shares. The said approval shall lapse at the conclusion of the forthcoming 9<sup>th</sup> AGM, unless the approval for its renewal is obtained from the shareholders at the forthcoming 9<sup>th</sup> AGM.

On 15 October 2021, the Board announced that the Company proposed to seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 9<sup>th</sup> 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.**

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

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.

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 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 the Company. In the event the Proposed Share Buy-Back is to be financed by bank borrowings, the Company will ensure our capabilities of repaying such borrowings and that such repayment will not have a material effect on the cash flow. In addition, the Board will ensure that the Company satisfies the solvency test as specified 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 from time to time. Based on the Company's latest audited consolidated financial statements for the FYE 30 June 2021, the audited retained profits of the Company is approximately RM7.9 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 9<sup>th</sup> AGM and will continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is 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 is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

### **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, where the Company has purchased the Shares, the Directors 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 Minister charged for 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 VWAP for the shares immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the 5-day VWAP 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

As at LPD, the public shareholding spread of the Company was 45.61%. The Proposed Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with 25% public shareholding spread as required under Paragraph 8.02(1) of the Listing Requirements.

The Board will be mindful of the public shareholding spread requirement before making any purchase of its own Shares.

## 2.7 Implication of the Code

Based on the Register of Substantial Shareholders of the Company as at the LPD, Blue Ocean Enlightenment Sdn. Bhd. 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 2020 to September 2021 are as follows:-

	<b>High (RM)</b>	<b>Low (RM)</b>
<b>2020</b>		
October	0.500	0.400
November	0.470	0.395
December	0.460	0.405
<b>2021</b>		
January	0.690	0.415
February	0.750	0.565
March	0.620	0.515
April	0.660	0.550
May	0.595	0.500
June	0.625	0.490
July	0.600	0.465
August	0.765	0.575
September	0.725	0.590
Last transacted market price on LPD		RM0.65

*(Source : Bloomberg)*

## 2.9 Previous purchases, resale and cancellation of treasury shares

Pursuant to the existing authority, the Company had during the financial year ended 30 June 2021 up to the LPD, resold a total of 10,000 Salutica Treasury Shares in the open market (details as set out below):

<b>Date</b>	<b>Number of Salutica Shares Resale</b>	<b>Resale price per share (RM)</b>	<b>Total consideration (RM)</b>
11 August 2021	10,000	0.7100	7,100.00

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

### **3. RATIONALE OF 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>
<b>Resultant issued shares capital after cancellation of Salutica Shares purchased under the Proposed Renewal</b>	<b>383,850,000</b>

### 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.

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## 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 the LPD <sup>@</sup>			After the Proposed Share Buy-Back <sup>#</sup>		
	Direct		Indirect	Direct		Indirect
	Number of Shares	%	Number of Shares	%	Number of Shares	%
<b>Substantial shareholders</b>						
Blue Ocean Enlightenment Sdn. Bhd. ("BOE")	214,500,000	50.65	-	-	214,500,000	55.88
Lim Chong Shyh	-	-	214,500,000 <sup>1</sup>	50.65	-	214,500,000 <sup>1</sup>
Joshua Lim Phan Yih	-	-	214,500,000 <sup>1</sup>	50.65	-	214,500,000 <sup>1</sup>
Joel Lim Phan Hong	-	-	214,500,000 <sup>1</sup>	50.65	-	214,500,000 <sup>1</sup>
<b>Directors</b>						
Chia Chee Hoong	1,200,000	0.28	-	-	1,200,000	0.31
Low Teng Lum	700,000	0.17	30,000 <sup>2</sup>	0.01	700,000	0.18
Leow Chan Khiang	700,000	0.17	-	-	700,000	0.18
Chan Shook Ling	6,100,000	1.44	-	-	6,100,000	1.59
Lim Chong Shyh	-	-	214,500,000 <sup>1</sup>	50.65	-	214,500,000 <sup>1</sup>
Joshua Lim Phan Yih	-	-	214,500,000 <sup>1</sup>	50.65	-	214,500,000 <sup>1</sup>
Joel Lim Phan Yih	-	-	214,500,000 <sup>1</sup>	50.65	-	214,500,000 <sup>1</sup>

Notes:-

<sup>@</sup> 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.

<sup>#</sup> 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.

2. Deemed interested by virtue of the shares held by his spouse in the Company.

## 6. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of the shareholders of Salutica at the forthcoming 9<sup>th</sup> AGM.

## 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 9<sup>th</sup> AGM.

## 9. AGM

The resolution in respect of the Proposed Renewal of Share Buy-Back Authority will be tabled at the forthcoming 9<sup>th</sup> AGM. This Statement is available at [www.salutica.com](http://www.salutica.com) together with, the Annual Report 2021, Notice of 9<sup>th</sup> AGM, Proxy Form and the Administrative Guide for 9<sup>th</sup> AGM.

The 9<sup>th</sup> 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 Thursday, 25 November 2021 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.

Shareholders **will not be allowed** to attend this 9<sup>th</sup> AGM in person on the day of the meeting.

**Please read the Notes in the Notice of 9<sup>th</sup> AGM carefully and follow the procedures in the Administrative Guide for 9<sup>th</sup> AGM in order to participate remotely via RPV.**

If you are unable to participate in this 9<sup>th</sup> AGM, you may appoint a proxy(ies) to do so on your behalf by completing, signing and depositing the Proxy Form 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 Proxy Form.

The completed Proxy Form 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 9<sup>th</sup> AGM, which is no later than **Tuesday, 23 November 2021 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 Proxy Form, please refer to Administrative Guide for 9<sup>th</sup> 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 2020 and 2021.

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